

Reprinted 5/3/83

Ho. Pass 4/25

APR 21 1983  
FINANCE

HOUSE FILE 631

BY COMMITTEE ON WAYS AND MEANS

(Formerly House File 421)

Passed House, Date 4-29-83 (p. 1678) Passed Senate, Date 5-11-83  
Vote: Ayes 72 Nays 16 Vote: Ayes 48 Nays 0  
Approved May 31, 1983

### A BILL FOR

1 An Act relating to property tax exemptions in an urban  
2 revitalization area.

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

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HF 631

1 Section 1. Section 404.2, subsection 2, paragraphs f and  
2 h, Code 1983, are amended to read as follows:

3 f. A statement specifying whether the revitalization is  
4 applicable to none, some, or all of the property assessed  
5 as residential, agricultural, commercial or industrial property  
6 within the designated area or a combination thereof and whether  
7 the revitalization is for rehabilitation and additions to  
8 existing buildings or new construction or both. The city  
9 shall state how long it is estimated that the area shall  
10 remain a designated revitalization area which time shall be  
11 longer than one year from the date of designation and shall  
12 state any plan by the city to issue revenue bonds for  
13 revitalization projects within the area.

14 h. Any tax exemption schedule that shall be used in lieu  
15 of the schedule set out in section 404.3, subsection 1, 2,  
16 3 or 4. This schedule shall not allow a greater exemption,  
17 but may allow a smaller exemption, than allowed in the schedule  
18 specified in the corresponding subsection of section 404.3  
19 ~~and shall be the same schedule used for all property of the~~  
20 ~~same classification located in an existing revitalisation~~  
21 ~~area.~~

22 Sec. 2. Section 404.3, subsection 4, Code 1983, is amended  
23 to read as follows:

24 4. All qualified real estate assessed as residential  
25 property or assessed as commercial property, consisting if  
26 the commercial property consists of three or more separate  
27 living quarters with at least seventy-five percent of the  
28 space used for residential purposes, is eligible to receive  
29 a one hundred percent exemption from taxation on the actual  
30 value added by the improvements. The exemption is for a  
31 period of ten years.

32 Sec. 3. The amendment to section 404.3, subsection 4,  
33 for property assessed as residential property provided in  
34 section 2 of this Act is effective for areas designated  
35 revitalization areas on or after the effective date of this

1 Act and shall apply to an area which is a revitalization area  
2 on the effective date of this Act. Owners of qualified real  
3 estate assessed as residential property located in an area  
4 which is a revitalization area on the effective date of this  
5 Act may elect the exemption provided by the amendment to  
6 section 404.3, subsection 4 in section 2 of this Act only  
7 if the owner has not previously made an election for exemption  
8 for the qualified real estate in the revitalization area.  
9 A city shall not have to amend its schedule of exemptions  
10 or its plan in order for such owner to elect the exemption  
11 provided by the amendment to section 404.3, subsection 4,  
12 for property assessed as residential property in this Act.

13 Sec. 4. This Act, being deemed of immediate importance,  
14 takes effect from and after its publication in The Hudson  
15 Herald, a newspaper published in Hudson, Iowa, and in The  
16 Council Bluffs Nonpareil, a newspaper published in Council  
17 Bluffs, Iowa.

18 EXPLANATION

19 The bill allows residential property located in a  
20 revitalization area to receive the property tax exemption  
21 of one hundred percent of the actual value added by  
22 improvements for a period of ten years. Present law only  
23 allows this exemption of one hundred percent for ten years  
24 for property assessed as commercial property which has three  
25 or more separate living quarters with at least three-fourths  
26 of the space used for residential purposes, i.e. apartment  
27 buildings. This amendment to present law is not only  
28 applicable to areas designated revitalization areas on or  
29 after the effective date but also to those areas which are  
30 revitalization areas on the effective date of this bill.

31 The bill also allows a city to grant tax exemptions to  
32 none, some, or all of the property in a tax classification.  
33 Present law requires that all property within a tax  
34 classification be allowed to qualify for a tax exemption.

35 The bill takes effect upon publication.

HOUSE FILE 631

H-3900

1 Amend House File 631 as follows:

2 1. Page 1, line 8, by inserting after the word  
3 "both." the words "If revitalization is made applicable  
4 only to some property within an assessment  
5 classification, the definition of that subset of  
6 eligible property must be by uniform criteria which  
7 further some planning objective identified in the  
8 plan."

