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HOUSE CONCURRENT RESOLUTION NO. 
BY BRAUNS AND BRADLEY
(COMPANION TO LSB 7229SS BY DRAKE)

A Concurrent Resolution establishing a special commission to study and make recommendations concerning the impact of current and future state replacement funds paid to local governments to mitigate the effects of the elimination of the property tax on industrial machinery, equipment, and computers.

WHEREAS, it was the intent of the General Assembly to provide replacement funds to local governments to mitigate the loss of property tax revenue resulting from the elimination of industrial machinery, equipment, and computers from the local property tax base for a period of time sufficient to allow growth from economic development to replenish the tax base; and

WHEREAS, the manner of calculating claims for reimbursement paid from the state replacement fund may have a severe adverse fiscal impact on certain local governments whose property tax base contained a significant proportion of industrial machinery, equipment, and computers; NOW THEREFORE,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES, THE SENATE CONCURRING, That the Legislative Council is requested to establish a special commission to study the current statutory system under which reimbursement claims are calculated and funds paid by the state to local governments to replace revenue lost from the elimination of property tax on industrial machinery,

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1 equipment, and computers; and

2 BE IT FURTHER RESOLVED, That the special commission
3 be comprised of twelve voting members with diverse
4 expertise in economic development and local government
5 finance and administration, including all of the
6 following:

7 1. Four members of the General Assembly with not
8 more than one member from each chamber being from the
9 same political party. The two senators shall be
10 appointed by the majority leader of the Senate after
11 consultation with the president of the Senate and the
12 minority leader of the Senate. The two
13 representatives shall be appointed by the Speaker of
14 the House of Representatives after consultation with
15 the majority and minority leaders of the House of
16 Representatives.

17 2. One member appointed by the Governor.

18 3. The director of the Iowa Department of Economic
19 Development or the director's designee.

20 4. The executive director of the Iowa League of
21 Cities or the executive director's designee.

22 5. The executive director of the Iowa State
23 Association of Counties or the executive director's
24 designee.

25 6. The president of the Iowa Municipal Finance
26 Officers Association or the president's designee.

27 7. The director of Revenue and Finance or the
28 director's designee.

29 8. An economist designated by the president of
30 Iowa State University of Science and Technology.

1 9. The president of the Professional Developers of
2 Iowa or the president's designee; and

3 BE IT FURTHER RESOLVED, That the chairpersons of
4 the special commission shall be the General Assembly
5 members of the majority party from each chamber; and

6 BE IT FURTHER RESOLVED, That the special commission
7 shall do all of the following:

8 1. Review the impact of the phase-out of property
9 taxation of industrial machinery, equipment, and
10 computers on individual units of local government.

11 2. Evaluate the impact, from an economic
12 development perspective, of the phase-out of property
13 taxation of industrial machinery, equipment, and
14 computers.

15 3. Assess the impact of state replacement funds in
16 mitigating the loss of local government revenue due to
17 the phase-out of property taxation of industrial
18 machinery, equipment, and computers.

19 4. Project the amount of replacement funds
20 necessary to pay reimbursement claims to local
21 governments through fiscal year 2006-2007.

22 5. Recommend modifications to the current
23 statutory system under which reimbursement claims are
24 calculated in order to further mitigate revenue loss
25 to those local governments for which the elimination
26 of the property tax on industrial machinery,
27 equipment, and computers will have a severe adverse
28 fiscal impact; and

29 BE IT FURTHER RESOLVED, That the special commission
30 shall convene, at a minimum, once each month, if

1 necessary; and

2 BE IT FURTHER RESOLVED, That the special commission
3 shall submit a final report to the General Assembly
4 and to the Governor for consideration during the 2001
5 legislative session, which report shall include, but
6 not be limited to, findings, analyses, and
7 recommendations by the special commission; and

8 BE IT FURTHER RESOLVED, That the Legislative
9 Council, pursuant to its authority in section 2.43 may
10 allocate funding from moneys available to it in
11 section 2.12, to the special commission created in
12 this Resolution for studies, consultants, surveys, and
13 reimbursement of any public or private department or
14 agency that provides staffing services for the
15 commission; and

16 BE IT FURTHER RESOLVED, That the members of the
17 General Assembly serving on the special commission
18 shall, by January 15, 2001, file their recommendations
19 for consideration during the 2001 legislative session.

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