

WITHDRAWN

MAR 14 1997

HOUSE FILE

648

WAYS AND MEANS

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VAN FOSSEN

Passed House, Date _____ Passed Senate, Date _____

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

Approved _____

A BILL FOR

1 An Act relating to housing development.

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

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WITHDRAWN

1 Section 1. Section 15.108, Code 1997, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 11. HOUSING DEVELOPMENT. a. To provide
4 assistance to local governments, housing organizations,
5 economic development groups, and other local entities to
6 increase the development of housing in the state and to
7 improve the quality of existing housing in order to maximize
8 the effects of other economic development efforts.

9 b. To carry out this responsibility, the department shall:

10 (1) Provide housing needs assessments.

11 (2) Provide a one-step source, in coordination with other
12 agencies of the state, for housing development assistance.

13 (3) Establish programs to assist in housing development,
14 including programs to assist homeless shelter operations.

15 Sec. 2. NEW SECTION. 15.351 REGIONAL HOUSING PROGRAM.

16 1. The department shall establish and administer a program
17 in coordination with the Iowa finance authority to provide
18 technical assistance and funding for projects which facilitate
19 housing development, including housing trust funds or programs
20 for the rehabilitation or construction of housing on a
21 regional basis by cities, counties, local housing or economic
22 development organizations, and recognized neighborhood
23 organizations. Funds for the program shall come from moneys
24 transferred in accordance with section 428A.8, moneys
25 appropriated from the general fund, if any, and moneys
26 received from other sources.

27 2. The department shall adopt rules pursuant to chapter
28 17A for the administration of the program. The rules shall
29 include at least the following:

30 a. That a regional housing council be established
31 consisting of the supervisors of the county and the mayor of
32 each city in the county, or their designees, and
33 representatives of local housing or economic development
34 organizations. A housing council may represent more than one
35 county and the cities within each county and may be an entity

1 formed under chapter 28E.

2 b. That the regional housing council complete a housing
3 needs assessment with the department prior to an entity within
4 the region covered by the council being eligible to
5 participate in the program.

6 c. That awards be limited to projects consistent with the
7 housing needs assessment and which have the prior approval of
8 the council.

9 d. Provisions for the prioritization of competing
10 proposals with projects to address housing needs created by
11 economic development activities in the region receiving
12 highest priority.

13 Sec. 3. Section 16.40, subsection 2, Code 1997, is amended
14 by striking the subsection.

15 Sec. 4. Section 16.91, subsection 1, Code 1997, is amended
16 to read as follows:

17 1. The authority through the title guaranty division shall
18 initiate and operate a program in which the division shall
19 offer guaranties of real property titles in this state. The
20 terms, conditions and form of the guaranty contract shall be
21 forms approved by the division board. The division shall fix
22 a charge for the guaranty in an amount sufficient to permit
23 the program to operate on a self-sustaining basis, including
24 payment of administrative costs and the maintenance of an
25 adequate reserve against claims under the title guaranty
26 program. A title guaranty fund is created in the office of
27 the treasurer of state. Funds collected under this program
28 shall be placed in the title guaranty fund and are available
29 to pay all claims, necessary reserves and all administrative
30 costs of the title guaranty program. Moneys in the fund shall
31 not revert to the general fund and interest on the moneys in
32 the fund shall be ~~retained-as-a-part-of-the-fund~~ transferred
33 to the department of economic development for the regional
34 housing program established in section 15.351 and shall not
35 accrue to the general fund. If the authority board in

1 consultation with the division board determines that there are
2 surplus funds in the title guaranty fund after providing for
3 adequate reserves and operating expenses of the division, the
4 surplus funds shall be transferred to the housing program fund
5 created pursuant to section 16.40.

6 Sec. 5. Section 16.100, subsection 2, paragraph a, Code
7 1997, is amended by striking the paragraph.

8 Sec. 6. Section 404.1, Code 1997, is amended by adding the
9 following new subsection:

10 NEW SUBSECTION. 5. An area or an area designated as
11 appropriate for public improvements related to housing and
12 residential development, or construction of housing and
13 residential development, including single or multifamily
14 housing.

