



THOMAS J. VILSACK
GOVERNOR

OFFICE OF THE GOVERNOR

SALLY J. PEDERSON
LT. GOVERNOR

June 1, 2006

The Honorable Chester Culver
Secretary of State
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit:

House File 2764, an Act authorizing a school district to share its portion of incremental property taxes with a contiguous school district.

The above House File is hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Vilsack", written over a horizontal line.

Thomas J. Vilsack
Governor

TJV:jmc

cc: Secretary of the Senate
Chief Clerk of the House





HOUSE FILE 2764

AN ACT

AUTHORIZING A SCHOOL DISTRICT TO SHARE ITS PORTION OF
INCREMENTAL PROPERTY TAXES WITH A CONTIGUOUS SCHOOL
DISTRICT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 279.63 TAX-SHARING AGREEMENTS.

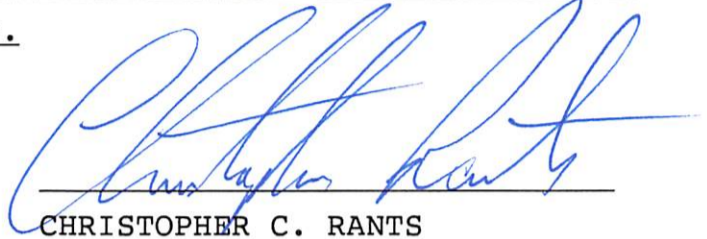
A school district may enter into an agreement under chapter 28E with a contiguous school district for the purpose of sharing all or a percentage of school district taxes collected from that portion of valuation described in section 403.19, subsection 2, that is released by the municipality to the school district.

Sec. 2. Section 403.19, subsection 2, Code 2005, is amended to read as follows:

2. That portion of the taxes each year in excess of such amount shall be allocated to and when collected be paid into a special fund of the municipality to pay the principal of and interest on loans, moneys advanced to, or indebtedness, whether funded, refunded, assumed, or otherwise, including

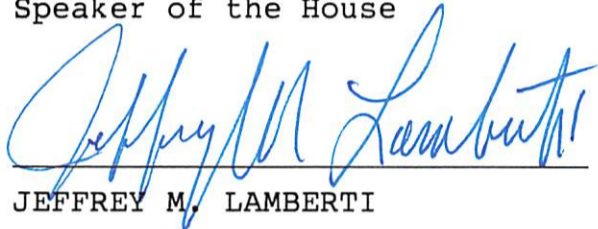
bonds issued under the authority of section 403.9, subsection 1, incurred by the municipality to finance or refinance, in whole or in part, an urban renewal project within the area, and to provide assistance for low and moderate income family housing as provided in section 403.22, except that taxes for the regular and voter-approved physical plant and equipment levy of a school district imposed pursuant to section 298.2 and taxes for the payment of bonds and interest of each taxing district must be collected against all taxable property within the taxing district without limitation by the provisions of this subsection. However, all or a portion of the taxes for the physical plant and equipment levy shall be paid by the school district to the municipality if the auditor certifies to the school district by July 1 the amount of such levy that is necessary to pay the principal and interest on bonds issued by the municipality to finance an urban renewal project, which bonds were issued before July 1, 2001. Indebtedness incurred to refund bonds issued prior to July 1, 2001, shall not be included in the certification. Such school district shall pay over the amount certified by November 1 and May 1 of the fiscal year following certification to the school district. Unless and until the total assessed valuation of the taxable property in an urban renewal area exceeds the total assessed value of the taxable property in such area as shown by the last equalized assessment roll referred to in subsection 1, all of the taxes levied and collected upon the taxable property in the urban renewal area shall be paid into the funds for the respective taxing districts as taxes by or for the taxing districts in the same manner as all other property taxes. When such loans, advances, indebtedness, and bonds, if any, and interest thereon, have been paid, all moneys thereafter received from taxes upon the taxable property in such urban renewal area shall be paid into the funds for the respective taxing districts in the same manner as taxes on all other property. In those instances where a school district has entered into an agreement pursuant to section 279.63 for sharing of school district taxes levied and collected from valuation described in this subsection and released to the

school district, the school district shall transfer the taxes as provided in the agreement.



CHRISTOPHER C. RANTS

Speaker of the House



JEFFREY M. LAMBERTI

President of the Senate

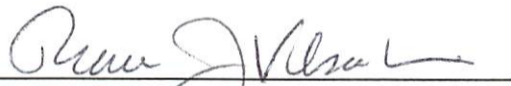
I hereby certify that this bill originated in the House and is known as House File 2764, Eighty-first General Assembly.



MARGARET THOMSON

Chief Clerk of the House

Approved June 1, 2006



THOMAS J. VILSACK

Governor