9 2. Page 2, by inserting after line 12 the  
10 following:

11 "Sec. \_\_\_\_ . Section 1 of this Act applies to a  
12 revitalization area on the effective date of this  
13 Act where the plan is consistent with its provisions  
14 or is amended to be consistent with its provisions  
15 and applies to areas designated revitalization areas  
16 on or after the effective date of this Act."

17 3. Page 2, line 16, by striking the words "Council  
18 Bluffs" and inserting in lieu thereof the word "Daily".

19 4. By numbering and renumbering as necessary.

BY GRONSTAL of Pottawattamie  
CHIODO of Polk

H-3900 FILED APRIL 28, 1983

*Adopted 4/29/83 (p 1676)*

HOUSE FILE 631

H-3914

1 Amend House File 631 as follows:

2 1. Page 2, by inserting after line 12 the  
3 following:

4 "Sec. \_\_\_\_ . Sections 1 and 2 of this Act apply  
5 only to property located in an area of a revitalization  
6 area which is zoned commercial by the jurisdiction  
7 that made the original designation of the area as  
8 an urban revitalization area."

H-3914 FILED APRIL 28, 1983

BY SCHNEKLOTH of Scott

*Loose 4/29/83 (p 1678)*

MAY 11, 1983

HOUSE FILE 631  
FISCAL NOTE

REQUESTED BY SENATOR RODGERS

In compliance with a written request there is hereby submitted a Fiscal Note for House File 631 pursuant to Joint Rule 17.

House File 631 allows residential property located in a revitalization area to receive the property tax exemption of 100 percent of the actual value added by improvements for a period of ten years. Present law only allows this exemption of 100 percent for ten years for property assessed as commercial property which has three or more separate living quarters with at least three-fourths of the space used for residential purposes, i.e. apartment buildings. This amendment to present law is not only applicable to areas designated revitalization areas on or after the effective date but also to those areas which are revitalization areas on the effective date of this bill.

The bill also allows a city to grant tax exemptions to none, some, or all of the property in a tax classification. Present law requires that all property within a tax classification be allowed to qualify for a tax exemption. The bill takes effect upon publication.

FISCAL IMPACT: There is no cost to the state as a result of this bill. The effect of this bill is to increase the range of exemptions to the property tax base to include improvements to residential property for those areas so designated by the taxing authority. These exemptions are for a period of ten years, after which the improvements are added to the tax base. While a decreased tax base may result in shifting the payment of property taxes from one class to another for that period during which the exemption is allowed, an exact fiscal impact of the bill cannot be provided.

(1702H, 83-514, CMG)

FILED:  
MAY 10, 1983

BY LEGISLATIVE FISCAL BUREAU  
DENNIS C. PROUTY, DIRECTOR

Sen. Ways & Means 5/3/83 to Pass 5/10 (p. 1644)

HOUSE FILE 631

BY COMMITTEE ON WAYS AND MEANS

(As Amended and Passed by the House)

Passed House, Date 4-29-83 (p. 1678) Passed Senate, Date 5-11-83 (p. 1661)  
Vote: Ayes 72 Nays 16 Vote: Ayes 48 Nays 0  
Approved May 31, 1983

### A BILL FOR

1 An Act relating to property tax exemptions in an urban  
2 revitalization area.

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

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House Amendments \_\_\_\_\_

1 Section 1. Section 404.2, subsection 2, paragraphs f and  
2 h, Code 1983, are amended to read as follows:

3 f. A statement specifying whether the revitalization is  
4 applicable to none, some, or all of the property assessed  
5 as residential, agricultural, commercial or industrial property  
6 within the designated area or a combination thereof and whether  
7 the revitalization is for rehabilitation and additions to  
8 existing buildings or new construction or both. If  
9 revitalization is made applicable only to some property within  
10 an assessment classification, the definition of that subset  
11 of eligible property must be by uniform criteria which further  
12 some planning objective identified in the plan. The city shall  
13 state how long it is estimated that the area shall remain  
14 a designated revitalization area which time shall be longer  
15 than one year from the date of designation and shall state  
16 any plan by the city to issue revenue bonds for revitalization  
17 projects within the area.

18 h. Any tax exemption schedule that shall be used in lieu  
19 of the schedule set out in section 404.3, subsection 1, 2,  
20 3 or 4. This schedule shall not allow a greater exemption,  
21 but may allow a smaller exemption, than allowed in the schedule  
22 specified in the corresponding subsection of section 404.3  
23 ~~and shall be the same schedule used for all property of the~~  
24 ~~same classification located in an existing revitalization~~  
25 ~~area.~~

26 Sec. 2. Section 404.3, subsection 4, Code 1983, is amended  
27 to read as follows:

28 4. All qualified real estate assessed as residential  
29 property or assessed as commercial property, consisting if  
30 the commercial property consists of three or more separate  
31 living quarters with at least seventy-five percent of the  
32 space used for residential purposes, is eligible to receive  
33 a one hundred percent exemption from taxation on the actual  
34 value added by the improvements. The exemption is for a  
35 period of ten years.

