

JAN 14 1998
LOCAL GOVERNMENT

HOUSE FILE 2039
BY CHAPMAN

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

A BILL FOR

1 An Act relating to cooperation between municipalities and
2 nonprofit housing corporations under the state municipal
3 housing law.

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

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1 Section 1. Section 403A.9, Code 1997, is amended to read
2 as follows:

3 403A.9 ~~CO-OPERATION~~ COOPERATION BETWEEN MUNICIPALITIES AND
4 NONPROFIT HOUSING CORPORATIONS.

5 ~~Any-two-or-more-municipalities~~ A municipality may join or
6 ~~co-operate~~ cooperate with ~~one~~ another municipality or a
7 nonprofit housing corporation in the exercise of any or all of
8 the powers conferred hereby in this chapter for the purpose of
9 financing, planning, undertaking, constructing, or operating a
10 housing project or projects.

11 EXPLANATION

12 Under the state municipal housing law, municipalities have
13 authority to undertake housing projects which may involve
14 eliminating slum areas and providing housing for low-income,
15 lower income, and very low-income families and to issue bonds
16 for these purposes. The bill allows municipalities to
17 cooperate with nonprofit housing corporations in accomplishing
18 these goals.

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H-8042

1 Amend House File 2039 as follows:

2 1. Page 1, by inserting after line 10 the
3 following:

4 "Sec. ____ . Section 403A.10, Code 1997, is amended
5 to read as follows:

6 403A.10 TAX EXEMPTION AND PAYMENTS IN LIEU OF
7 TAXES.

8 The property acquired or held pursuant to this
9 chapter is declared to be public property used
10 exclusively for essential city, or municipal public
11 and governmental purposes and such this property is
12 ~~hereby-declared-to-be~~ exempt from all taxes and
13 special assessments of the state or of any state
14 public body. In lieu of taxes on such this property a
15 municipality together with any cooperating
16 municipality or nonprofit housing corporation may
17 agree to make payments to the state or a state public
18 body, (including itself) the municipality, as it finds
19 consistent with the maintenance of the low-rent
20 character of housing projects and the achievement of
21 the purposes of this chapter.

22 Sec. ____ . Section 403A.27, Code 1997, is amended
23 to read as follows:

24 403A.27 PERCENTAGE OF RENT AS TAXES.

25 ~~Any provision of this chapter notwithstanding, no~~
26 ~~Except as to projects where the municipality, or the~~
27 ~~municipality and any cooperating municipality or~~
28 ~~nonprofit housing corporation, as entered into an~~
29 ~~agreement in lieu of taxes as provided in section~~
30 ~~403A.10, and except as to the use of dwelling units in~~
31 ~~existing structures leased from private owners, a~~
32 ~~housing project shall not be approved unless as a~~
33 ~~condition at least ten four percent but not more than~~
34 ~~six percent of all rents and supplemental rental aid~~
35 ~~shall be paid annually as taxes to the office of the~~
36 ~~treasurer in the respective county in which said the~~
37 ~~project is located, -except-as-to-the-use-of-dwelling~~
38 ~~units-in-existing-structures-leased-from-private~~
39 ~~owners.~~

40 Sec. ____ . Section 427.1, subsection 21, Code
41 Supplement 1997, is amended to read as follows:

42 21. LOW-RENT HOUSING. The property owned and
43 operated by a nonprofit organization providing low-
44 rent housing for persons who are elderly, lower-income
45 families as defined in section 403A.2, and persons
46 with physical and mental disabilities. The exemption
47 granted under the-provisions-of this subsection shall
48 apply only until the terms of the original, refunding,
49 or rehabilitation low-rent housing development
50 mortgage, from any source, is paid in full or expires,

H-8042

-1-

H-8042

Page 2

1 subject to the provisions of subsection 14.

2 Sec. ____ . This Act, being deemed of immediate
3 importance, takes effect upon enactment."

4 2. Title page, line 3, by inserting after the
5 word "law" the following: ", property tax exemption
6 and payments in lieu of taxes for low-rent housing
7 projects, and providing an effective date provision".

By CHAPMAN of Linn

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