

REPRINTED

FEB 12 1997
WAYS & MEANS CALENDAR

HOUSE FILE 212
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 44)

Passed House, ^(p.509) Date 3/5/97 Passed Senate, ^(p.682) Date 3/18/97
Vote: Ayes 79 Nays 16 Vote: Ayes 39 Nays 10
Approved March 27, 1997

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:

- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23

HF 212

REPRINTED

1 Section 1. Section 99D.14, subsection 6, Code 1997, 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 taxing
12 authority of the taxing district shall pass a resolution
13 imposing the tax and shall notify the county assessor,
14 director of revenue and finance, and the owner of record of
15 the real property by September 1 preceding the fiscal year in
16 which the real property taxes are due and payable. The
17 assessed value shall be determined and notice of the assessed
18 value shall be provided to the taxing authority by the
19 department of revenue and finance by October 15 and the owner
20 may protest the assessed value to the state board of tax
21 review by December 1. Property taxes due as a result of this
22 subsection shall be paid to the county treasurer in the manner
23 and time as other property taxes. The county treasurer shall
24 remit the tax revenue to those taxing authorities imposing the
25 property tax under this subsection. Real property subject to
26 tax as provided in this subsection shall continue to be taxed
27 until such time as the taxing authority of the taxing district
28 repeals the resolution subjecting the property to taxation.

29 EXPLANATION

30 The bill provides that real property used in the operation
31 of a racetrack or racetrack enclosure may be subject to
32 taxation even if otherwise exempt because it is owned by a
33 city, county, state, or a charitable or nonprofit entity. To
34 be so taxed, the taxing authority must adopt a resolution
35 subjecting the property to taxation. Once a resolution is

1 adopted the property will continue to be taxed until the
2 resolution is repealed.

- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35

HOUSE FILE 212
FISCAL NOTE

A fiscal note for House File 212 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 212 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 taxing authority of the taxing district must adopt a resolution.

ASSUMPTIONS

1. Bluffs Run in Council Bluffs currently pays property taxes.
2. Waterloo Greyhound Park is not a licensed racetrack and would not be required to pay property taxes.
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.
5. Taxable valuations are \$36.0 million for Prairie Meadows and \$10.0 million for the Dubuque Greyhound Park.

FISCAL IMPACT

House File 212 is estimated to generate \$1,790,380 in property taxes and reduce school foundation state aid by \$248,400. This Bill will not increase a school district's spending authority. The estimate by racetrack is as follows:

1. Prairie Meadows would generate \$1,461,742 in property taxes and reduce school foundation state aid by \$194,400. The property taxes for the major taxing districts includes:
 - A. Polk County: \$334,080
 - B. Southeast Polk School District: \$713,520
 - C. City of Altoona: \$384,120
2. Dubuque Greyhound Park would generate \$328,638 in property taxes and reduce school foundation state aid by \$54,000. The property taxes for the major taxing districts includes:
 - A. Dubuque County: \$61,317
 - B. Dubuque School District: \$137,067
 - C. City of Dubuque: \$117,822

(LSB 1395hv, JAS)

FILED FEBRUARY 17, 1997

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 212

H-1040

1 Amend House File 212 as follows:
 2 1. Page 1, line 24, by inserting after the word
 3 "remit" the following: "ninety percent of".
 4 2. Page 1, line 25, by inserting after the word
 5 "subsection." the following: "The remaining ten
 6 percent of the tax revenue shall be remitted to the
 7 Iowa department of economic development. The tax
 8 revenue received by the department shall be used to
 9 provide grants for economic development projects in
 10 communities deemed by the department to be
 11 economically depressed. Any city or county may apply
 12 for these grants pursuant to rules and criteria
 13 adopted by the department."

By KREIMAN of Davis

H-1040 FILED FEBRUARY 18, 1997

WITHDRAWN 3/5/97 (P 508)

HOUSE FILE 212

H-1072

1 Amend House File 212 as follows:
 2 1. Page 1, line 18, by striking the words "taxing
 3 authority" and inserting the following: "county
 4 auditor".