1     Sec. 3. The amendment to section 404.3, subsection 4,  
2 for property assessed as residential property provided in  
3 section 2 of this Act is effective for areas designated  
4 revitalization areas on or after the effective date of this  
5 Act and shall apply to an area which is a revitalization area  
6 on the effective date of this Act. Owners of qualified real  
7 estate assessed as residential property located in an area  
8 which is a revitalization area on the effective date of this  
9 Act may elect the exemption provided by the amendment to  
10 section 404.3, subsection 4 in section 2 of this Act only  
11 if the owner has not previously made an election for exemption  
12 for the qualified real estate in the revitalization area.  
13 A city shall not have to amend its schedule of exemptions  
14 or its plan in order for such owner to elect the exemption  
15 provided by the amendment to section 404.3, subsection 4,  
16 for property assessed as residential property in this Act.

17     Sec. 4. Section 1 of this Act applies to a revitalization  
18 area on the effective date of this Act where the plan is  
19 consistent with its provisions or is amended to be consistent  
20 with its provisions and applies to areas designated  
21 revitalization areas on or after the effective date of this  
22 Act.

23     Sec. 5. This Act, being deemed of immediate importance,  
24 takes effect from and after its publication in The Hudson  
25 Herald, a newspaper published in Hudson, Iowa, and in The  
26 Daily Nonpareil, a newspaper published in Council Bluffs,  
27 Iowa.

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HOUSE FILE 631

AN ACT  
RELATING TO PROPERTY TAX EXEMPTIONS IN AN URBAN REVITALIZA-  
TION AREA.

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

Section 1. Section 404.2, subsection 2, paragraphs f and h, Code 1983, are amended to read as follows:

f. A statement specifying whether the revitalization is applicable to none, some, or all of the property assessed as residential, agricultural, commercial or industrial property within the designated area or a combination thereof and whether the revitalization is for rehabilitation and additions to existing buildings or new construction or both. If revitalization is made applicable only to some property within an assessment classification, the definition of that subset of eligible property must be by uniform criteria which further some planning objective identified in the plan. The city shall state how long it is estimated that the area shall remain a designated revitalization area which time shall be longer than one year from the date of designation and shall state any plan by the city to issue revenue bonds for revitalization projects within the area.

h. Any tax exemption schedule that shall be used in lieu of the schedule set out in section 404.3, subsection 1, 2, 3 or 4. This schedule shall not allow a greater exemption, but may allow a smaller exemption, than allowed in the schedule specified in the corresponding subsection of section 404.3 ~~and shall be the same schedule used for all property of the same classification located in an existing revitalization area.~~

Sec. 2. Section 404.3, subsection 4, Code 1983, is amended to read as follows:

4. All qualified real estate assessed as residential property or assessed as commercial property, ~~consisting if the commercial property consists~~ of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes, is eligible to receive a one hundred percent exemption from taxation on the actual value added by the improvements. The exemption is for a period of ten years.

Sec. 3. The amendment to section 404.3, subsection 4, for property assessed as residential property provided in section 2 of this Act is effective for areas designated revitalization areas on or after the effective date of this Act and shall apply to an area which is a revitalization area on the effective date of this Act. Owners of qualified real estate assessed as residential property located in an area which is a revitalization area on the effective date of this Act may elect the exemption provided by the amendment to section 404.3, subsection 4 in section 2 of this Act only if the owner has not previously made an election for exemption for the qualified real estate in the revitalization area. A city shall not have to amend its schedule of exemptions or its plan in order for such owner to elect the exemption provided by the amendment to section 404.3, subsection 4, for property assessed as residential property in this Act.

Sec. 4. Section 1 of this Act applies to a revitalization area on the effective date of this Act where the plan is consistent with its provisions or is amended to be consistent with its provisions and applies to areas designated revitalization areas on or after the effective date of this Act.

Sec. 5. This Act, being deemed of immediate importance, takes effect from and after its publication in The Hudson

Herald, a newspaper published in Hudson, Iowa, and in The Daily Nonpareil, a newspaper published in Council Bluffs, Iowa.

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DONALD D. AVENSON  
Speaker of the House

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ROBERT T. ANDERSON  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 631, Seventieth General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved May 31, 1983

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TERRY E. BRANSTAD  
Governor