

Senate Study Bill 1270

Bill Text

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1 1 Section 1. Section [403.19](#), subsection 2, Code 2001, is
1 2 amended to read as follows:
1 3 2. That portion of the taxes each year in excess of such
1 4 amount shall be allocated to and when collected be paid into a
1 5 special fund of the municipality to pay the principal of and
1 6 interest on loans, moneys advanced to, or indebtedness,
1 7 whether funded, refunded, assumed, or otherwise, including
1 8 bonds issued under the authority of section 403.9, subsection
1 9 1, incurred by the municipality to finance or refinance, in
1 10 whole or in part, an urban renewal project within the area,
1 11 and to provide assistance for low and moderate income family
1 12 housing as provided in section 403.22, except that taxes for
1 13 the regular and voter-approved physical plant and equipment
1 14 levy of a school district imposed pursuant to section 298.2
1 15 and taxes for the payment of bonds and interest of each taxing
1 16 district must be collected against all taxable property within
1 17 the taxing district without limitation by the provisions of
1 18 this subsection. However, all or a portion of the taxes for
1 19 the physical plant and equipment levy shall be paid by the
1 20 school district to the municipality if the municipality
1 21 certifies to the school district by July 1 the amount of such
1 22 levy that is necessary to pay the principal and interest on
1 23

~~indebtedness incurred~~
- ~~bonds issued~~ by the municipality to
1 24 finance an urban renewal project, which

~~indebtedness was~~

1 25

~~incurred~~
- ~~bonds were issued~~ before July 1, 2000. Indebtedness
1 26 incurred to refund bonds issued prior to July 1, 2000, shall
1 27 not be included in the certification. Such school district
1 28 shall pay over the amount certified by November 1 and May 1 of
1 29 the fiscal year following certification to the school
1 30 district. Unless and until the total assessed valuation of
1 31 the taxable property in an urban renewal area exceeds the
1 32 total assessed value of the taxable property in such area as
1 33 shown by the last equalized assessment roll referred to in
1 34 subsection 1, all of the taxes levied and collected upon the
1 35 taxable property in the urban renewal area shall be paid into
2 1 the funds for the respective taxing districts as taxes by or
2 2 for the taxing districts in the same manner as all other
2 3 property taxes. When such loans, advances, indebtedness, and
2 4 bonds, if any, and interest thereon, have been paid, all
2 5 moneys thereafter received from taxes upon the taxable
2 6 property in such urban renewal area shall be paid into the
2 7 funds for the respective taxing districts in the same manner
2 8 as taxes on all other property.

2 9 Sec. 2. Section [403.19](#), Code 2001, is amended by adding
2 10 the following new subsection:

2 11 NEW SUBSECTION. 7. For any fiscal year, a municipality
2 12 may only certify for physical plant and equipment revenue

2 13 necessary for payment of principal and interest on bonds
2 14 issued prior to July 1, 2000, if the municipality certified
2 15 for such revenue for the fiscal year beginning July 1, 2000.
2 16 A municipality shall not certify to a school district more
2 17 than the amount the municipality certified for the fiscal year
2 18 beginning July 1, 2000. If for any fiscal year a municipality
2 19 fails to certify to a school district by July 1 the amount of
2 20 physical plant and equipment revenue necessary for payment of
2 21 principal and interest on such bonds, as provided in
2 22 subsection 2, the school district is not required to pay over
2 23 the revenue to the municipality. If a school district and a
2 24 municipality are unable to agree on the amount of physical
2 25 plant and equipment revenue certified by the municipality for
2 26 the fiscal year beginning July 1, 2001, either party may
2 27 request that the state appeal board review and finally pass
2 28 upon the amount that may be certified. Such appeals must be
2 29 presented in writing to the state appeal board no later than
2 30 July 31 following certification. A final decision must be
2 31 issued by the state appeal board no later than the following
2 32 October 1.

2 33 Sec. 3. EFFECTIVE DATE. This Act, being deemed of
2 34 immediate importance, takes effect upon enactment and applies
2 35 to property taxes due and payable in fiscal years beginning on
3 1 or after July 1, 2001.

3 2 EXPLANATION

3 3 This bill makes several changes to the law relating to
3 4 school district physical plant and equipment levy (PPEL)
3 5 property taxes collected in an urban renewal area. The bill
3 6 provides that a municipality may certify to a school district
3 7 the amount of PPEL revenue needed for bonds rather than
3 8 indebtedness. Indebtedness incurred to refund bonds issued
3 9 before July 1, 2000, shall not be included in the amount
3 10 certified. The bill requires the school district to pay over
3 11 the PPEL revenue to the municipality by November 1 and May 1
3 12 of the fiscal year following certification. Current law
3 13 requires that the revenue be paid over by November 1.

3 14 The bill also provides that in subsequent years a
3 15 municipality may only certify an amount of PPEL revenues if
3 16 the municipality had certified an amount of the revenue for
3 17 the fiscal year beginning July 1, 2000. A municipality shall
3 18 not certify an amount more than it certified for the fiscal
3 19 year beginning July 1, 2000. If a municipality misses the
3 20 certification deadline for a fiscal year it is not eligible to
3 21 receive PPEL revenue from the school district. If a school
3 22 district and municipality do not agree on the amount of PPEL
3 23 revenue a municipality may certify, either party may, by July
3 24 31, request that the state appeal board review and make a
3 25 final decision on the amount that may be certified. The state
3 26 appeal board must make its decision no later than the
3 27 following October 1.

3 28 The bill is effective upon enactment and applies to
3 29 property taxes due and payable in fiscal years beginning on or
3 30 after July 1, 2001.

3 31 LSB 3424SC 79

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