By BLODGETT of Cerro Gordo

H-1072 FILED FEBRUARY 20, 1997

Adopted 3-5-97 (P 508)

HOUSE FILE 212

H-1113

1 Amend House File 212 as follows:
 2 1. Page 1, by inserting before line 1 the
 3 following:
 4 "Section 1. Section 99D.2, subsection 8, Code
 5 1997, is amended to read as follows:
 6 8. "RACETRACK ENCLOSURE" means the grandstand,
 7 clubhouse, turf club or other areas of a licensed
 8 racetrack which a person may enter only upon payment
 9 of an admission fee, or upon payment by another, at
 10 any time, based upon the person's admittance, or upon
 11 presentation of authorized credentials. "Racetrack
 12 enclosure" also means any additional areas designated
 13 by the commission."
 14 2. Page 1, line 28, by inserting after the word
 15 "taxation." the following: "Notwithstanding section
 16 99D.7, the department of revenue and finance shall
 17 adopt rules to implement this subsection."
 18 3. Page 1, by inserting after line 28 the
 19 following:
 20 "Sec. ____ . Section 99F.1, subsection 15, Code
 21 1997, is amended to read as follows:
 22 15. "RACETRACK ENCLOSURE" means the grandstand,
 23 clubhouse, turf club, or other areas of a licensed
 24 racetrack which an individual may enter only upon
 25 payment of an admission fee, or upon payment by
 26 another, at any time, based upon the individual's
 27 admittance, or upon presentation of authorized
 28 credentials. "Racetrack enclosure" also means any
 29 additional areas designated by the commission."
 30 4. By renumbering as necessary.

By BLODGETT of Cerro Gordo

H-1113 FILED FEBRUARY 25, 1997

Adopted 3/5/97 (P. 507)

HOUSE FILE 212

H-1136

- 1 Amend House File 212 as follows:
- 2 1. Page 1, line 10, by inserting after the word
- 3 "located" the following: ", except where the state
- 4 tax rate on the gross receipts from gambling games is
- 5 greater than twenty-two percent".

By CHIODO of Polk

H-1136 FILED MARCH 4, 1997

Act 3/5/97 (p. 508)

HOUSE FILE 212

H-1137

- 1 Amend House File 212 as follows:
- 2 1. Page 1, line 28, by inserting after the word
- 3 "taxation." the following: "For purposes of this
- 4 subsection, any school district that has over fifty
- 5 percent of its area located in Polk county shall be
- 6 considered a taxing authority of the taxing district
- 7 for purposes of this subsection and may subject the
- 8 real property used in the operation of a racetrack or
- 9 racetrack enclosure located in Polk county to property
- 10 taxation."

By CATALDO of Polk

H-1137 FILED MARCH 4, 1997

WITHDRAWN *3/5/97 (p. 508)*

HOUSE FILE 212

H-1138

- 1 Amend House File 212 as follows:
- 2 1. Page 1, by inserting after line 28 the
- 3 following:
- 4 "If the property subject to tax under this
- 5 subsection is owned by a county, the amount of
- 6 property tax imposed on such property by all taxing
- 7 authorities, other than the county, shall be used by
- 8 the county as a credit on the state taxes imposed
- 9 under this chapter and chapter 99F with regard to
- 10 gambling at the racetrack and racetrack enclosure."

By CHIODO of Polk

H-1138 FILED MARCH 4, 1997

WITHDRAWN
3/5/97 (p. 508)

HOUSE FILE 212
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 44)

(As Amended and Passed by the House, March 5, 1997)

Passed House, Date _____ Passed Senate, Date 3-18-97 ^(P.682)
Vote: Ayes _____ Nays _____ Vote: Ayes 39 Nays 0
Approved March 27, 1997

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:

4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

House Amendments _____

1 Section 1. Section 99D.2, subsection 8, Code 1997, is
2 amended to read as follows:

3 8. "RACETRACK ENCLOSURE" means the grandstand, clubhouse,
4 turf club or other areas of a licensed racetrack which a
5 person may enter only upon payment of an admission fee, or
6 upon payment by another, at any time, based upon the person's
7 admittance, or upon presentation of authorized credentials.

8 "Racetrack enclosure" also means any additional areas
9 designated by the commission.

