

FEB 7 1996
WAYS AND MEANS

HOUSE FILE
BY DISNEY

2176

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the taxation of real property used in the
2 operation of a racetrack or racetrack enclosure.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2176

1 Section 1. Section 99D.14, subsection 6, Code 1995, is
2 amended by striking the subsection and inserting in lieu
3 thereof the following:

4 6. Real property used in the operation of a racetrack or
5 racetrack enclosure which is exempt from property taxation
6 under another provision of the law, including being exempt
7 because it is owned by a city, county, state, or charitable or
8 nonprofit entity, may be subject to real property taxation by
9 any taxing district in which the real property used in the
10 operation of the racetrack or racetrack enclosure is located.
11 To subject such real property to taxation, the governing body
12 of the taxing district shall pass a resolution imposing the
13 tax and shall notify the county assessor, director of revenue
14 and finance, and the owner of record of the real property by
15 September 1 preceding the fiscal year in which the real
16 property taxes are due and payable. The assessed value shall
17 be determined by the department of revenue and finance by
18 October 15 and the owner may protest the assessed value to the
19 state board of tax review by September 1. Real property
20 subject to tax as provided in this subsection shall continue
21 to be taxed until such time as the governing body of the
22 taxing district repeals the resolution subjecting the property
23 to taxation.

24 EXPLANATION

25 The bill provides that real property used in the operation
26 of a racetrack or racetrack enclosure may be subject to
27 taxation even if otherwise exempt because it is owned by a
28 city, county, state, or a charitable or nonprofit entity. To
29 be so taxed, the governing body of the taxing district must
30 adopt a resolution subjecting the property to taxation. Once
31 a resolution is adopted the property will continue to be taxed
32 until the resolution is repealed.

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HOUSE FILE 2176
FISCAL NOTE

A fiscal note for House File 2176 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 2176 provides that real property used in the operation of a racetrack or racetrack enclosure may be subject to taxation. To subject a racetrack to property taxes, a governing body of the taxing district must adopt a resolution.

ASSUMPTIONS

1. Bluffs Run currently pays property taxes.
2. Taxable valuations are \$36.0 million for Prairie Meadows, \$10.0 million for Dubuque Greyhound Park, and \$3.8 million for Waterloo Greyhound Park.
3. FY 1996 tax rates are used.
4. All taxing districts will pass a resolution requiring the racetracks to pay property taxes, resulting in the maximum impact.

FISCAL IMPACT

House File 2176 is estimated to generate \$1,956,000 in property taxes and reduce school foundation state aid by \$268,920. The estimate by racetrack is as follows: (Breakdown reflects only the major taxing districts.)

1. Prairie Meadows would generate \$1,461,742 in property taxes and reduce school foundation State aid by \$194,400. The property taxes by taxing district includes:
 - A. Polk County: \$334,080
 - B. Southeast Polk School District: \$713,520
 - C. City of Altoona: \$384,120
2. Waterloo Greyhound Park would generate \$165,352 in property taxes and reduce school foundation State aid by \$20,520. The property taxes by taxing district includes:
 - A. Blackhawk County: \$31,494
 - B. Waterloo School District: \$70,618
 - C. City of Waterloo: \$59,547
3. Dubuque Greyhound Park would generate \$328,638 in property taxes and reduce school foundation State aid by \$54,000. The property taxes by taxing district includes:
 - A. Dubuque County: \$61,317
 - B. Dubuque School District: \$137,067
 - C. City of Dubuque: \$117,822

(LSB 3803hv, JAS)