15 Sec. 7. NEW SECTION. 404.3A RESIDENTIAL DEVELOPMENT AREA
16 EXEMPTION.

17 Notwithstanding section 404.3, all qualified real estate
18 assessed as residential property in an area designated under
19 section 404.1, subsection 5, is eligible to receive an
20 exemption from taxation on the first seventy-five thousand
21 dollars of actual value added by the improvements. The
22 exemption is for a period of five years.

23 Sec. 8. Section 428A.8, Code 1997, is amended to read as
24 follows:

25 428A.8 REMITTANCE TO STATE TREASURER -- PORTION RETAINED
26 IN COUNTY.

27 1. On or before the tenth day of each month the county
28 recorder shall determine and pay to the treasurer of state
29 eighty-two and three-fourths percent of the receipts from the
30 real estate transfer tax collected during the preceding month
31 and the treasurer of state shall deposit ~~ninety-five-percent~~
32 ~~of-the-receipts-in-the-general-fund-of-the-state-and-transfer~~
33 ~~five-percent-of-the-receipts-to-the-Iowa-finance-authority-for~~
34 ~~deposit-in-the-housing-improvement-fund-created-in-section~~
35 ~~16.100.~~ the receipts as follows:

- 1 a. For the fiscal year beginning July 1, 1998, and ending
2 June 30, 1999, eighty-seven and one-half percent of the
3 receipts shall be deposited in the general fund of the state
4 and twelve and one-half percent of the receipts shall be
5 transferred to the department of economic development to be
6 used only for the purposes of the regional housing program
7 established in section 15.351.
- 8 b. For the fiscal year beginning July 1, 1999, and ending
9 June 30, 2000, seventy-five percent of the receipts shall be
10 deposited in the general fund of the state and twenty-five
11 percent of the receipts shall be transferred to the department
12 of economic development to be used only for the purposes of
13 the regional housing program established in section 15.351.
- 14 c. For the fiscal year beginning July 1, 2000, and ending
15 June 30, 2001, sixty-two and one-half percent of the receipts
16 shall be deposited in the general fund of the state and
17 thirty-seven and one-half percent of the receipts shall be
18 transferred to the department of economic development to be
19 used only for the purposes of the regional housing program
20 established in section 15.351.
- 21 d. For the fiscal year beginning July 1, 2001, and ending
22 June 30, 2002, fifty percent of the receipts shall be
23 deposited in the general fund of the state and fifty percent
24 of the receipts shall be transferred to the department of
25 economic development to be used only for the purposes of the
26 regional housing program established in section 15.351.
- 27 e. For the fiscal year beginning July 1, 2002, and ending
28 June 30, 2003, thirty-seven and one-half percent of the
29 receipts shall be deposited in the general fund of the state
30 and sixty-two and one-half percent of the receipts shall be
31 transferred to the department of economic development to be
32 used only for the purposes of the regional housing program
33 established in section 15.351.
- 34 f. For the fiscal year beginning July 1, 2003, and ending
35 June 30, 2004, twenty-five percent of the receipts shall be

1 deposited in the general fund of the state and seventy-five
2 percent of the receipts shall be transferred to the department
3 of economic development to be used only for the purposes of
4 the regional housing program established in section 15.351.

5 g. For the fiscal year beginning July 1, 2004, and ending
6 June 30, 2005, twelve and one-half percent of the receipts
7 shall be deposited in the general fund of the state and
8 eighty-seven and one-half percent of the receipts shall be
9 transferred to the department of economic development to be
10 used only for the purposes of the regional housing program
11 established in section 15.351.

12 h. For the fiscal year beginning July 1, 2005, and each
13 subsequent fiscal year, one hundred percent of the receipts
14 shall be transferred to the department of economic development
15 to be used only for the purposes of the regional housing
16 program established in section 15.351.

17 2. The county recorder shall deposit the remaining
18 seventeen and one-fourth percent of the receipts in the county
19 general fund.