10 Sec. 2. Section 99D.14, subsection 6, Code 1997, is
11 amended by striking the subsection and inserting in lieu
12 thereof the following:

13 6. Real property used in the operation of a racetrack or
14 racetrack enclosure which is exempt from property taxation
15 under another provision of the law, including being exempt
16 because it is owned by a city, county, state, or charitable or
17 nonprofit entity, may be subject to real property taxation by
18 any taxing district in which the real property used in the
19 operation of the racetrack or racetrack enclosure is located.
20 To subject such real property to taxation, the taxing
21 authority of the taxing district shall pass a resolution
22 imposing the tax and shall notify the county assessor,
23 director of revenue and finance, and the owner of record of
24 the real property by September 1 preceding the fiscal year in
25 which the real property taxes are due and payable. The
26 assessed value shall be determined and notice of the assessed
27 value shall be provided to the county auditor by the
28 department of revenue and finance by October 15 and the owner
29 may protest the assessed value to the state board of tax
30 review by December 1. Property taxes due as a result of this
31 subsection shall be paid to the county treasurer in the manner
32 and time as other property taxes. The county treasurer shall
33 remit the tax revenue to those taxing authorities imposing the
34 property tax under this subsection. Real property subject to
35 tax as provided in this subsection shall continue to be taxed

1 until such time as the taxing authority of the taxing district
2 repeals the resolution subjecting the property to taxation.
3 Notwithstanding section 99D.7, the department of revenue and
4 finance shall adopt rules to implement this subsection.

5 Sec. 3. Section 99F.1, subsection 15, Code 1997, is
6 amended to read as follows:

7 15. "RACETRACK ENCLOSURE" means the grandstand, clubhouse,
8 turf club, or other areas of a licensed racetrack which an
9 individual may enter only upon payment of an admission fee, or
10 upon payment by another, at any time, based upon the
11 individual's admittance, or upon presentation of authorized
12 credentials. "Racetrack enclosure" also means any additional
13 areas designated by the commission.

14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

HOUSE FILE 212

S-3152

1 Amend House File 212, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 1, by inserting before line 1 the
4 following:
5 "Section 1. Section 18.12, Code 1997, is amended
6 by adding the following new subsection:
7 NEW SUBSECTION. 19A. Determine, in cooperation
8 with the city of Des Moines, the amount to be paid as
9 reimbursement to the city of Des Moines for the police
10 and fire protection provided by the city for state-
11 owned buildings and facilities located in the city
12 within or without the capitol complex, including
13 state-owned buildings and facilities at the state
14 fairgrounds. There is appropriated from the general
15 fund of the state for each fiscal year the amount
16 determined pursuant to this subsection for reimbursing
17 the city for providing the police and fire
18 protection."
19 2. Title page, line 2, by inserting after the
20 word "enclosure" the following: "and for payment in
21 lieu of property tax for police and fire protection
22 for state buildings".

By MATT McCOY

S-3152 FILED MARCH 18, 1997

RULED OUT OF ORDER

3-18-97 (P. 681)

HOUSE FILE 212

S-3160

1 Amend House File 212, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 2, by inserting before line 5 the
4 following:
5 "If the property subject to tax under this
6 subsection is owned by a county, the maximum rate of
7 tax on gambling game receipts at the racetrack and
8 racetrack enclosure is twenty-two percent."

By JACK RIFE

S-3160 FILED MARCH 18, 1997

RULED OUT OF ORDER

3/18/97

HOUSE FILE 212

S-3119

1 Amend House File 212, as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 2, by inserting after line 13 the
4 following:

5 "Sec. ____ . Section 99F.11, unnumbered paragraph 1,
6 Code 1997, is amended to read as follows:

