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FEB 25 1988

Place On Calendar

HOUSE FILE 2327
BY COMMITTEE ON LOCAL GOVERNMENT

(Formerly House Study Bill 767)

Passed House, Date 2/15/88 Passed Senate, Date 3/29/88 (P.1143)

Vote: Ayes 91 Nays 0 Vote: Ayes 43 Nays 3

Approved May 2, 1988

A BILL FOR

1 An Act relating to the use of certain revenues obtained from the
2 transfer of property or taxes imposed in urban renewal areas
3 for economic development purposes.

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

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HF 2327

1 Section 1. Section 403.8, Code 1987, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 5. Proceeds received by a municipality
4 from the sale, lease, or other transfer of real property or an
5 interest in real property acquired by it in an urban renewal
6 area may be used by the municipality for economic development
7 purposes outside the urban renewal area.

8 Sec. 2. Section 403.19, subsection 3, Code 1987, is
9 amended to read as follows:

10 3. The portion of taxes mentioned in subsection 2 of this
11 section and the special fund into which they shall be paid,
12 may be irrevocably pledged by a municipality for the payment
13 of the principal and interest on loans, advances, bonds issued
14 under the authority of section 403.9, subsection 1, or
15 indebtedness, incurred by a municipality to finance or
16 refinance, in whole or in part, the urban renewal project.
17 The portion of taxes mentioned in subsection 2 of this section
18 may be pledged to pay the indebtedness of a municipality for
19 economic development purposes outside of the urban renewal
20 area.

21 EXPLANATION

22 The bill allows a municipality to spend tax revenues
23 derived from transfers of real property in an urban renewal
24 area, and from tax increment financing in the urban renewal
25 area which has not been pledged to pay the debts incurred in
26 that area, for economic development purposes outside of the
27 urban renewal area.

28 SUCCESSOR TO HSB 767 (LSB 8267HC)

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HOUSE FILE 2327
BY COMMITTEE ON LOCAL GOVERNMENT
Debate started for S.F. 2103

(As Amended and Passed by the House March 11, 1988)

Re Passed House, Date 4/4/88 (p. 1341) Passed Senate, Date 5/29/88 (p. 1145)
Vote: Ayes 94 Nays 0 Vote: Ayes 43 Nays 3
Approved May 2, 1988

A BILL FOR

1 An Act relating to the use of certain revenues obtained from the
2 transfer of property or taxes imposed in urban renewal areas
3 for economic development purposes and providing an effective
4 date.

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

HOUSE FILE 2327

S-5620

1 Amend House File 2327 as amended, passed, and
2 reprinted by the House as follows:
3 1. Page 1, line 22, by striking the figure "1988"
4 and inserting the following: "1989".

S-5620
Filed March 29, 1988 ADOPTED BY JOHN W. JENSEN
(p. 1145)

SENATE AMENDMENT TO HOUSE FILE 2327

H-6079

1 Amend House File 2327 as amended, passed, and
2 reprinted by the House as follows:
3 1. Page 1, line 22, by striking the figure "1988"
4 and inserting the following: "1989".

H-6079 FILED MARCH 30, 1988 RECEIVED FROM THE SENATE
House Amendment S. 7/4 (p. 1344)

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1 Section 1. Section 403.8, Code 1987, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 5. Proceeds received by a municipality
4 from the sale, lease, or other transfer of real property or an
5 interest in real property acquired by it in an urban renewal
6 area may be used by the municipality for economic development
7 purposes outside the urban renewal area.

8 Sec. 2. Section 403.19, subsection 3, Code 1987, is
9 amended to read as follows:

10 3. The portion of taxes mentioned in subsection 2 of this
11 section and the special fund into which they shall be paid,
12 may be irrevocably pledged by a municipality for the payment
13 of the principal and interest on loans, advances, bonds issued
14 under the authority of section 403.9, subsection 1, or
15 indebtedness, incurred by a municipality to finance or
16 refinance, in whole or in part, the urban renewal project.

17 The portion of taxes mentioned in subsection 2 of this section
18 may be pledged to pay the indebtedness of a municipality for a
19 water supply and distribution system outside of the urban
20 renewal area and the transfer is approved by each of the local
21 taxing jurisdictions affected by the transfer.

22 Sec. 3. This Act is repealed effective December 31, 1988.

23 Sec. 4. This Act, being deemed of immediate importance,
24 takes effect upon enactment.

25 SUCCESSOR TO HSB 767 (LSB 8267HC)

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HOUSE FILE 2327

H-5298

1 Amend House File 2327 as follows:

- 2 1. Page 1, line 7, by inserting after the word
3 "area" the following: "if the economic development
4 project outside the urban renewal area is necessary
5 for the completion of a project within the urban
6 renewal area".
7 2. Page 1, line 20, by inserting after the word
8 "area" the following: "if the economic development
9 project outside the urban renewal area is necessary
10 for the completion of a project within the urban
11 renewal area".