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

23 Sec. 9. Section 543B.46, subsection 1, Code 1997, is
24 amended to read as follows:

25 1. Each real estate broker shall maintain a common trust
26 account in a bank, a savings and loan association, savings
27 bank, or credit union for the deposit of all down payments,
28 earnest money deposits, or other trust funds received by the
29 broker or the broker's salespersons on behalf of the broker's
30 principal, except that a broker acting as a salesperson shall
31 deposit these funds in the common trust account of the broker
32 for whom the broker acts as salesperson. The account shall be
33 an interest-bearing account. The interest on the account
34 shall be transferred quarterly to the treasurer of state and
35 ~~deposited in the title guaranty fund and used for public~~

1 ~~purposes and the benefit of the public pursuant to section~~
2 ~~16.91 unless there is a written agreement between the buyer~~
3 ~~and seller to the contrary. -- The broker shall not benefit from~~
4 ~~interest received on funds of others in the broker's~~
5 ~~possession~~ transferred to the department of economic
6 development for the regional housing program established in
7 section 15.351.

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EXPLANATION

9 This bill provides the following:

10 1. The department of economic development is also required
11 to establish a regional housing project program in
12 coordination with the Iowa finance authority to provide
13 technical and financial assistance to communities or local
14 groups for housing projects which facilitate housing
15 development, construction, or rehabilitation. The program
16 shall require that a regional housing council, consisting of
17 the supervisors or the county, the mayor of each city, and
18 representatives of local housing or economic development
19 groups, exist. The council may cover more than one county
20 under an agreement pursuant to Code chapter 28E. To receive
21 financial assistance under the program, a housing needs
22 assessment must be completed for the region, the proposal must
23 be consistent with the housing needs assessment, and the
24 proposal must be approved by the council.

25 2. Interest on moneys in the title guarantee fund under
26 Code section 16.91 and on real estate brokers common trust
27 accounts under Code section 543B.46 shall be transferred to
28 the department of economic development for housing programs.

29 3. The proceeds from the real estate transfer tax under
30 Code section 428A.8 currently being deposited with the Iowa
31 finance authority shall be transferred to the department of
32 economic development for the fiscal year beginning July 1,
33 1997. For the fiscal year beginning July 1, 1998, the
34 proceeds from the tax shall be deposited as follows:

35 a. For the fiscal year beginning July 1, 1998, 87.5

1 percent of the proceeds shall continue to be deposited in the
2 general fund of the state and 12.5 percent shall be
3 transferred to the department.

4 b. For the fiscal year beginning July 1, 1999, 75 percent
5 of the proceeds shall continue to be deposited in the general
6 fund of the state and 25 percent shall be transferred to the
7 department.

8 c. For the fiscal year beginning July 1, 2000, 62.5
9 percent of the proceeds shall continue to be deposited in the
10 general fund of the state and 37.5 percent shall be
11 transferred to the department.

12 d. For the fiscal year beginning July 1, 2001, 50 percent
13 of the proceeds shall continue to be deposited in the general
14 fund of the state and 50 percent shall be transferred to the
15 department.

16 e. For the fiscal year beginning July 1, 2002, 37.5
17 percent of the proceeds shall continue to be deposited in the
18 general fund of the state and 62.5 percent shall be
19 transferred to the department.

20 f. For the fiscal year beginning July 1, 2003, 25 percent
21 of the proceeds shall continue to be deposited in the general
22 fund of the state and 75 percent shall be transferred to the
23 department.

24 g. For the fiscal year beginning July 1, 2004, 12.5
25 percent of the proceeds shall continue to be deposited in the
26 general fund of the state and 87.5 percent shall be
27 transferred to the department.

28 h. For the fiscal year beginning July 1, 2005, and each
29 subsequent year, 100 percent of the tax proceeds currently
30 going to the general fund shall be transferred to the
31 department.

32 The counties would continue to retain 17.25 percent of the
33 gross real estate transfer tax receipts.

34 4. Cities and counties are authorized to provide a
35 property tax exemption for the first \$75,000 of value of

1 residential property which is in an area designated as
2 appropriate for public improvements related to housing and
3 residential development, or construction of housing and
4 residential development, including single or multifamily
5 housing.

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