7 A tax is imposed on the adjusted gross receipts
8 received annually from gambling games authorized under
9 this chapter at the rate of five percent on the first
10 one million dollars of adjusted gross receipts, at the
11 rate of ten percent on the next two million dollars of
12 adjusted gross receipts, and at the rate of twenty
13 percent on any amount of adjusted gross receipts over
14 three million dollars. However, beginning January
15 July 1, 1997, the rate on any amount of adjusted gross
16 receipts ~~over-three-million-dollars~~ from gambling
17 games at racetrack enclosures is ~~twenty-two-percent~~
18 ~~and-shall-increase-by-two-percent-each-succeeding~~
19 ~~calendar-year-until-the-rate-is~~ thirty-six percent.
20 The taxes imposed by this section shall be paid by the
21 licensee to the treasurer of state within ten days
22 after the close of the day when the wagers were made
23 and shall be distributed as follows:

24 Sec. ____ . Section 99F.11, Code 1997, is amended by
25 adding the following new subsection:

26 NEW SUBSECTION. 3A. Fourteen percent of the
27 adjusted gross receipts shall be deposited in the
28 rebuild Iowa infrastructure fund created in section
29 8.57, subsection 5."

WITHDRAWN 3/18/97 (p.682) BY JIM LIND

S-3119 FILED MARCH 6, 1997

HOUSE FILE 212

S-3129

1 Amend House File 212, as amended, passed, and
2 reprinted by the House, as follows:

3 1. By striking page 1, line 13, through page 2,
4 line 4, and inserting the following:

5 "6. Notwithstanding any other provision of law,
6 real property used in the operation of a racetrack or
7 racetrack enclosure is subject to real property
8 taxation and all provisions relating to the
9 assessment, collection, and apportionment of taxes
10 shall apply."

11 2. Page 2, by inserting after line 13 the
12 following:

13 "Sec. ____ . This Act applies to real property taxes
14 payable in fiscal years beginning on or after July 1,
15 1998."

W. DRAWN
3/17/97

By WILLIAM D. PALMER
JOANN DOUGLAS

S-3129 FILED MARCH 17, 1997

HOUSE FILE 212

AN ACT

RELATING TO THE TAXATION OF REAL PROPERTY USED IN THE
OPERATION OF A RACETRACK OR RACETRACK ENCLOSURE.

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

Section 1. Section 99D.2, subsection 8, Code 1997, is amended to read as follows:

8. "RACETRACK ENCLOSURE" means the grandstand, clubhouse, turf club or other areas of a licensed racetrack which a person may enter only upon payment of an admission fee, or upon payment by another, at any time, based upon the person's admittance, or upon presentation of authorized credentials. "Racetrack enclosure" also means any additional areas designated by the commission.

Sec. 2. Section 99D.14, subsection 6, Code 1997, is amended by striking the subsection and inserting in lieu thereof the following:

6. Real property used in the operation of a racetrack or racetrack enclosure which is exempt from property taxation under another provision of the law, including being exempt because it is owned by a city, county, state, or charitable or nonprofit entity, may be subject to real property taxation by any taxing district in which the real property used in the operation of the racetrack or racetrack enclosure is located. To subject such real property to taxation, the taxing authority of the taxing district shall pass a resolution imposing the tax and shall notify the county assessor, director of revenue and finance, and the owner of record of the real property by September 1 preceding the fiscal year in which the real property taxes are due and payable. The assessed value shall be determined and notice of the assessed value shall be provided to the county auditor by the department of revenue and finance by October 15 and the owner may protest the assessed value to the state board of tax review by December 1. Property taxes due as a result of this subsection shall be paid to the county treasurer in the manner and time as other property taxes. The county treasurer shall remit the tax revenue to those taxing authorities imposing the property tax under this subsection. Real property subject to tax as provided in this subsection shall continue to be taxed until such time as the taxing authority of the taxing district repeals the resolution subjecting the property to taxation. Notwithstanding section 99D.7, the department of revenue and finance shall adopt rules to implement this subsection.

Sec. 3. Section 99F.1, subsection 15, Code 1997, is amended to read as follows:

15. "RACETRACK ENCLOSURE" means the grandstand, clubhouse, turf club, or other areas of a licensed racetrack which an individual may enter only upon payment of an admission fee, or

upon payment by another, at any time, based upon the individual's admittance, or upon presentation of authorized credentials. "Racetrack enclosure" also means any additional areas designated by the commission.

RON J. CORBETT
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 212, Seventy-seventh General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Approved March 27, 1997

TERRY E. BRANSTAD
Governor