

2/27/98 Amend/Do Pass  
W/H-8141

FEB 20 1998

LOCAL GOVERNMENT

HOUSE FILE

**2386**

BY HEATON

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to urban revitalization property tax exemptions  
2 and exemption schedules for certain real property and  
3 providing for the Act's applicability.

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

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**HOUSE FILE 2386**

H-8141

- 1 Amend House File 2386 as follows:
- 2 1. Page 1, line 22, by striking the words
- 3 "exceeds fifty" and inserting the following: "does
- 4 not exceed one hundred fifty".
- 5 2. Page 1, by striking lines 24 through 27.

By COMMITTEE ON LOCAL GOVERNMENT  
VANDE HOEF of Osceola, Chairperson

H-8141 FILED FEBRUARY 27, 1998

**HOUSE FILE 2386**

H-8245

- 1 Amend House File 2386 as follows:
- 2 1. Page 1, line 11, by striking the word "five"
- 3 and inserting the following: "ten".

By WHITEAD of Woodbury

H-8245 FILED MARCH 5, 1998

H/F  
2386

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1 Section 1. Section 404.2, subsection 2, paragraph h,  
2 unnumbered paragraph 1, Code Supplement 1997, is amended to  
3 read as follows:

4 Any tax exemption schedule that shall be used in lieu of  
5 the schedule set out in section 404.3, subsection 1, 2, 3 or  
6 4. This schedule shall not allow a greater exemption, but may  
7 allow a smaller exemption, than allowed in the schedule  
8 specified in the corresponding subsection of section 404.3.  
9 Any tax exemption schedule used in lieu of the schedule set  
10 out in section 404.3, subsection 1, 2, 3, or 4, shall not  
11 exceed five years in duration.

12 Sec. 2. Section 404.3, Code 1997, is amended by adding the  
13 following new subsection:

14 NEW SUBSECTION. 9. For purposes of subsection 2, 3, or 4,  
15 or for purposes of a different schedule adopted by a city or  
16 county as part of the city or county urban revitalization  
17 plan, when computing the exemption for actual value added by  
18 improvements to qualified real estate assessed as residential  
19 property, if the actual value added is the result of new  
20 construction on vacant land or on land with existing  
21 structures, the exemption shall be computed on only that  
22 amount of actual value added which exceeds fifty thousand  
23 dollars.

24 Sec. 3. Section 404.3A, Code Supplement 1997, is repealed.

25 Sec. 4. CONTINUATION OF EXEMPTION. Exemptions granted  
26 pursuant to section 404.3A shall continue until their  
27 expiration.

28 Sec. 5. APPLICABILITY. This Act applies to urban  
29 revitalization areas designated on or after July 1, 1998.  
30 This Act also applies to amendments made on or after July 1,  
31 1998, to urban revitalization plans for urban revitalization  
32 areas designated before July 1, 1998.

33 EXPLANATION

34 This bill provides that a property tax exemption schedule  
35 adopted by a city or county, in lieu of the schedule in the

1 Code, as part of an urban revitalization plan shall not exceed  
2 five years in duration. The bill also provides that, for  
3 qualified residential property only, actual value added by  
4 improvements which may be used to compute an urban  
5 revitalization tax exemption shall be only that portion of the  
6 actual value added by the improvements which exceeds \$50,000.  
7 The bill also repeals an exemption schedule which would have  
8 allowed all qualified real estate assessed as residential  
9 property and located in an urban revitalization area  
10 established for residential development purposes to receive an  
11 exemption from taxation of the first \$75,000 of actual value  
12 added by improvements. However, current exemptions allowed  
13 under this section shall continue until their expiration.

14 The bill applies to urban revitalization areas designated  
15 on or after July 1, 1998. The bill also applies to amendments  
16 made on or after July 1, 1998, to urban revitalization plans  
17 for urban revitalization areas designated before July 1, 1998.

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