

*Substituted by
HF 212 (P. 625)
3-6-97*

*2-13-97 W. & M.
2-17-97 W. & M.
2-26-97 Amend/Re Pass
W/S-3087*

FILED FEB 13 1997

SENATE FILE 136
BY PALMER

WITHDRAWN
3-19-97 (P. 698)
(COMPANION TO HF 53 BY HUSER)

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

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:

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WITHDRAWN

S.F. 136

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 governing body
12 of the taxing district shall pass a resolution imposing the
13 tax and shall notify the county assessor, director of revenue
14 and finance, and the owner of record of the real property by
15 September 1 preceding the fiscal year in which the real
16 property taxes are due and payable. The assessed value shall
17 be determined by the department of revenue and finance by
18 October 15 and the owner may protest the assessed value to the
19 state board of tax review by November 1. Real property
20 subject to tax as provided in this subsection shall continue
21 to be taxed until such time as the governing body of the
22 taxing district repeals the resolution subjecting the property
23 to taxation.

24 EXPLANATION

25 The bill provides that real property used in the operation
26 of a racetrack or racetrack enclosure may be subject to
27 taxation even if otherwise exempt because it is owned by a
28 city, county, state, or a charitable or nonprofit entity. To
29 be so taxed, the governing body of the taxing district must
30 adopt a resolution subjecting the property to taxation. Once
31 a resolution is adopted the property will continue to be taxed
32 until the resolution is repealed.

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**SENATE FILE 136
FISCAL NOTE**

A fiscal note for Senate File 136 as amended by S-3087 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.

Senate File 136, as amended by S-3087, 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

Senate File 136 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 1579SS.2, JAS)

FILED MARCH 3, 1997

BY DENNIS PROUTY, FISCAL DIRECTOR



S-3087

1 Amend Senate File 136 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 9, by striking the word
15 "district" and inserting the following: "authority".

16 3. Page 1, line 12, by striking the word
17 "district" and inserting the following: "authority".

18 4. Page 1, line 17, by inserting after the word
19 "determined" the following: "and notice of the
20 assessed value shall be provided to the county
21 auditor".

22 5. Page 1, line 19, by striking the word and
23 figure "November 1." and inserting the following:
24 "December 1. Property taxes due as a result of this
25 subsection shall be paid to the county treasurer in
26 the manner and time as other property taxes. The
27 county treasurer shall remit the tax revenue to those
28 taxing authorities imposing the property tax under
29 this subsection."

30 6. Page 1, line 22, by striking the word
31 "district" and inserting the following: "authority".

32 7. Page 1, line 23, by inserting after the word
33 "taxation." the following: "Notwithstanding section
34 99D.7, the department of revenue and finance shall
35 adopt rules to implement this subsection."

36 8. Page 1, by inserting after line 23 the
37 following:

38 "Sec. ____ . Section 99F.1, subsection 15, Code
39 1997, is amended to read as follows:

40 15. "RACETRACK ENCLOSURE" means the grandstand,
41 clubhouse, turf club, or other areas of a licensed
42 racetrack which an individual may enter only upon
43 payment of an admission fee, or upon payment by
44 another, at any time, based upon the individual's
45 admittance, or upon presentation of authorized
46 credentials. "Racetrack enclosure" also means any
47 additional areas designated by the commission."

48 9. By renumbering, relettering, or redesignating
49 and correcting internal references as necessary.

By COMMITTEE ON WAYS AND MEANS
JOANN DOUGLAS, CHAIRPERSON

O/O 3-6-97 (P.S.A.S)

S-3115

1 Amend Senate File 136 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the 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 Sec. 2. Section 99D.14, subsection 6, Code 1997,
15 is amended by striking the subsection and inserting in
16 lieu thereof the following:

17 6. Real property used in the operation of a
18 racetrack or racetrack enclosure which is exempt from
19 property taxation under another provision of the law,
20 including being exempt because it is owned by a city,
21 county, state, or charitable or nonprofit entity, may
22 be subject to real property taxation by any taxing
23 district in which the real property used in the
24 operation of the racetrack or racetrack enclosure is
25 located. To subject such real property to taxation,
26 the taxing authority of the taxing district shall pass
27 a resolution imposing the tax and shall notify the
28 county assessor, director of revenue and finance, and
29 the owner of record of the real property by September
30 1 preceding the fiscal year in which the real property
31 taxes are due and payable. The assessed value shall
32 be determined and notice of the assessed value shall
33 be provided to the county auditor by the department of
34 revenue and finance by October 15 and the owner may
35 protest the assessed value to the state board of tax
36 review by December 1. Property taxes due as a result
37 of this subsection shall be paid to the county
38 treasurer in the manner and time as other property
39 taxes. The county treasurer shall remit the tax
40 revenue to those taxing authorities imposing the
41 property tax under this subsection. Real property
42 subject to tax as provided in this subsection shall
43 continue to be taxed until such time as the taxing
44 authority of the taxing district repeals the
45 resolution subjecting the property to taxation.
46 Notwithstanding section 99D.7, the department of
47 revenue and finance shall adopt rules to implement
48 this subsection.

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

S-3115

S-3115

Page 2

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

By WILLIAM D. PALMER
JOANN DOUGLAS

S-3115 FILED MARCH 6, 1997
ADOPTED 3-6-97

(P.524)