

JAN 25 1995

HOUSE FILE 77
BY JOCHUM

ECONOMIC DEVELOPMENT

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

A BILL FOR

1 An Act relating to the imposition of a county real estate
2 transfer tax for purposes of a local housing trust fund.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 331.430A HOUSING TRUST FUND.

2 A county may establish a housing trust fund and may provide
3 funding by passage of an ordinance imposing a county real
4 estate transfer tax as provided in chapter 428A, or from any
5 other available source.

6 For purposes of this section, "housing trust fund" means a
7 fund established by a county through ordinance for the purpose
8 of meeting the housing needs of lower income families. For
9 purposes of this section, "lower income families" means the
10 same as defined in section 16.1. Housing trust fund moneys
11 may be used for any of the purposes described in section
12 16.100 or for other types of programs to meet needs of lower
13 income families. All moneys in the fund, appropriated or
14 dedicated to the fund, and interest or earnings on moneys in
15 the fund shall be used solely for these purposes.

16 Sec. 2. Section 428A.1, unnumbered paragraph 1, Code 1995,
17 is amended to read as follows:

18 There is imposed on each deed, instrument, or writing by
19 which any lands, tenements, or other realty in this state are
20 granted, assigned, transferred, or otherwise conveyed, a tax
21 consisting of the state tax and any county tax determined in
22 the following manner: When there is no consideration or when
23 the deed instrument or writing is executed and tendered for
24 recording as an instrument corrective of title, and so states,
25 there is no tax. When there is consideration and the actual
26 market value of the real property transferred is in excess of
27 five hundred dollars, the tax is eighty cents plus the
28 applicable county tax, if any, for each five hundred dollars
29 or fractional part of five hundred dollars in excess of five
30 hundred dollars. The term "consideration", as used in this
31 chapter, means the full amount of the actual sale price of the
32 real property involved, paid or to be paid, including the
33 amount of an encumbrance or lien on the property, whether
34 assumed or not by the grantee. It is presumed that the sale
35 price so stated includes the value of all personal property

1 transferred as part of the sale unless the dollar value of
2 personal property is stated on the instrument of conveyance.
3 When the dollar value of the personal property included in the
4 sale is so stated, it shall be deducted from the consideration
5 shown on the instrument for the purpose of determining the
6 tax.

7 Sec. 3. NEW SECTION. 428A.1A COUNTY TAX.

8 The governing body of a county may impose by ordinance a
9 county real estate transfer tax. Revenues from the tax shall
10 only be deposited in a housing trust fund to be used for the
11 purposes stated in the ordinance establishing the housing
12 trust fund. The county real estate transfer tax shall be
13 imposed and collected in the same manner and at the same time
14 as the state real estate transfer tax. Transfers exempt from
15 the state tax are exempt from the county tax. The rate of the
16 county real estate transfer tax shall not exceed fifty cents
17 per five hundred dollars of market value.

18 Sec. 4. Section 428A.8, Code 1995, is amended to read as
19 follows:

20 428A.8 REMITTANCE TO STATE TREASURER -- PORTION RETAINED
21 IN COUNTY.

22 On or before the tenth day of each month the county
23 recorder shall determine and pay to the treasurer of state
24 eighty-two and three-fourths percent of the receipts from the
25 state real estate transfer tax collected during the preceding
26 month and the treasurer of state shall deposit ninety-five
27 percent of the state receipts in the general fund of the state
28 and transfer five percent of the state receipts to the Iowa
29 finance authority for deposit in the housing improvement fund
30 created in section 16.100. At the time of remittance of the
31 state tax receipts, the county recorder shall deposit into the
32 housing trust fund that county's tax receipts collected during
33 the previous month, if a county real estate transfer tax is
34 imposed.

35 The county recorder shall deposit the remaining seventeen

1 and one-fourth percent of the state receipts in the county
2 general fund.

3 The county recorder shall keep records and make reports
4 with respect to the real estate transfer tax as the director
5 of revenue and finance prescribes.

6 EXPLANATION

7 The bill allows a county to impose a county real estate
8 transfer tax that would be collected in the same manner as the
9 state tax and the tax revenues would be deposited into a
10 housing trust fund. The trust fund is a revolving fund
11 established by the county for the purpose of meeting the
12 housing needs of lower income families. Some of the purposes
13 for which the moneys in the housing trust fund could be used
14 involve grants for group home shelters for the homeless, home
15 maintenance and repair programs, rental rehabilitation
16 programs, and a home ownership incentive program generally
17 limited to mortgages under \$55,000.

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