H-5298 FILED MARCH 4, 1988 BY DAGGETT of Adams
Adopted 3/11/88 (p. 741)

HOUSE FILE 2327

H-5319

1 Amend House File 2327 as follows:

- 2 1. Page 1, line 20, by inserting after the word
3 "area" the following: "if the purpose is directly
4 related to the urban renewal area from which the funds
5 are being transferred and the transfer is approved by
6 each of the local taxing jurisdictions affected by the
7 transfer".

H-5319 FILED MARCH 4, 1988 BY DAGGETT of Adams
*Adopted as amended by 5329
3/11/88 (p. 741)*

HOUSE FILE 2327

H-5329

1 Amend the amendment, H-5319, to House File 2327 as
2 follows:

- 3 1. Page 1, by striking lines 2 through 7 and
4 inserting the following:
5 "____. Page 1, line 19, by striking the words
6 "economic development purposes" and inserting the
7 following: "a water supply and distribution system".
8 2. Page 1, line 20, by inserting after the word
9 "area" the following: "and the transfer is approved
10 by each of the local taxing jurisdictions affected by
11 the transfer".
12 3. Page 1, by inserting after line 20 the
13 following:
14 "Sec. _____. This Act is repealed effective December
15 31, 1988.
16 Sec. _____. This Act, being deemed of immediate
17 importance, takes effect upon enactment."
18 4. Title page, line 3, by inserting after the
19 word "purposes" the following: "and providing an
20 effective date".

H-5329 FILED MARCH 7, 1988 BY DAGGETT of Adams
Adopted 3/11/88 (p. 741)

HSB 767

LOCAL GOVERNMENT

None

House Study Bill 767

Local Government: Daggett, Chair; Fuller and Norrgard, _____

HOUSE FILE 2327

BY (PROPOSED COMMITTEE ON LOCAL GOVERNMENT BILL)

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the use of certain revenues obtained from the
2 transfer of property or taxes imposed in urban renewal areas
3 for economic development purposes.

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

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1 Section 1. Section 403.8, Code 1987, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 5. Proceeds received by a municipality
4 from the sale, lease, or other transfer of real property or an
5 interest in real property acquired by it in an urban renewal
6 area may be used by the municipality for economic development
7 purposes outside the urban renewal area.

8 Sec. 2. Section 403.19, subsection 3, Code 1987, is
9 amended to read as follows:

10 3. The portion of taxes mentioned in subsection 2 of this
11 section and the special fund into which they shall be paid,
12 may be irrevocably pledged by a municipality for the payment
13 of the principal and interest on loans, advances, bonds issued
14 under the authority of section 403.9, subsection 1, or
15 indebtedness, incurred by a municipality to finance or
16 refinance, in whole or in part, the urban renewal project.
17 The portion of taxes mentioned in subsection 2 of this section
18 may be pledged to pay the indebtedness of a municipality for
19 economic development purposes outside of the urban renewal
20 area.

21 EXPLANATION

22 The bill allows a municipality to spend tax revenues
23 derived from transfers of real property in an urban renewal
24 area, and from tax increment financing in the urban renewal
25 area which has not been pledged to pay the debts incurred in
26 that area, for economic development purposes outside of the
27 urban renewal area.

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HOUSE FILE 2327

Sec. 4. This Act, being deemed of immediate importance, taxes effect upon enactment.

AN ACT
RELATING TO THE USE OF CERTAIN REVENUES OBTAINED FROM THE
TRANSFER OF PROPERTY OR TAXES IMPOSED IN URBAN RENEWAL AREAS
FOR ECONOMIC DEVELOPMENT PURPOSES AND PROVIDING AN EFFECTIVE
DATE.

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

Section 1. Section 403.8, Code 1987, is amended by adding the following new subsection:

NEW SUBSECTION. 5. Proceeds received by a municipality from the sale, lease, or other transfer of real property or an interest in real property acquired by it in an urban renewal area may be used by the municipality for economic development purposes outside the urban renewal area.

Sec. 2. Section 403.19, subsection 3, Code 1987, is amended to read as follows:

3. The portion of taxes mentioned in subsection 2 of this section and the special fund into which they shall be paid, may be irrevocably pledged by a municipality for the payment of the principal and interest on loans, advances, bonds issued under the authority of section 403.9, subsection 1, or indebtedness incurred by a municipality to finance or refinance, in whole or in part, the urban renewal project.

The portion of taxes mentioned in subsection 2 of this section may be pledged to pay the indebtedness of a municipality for a water supply and distribution system outside of the urban renewal area and the transfer is approved by each of the local taxing jurisdictions affected by the transfer.

Sec. 3. This Act is repealed effective December 31, 1989.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2327, Seventy-second General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved May 2, 1988

TERRY E. BRANSTAD
Governor

HF 2327