FEB 9 1998

HOUSE FILE *2185*

BY FALLON

Passed House, Date _____   Passed Senate, Date _____

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

Approved _____

A BILL FOR

1 An Act relating to the assessing of a service charge in lieu of
2   property taxes for the providing of police and fire protection
3   by a city to a hospital for real property that is totally or
4   partially exempt from property tax, and providing an
5   applicability date.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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HF 2185

1   Section 1. **NEW SECTION.** 384.12A PAYMENT IN LIEU OF TAXES
2 PROGRAM -- HOSPITALS.
3   1. The city may assess a service charge for the providing
4 of police and fire protection in a fiscal year for real
5 property of a hospital that is totally or partially tax-
6 exempt, including a government-owned hospital. The amount of
7 the service charge equals the rate determined under subsection
8 2 times the amount of the assessed value of the real property
9 of the hospital that is not subject to the city's property tax
10 levy in the fiscal year. Service charges collected pursuant
11 to this section shall be deposited into the city general fund
12 for use in funding police and fire protection. Service
13 charges are payable at the time and in the same manner as
14 property taxes are paid.
15   2. The rate of the service charge, expressed in dollars
16 per one thousand dollars of valuation, for providing police
17 and fire protection equals the portion of the property tax
18 levy rate for the city general fund, as certified by the city,
19 which is budgeted to support police and fire protection
20 services.
21   3. If real property assessed a service charge under
22 subsection 1 for a fiscal year is subsequently subject to
23 property tax on the assessed value upon which the service
24 charge was determined, the amount of the property tax shall be
25 reduced by the amount of any service charge paid.
26   If a city receives payment in lieu of property taxes or
27 reimbursement for property taxes as a result of a tax
28 exemption, the amount of such payment or reimbursement shall
29 be a credit on the service charge assessed on that real
30 property.
31   4. For purposes of this section, real property subject to
32 the service charge under subsection 1 shall be valued and
33 assessed as required in section 427.1, subsection 18, and in
34 accordance with chapter 441, and the owner or other persons as
35 authorized by chapter 441 are entitled to protest any

1 assessment and take appeals in the same manner as any
2 taxpayer.
3   Sec. 2.   Section 384.16, subsection 1, paragraphs b and c,
4 Code Supplement 1997 are amended to read as follows:
5   b.   Income from sources other than property taxation,
6 including the amount to be raised from the police and fire
7 protection service charge under section 384.12A.
8   c.   Amount to be raised by property taxation, and the
9 property tax rate expressed in dollars per one thousand
10 dollars assessed valuation, including the portion of the
11 general fund property tax levy that is budgeted to support
12 police and fire protection services.
13   Sec. 3.   APPLICABILITY.   This Act applies to the providing
14 of police and fire protection services for fiscal years
15 beginning on or after July 1, 1999.
16   EXPLANATION
17   The bill allows a city to assess a service charge for
18 providing police and fire protection services to a hospital,
19 including a government-owned hospital, for real property that
20 is totally or partially exempt from taxation.   The amount of
21 the charge is determined by multiplying the assessed value of
22 the real property that is not subject to tax by the portion of
23 the property tax rate for the city general fund as certified
24 by the city which will be used to fund police and fire
25 protection.   The bill may contain a state mandate only because
26 a county hospital may have to pay these charges.
27   The bill applies to fiscal years beginning on or after July
28 1, 1999.
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