

JAN 12 2000

EDUCATION

HOUSE FILE 2035
BY BRUNKHORST

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

A BILL FOR

1 An Act relating to collection of the physical plant and equipment
2 property tax levy in urban renewal areas using tax increment
3 financing and providing an applicability date.

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

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HF 2035

1 Section 1. Section 403.19, subsection 2, Code 1999, is
2 amended to read as follows:

3 2. That portion of the taxes each year in excess of such
4 amount shall be allocated to and when collected be paid into a
5 special fund of the municipality to pay the principal of and
6 interest on loans, moneys advanced to, or indebtedness,
7 whether funded, refunded, assumed, or otherwise, including
8 bonds issued under the authority of section 403.9, subsection
9 1, incurred by the municipality to finance or refinance, in
10 whole or in part, an urban renewal project within the area,
11 and to provide assistance for low and moderate income family
12 housing as provided in section 403.22, except that taxes for
13 the regular and voter-approved physical plant and equipment
14 levy of a school district imposed pursuant to section 298.2
15 and taxes for the payment of bonds and interest of each taxing
16 district must be collected against all taxable property within
17 the taxing district without limitation by the provisions of
18 this subsection. Unless and until the total assessed
19 valuation of the taxable property in an urban renewal area
20 exceeds the total assessed value of the taxable property in
21 such area as shown by the last equalized assessment roll
22 referred to in subsection 1, all of the taxes levied and
23 collected upon the taxable property in the urban renewal area
24 shall be paid into the funds for the respective taxing
25 districts as taxes by or for the taxing districts in the same
26 manner as all other property taxes. When such loans,
27 advances, indebtedness, and bonds, if any, and interest
28 thereon, have been paid, all moneys thereafter received from
29 taxes upon the taxable property in such urban renewal area
30 shall be paid into the funds for the respective taxing
31 districts in the same manner as taxes on all other property.

32 Sec. 2. APPLICABILITY DATE. This Act applies to property
33 taxes due and owing on or after July 1, 2000.

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EXPLANATION

35 This bill provides that the revenues from a school district

1 physical plant and equipment levy (PPEL) imposed in an urban
2 renewal area that is utilizing tax increment financing shall
3 not be paid to the municipality implementing the urban renewal
4 plan, but will be paid to the school district imposing the
5 PPEL. The bill applies to both the regular PPEL and the
6 voter-approved PPEL.

7 The bill applies to property taxes due and payable on or
8 after July 1, 2000.

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