

FEB 25 2004

WAYS & MEANS CALENDAR

HOUSE FILE 2363

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2229)

(COMPANION TO SF 2107 BY IVERSON)

Passed House, Date _____ Passed Senate, Date _____

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

Approved _____

A BILL FOR

1 An Act providing for an annual tax levy on real property used in
2 gaming operations and providing an effective date.

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

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HF 2363

1 Section 1. Section 99D.14, subsection 6, Code 2003, is
2 amended to read as follows:

3 6. Real property used in the operation of a racetrack or
4 racetrack enclosure which is exempt from property taxation
5 under another provision of the law, including being exempt
6 because it is owned by a city, county, state, or charitable or
7 nonprofit entity, may be subject to real property taxation by
8 any taxing district, including the state, in which the real
9 property used in the operation of the racetrack or racetrack
10 enclosure is located. To subject such real property to
11 taxation, the taxing authority of ~~the~~ a local taxing district
12 shall pass a resolution imposing the tax and ~~if the~~
13 ~~resolution is passed prior to September 17, 1997, shall~~ notify
14 the local assessor and the owner of record of the real
15 property ~~by September 17, 1997~~ preceding the fiscal year in
16 which the real property taxes are due and payable. The
17 assessed value shall be determined and notice of the assessed
18 value shall be provided to the county auditor by the local
19 assessor ~~by October 15, 1997~~, and the owner may protest the
20 assessed value to the local board of review ~~by December 17~~
21 ~~1997. For resolutions passed on or after September 17, 1997~~
22 ~~the taxing authority shall notify the local assessor and owner~~
23 ~~of record prior to the next assessment year and the valuation~~
24 ~~and appeal shall be done in the manner and time as for other~~
25 ~~valuations.~~ For the state, the real property shall be subject
26 to taxation as provided in section 444.24. Property taxes due
27 as a result of this subsection shall be paid to the county
28 treasurer in the manner and time as other property taxes. The
29 county treasurer shall remit the tax revenue to those taxing
30 authorities imposing the property tax under this subsection.
31 Real property subject to tax as provided in this subsection
32 shall continue to be taxed until such time as the taxing
33 authority of the taxing district repeals the resolution
34 subjecting the property to taxation or the state repeals the
35 statute subjecting the property to taxation by the state.

1 Sec. 2. NEW SECTION. 444.24 GAMING OPERATIONS REAL
2 PROPERTY -- ANNUAL LEVY.

3 1. Gaming operations real property shall be assessed an
4 annual levy pursuant to the requirements of this section and
5 the amounts collected shall be deposited in the general fund
6 of the state.

7 2. In each year the director of revenue shall fix the rate
8 to be levied per square foot of gaming operations real
9 property necessary to raise the amounts provided in subsection
10 3 for general state purposes. The director of revenue shall
11 certify the rate so fixed to the auditor of each applicable
12 county.

13 3. a. The amounts required to be raised from the levy on
14 gaming operations real property that is used by a licensee as
15 gaming floor shall be determined as follows:

16 (1) If the target resident population of the county where
17 the gaming operations real property is located is less than
18 one hundred thousand, the amount to be raised shall be an
19 initial payment of twenty-five million dollars, and five
20 million dollars for the fiscal year beginning July 1, 2004,
21 and each fiscal year thereafter.

22 (2) If the target resident population of the county where
23 the gaming operations real property is located is one hundred
24 thousand or more, but less than three hundred thousand, the
25 amount to be raised shall be an initial payment of eighty
26 million dollars, and twenty million dollars for the fiscal
27 year beginning July 1, 2004, and each fiscal year thereafter.

28 (3) If the target resident population of the county where
29 the gaming operations real property is located is three
30 hundred thousand or more, the amount to be raised shall be an
31 initial payment of ninety-five million dollars for the fiscal
32 year beginning July 1, 2004, and twenty-five million dollars
33 each fiscal year thereafter.

34 b. The amount levied on the gaming operations real
35 property that is not used by the licensee as gaming floor

1 shall be determined as follows:

2 (1) If the target resident population of the county where
3 the gaming operations real property is located is less than
4 one hundred thousand, the amount to be raised shall be an
5 initial payment of one hundred thousand dollars, and thirty-
6 three thousand two hundred fifty dollars for the fiscal year
7 beginning July 1, 2004, and each fiscal year thereafter.

8 (2) If the target resident population of the county where
9 the gaming operations real property is located is one hundred
10 thousand or more, but less than three hundred thousand, the
11 amount to be raised shall be an initial payment of three
12 hundred fifty thousand dollars, and one hundred thirty-three
13 thousand five hundred dollars for the fiscal year beginning
14 July 1, 2004, and each fiscal year thereafter.

15 (3) If the target resident population of the county where
16 the gaming operations real property is located is three
17 hundred thousand or more, the amount to be raised shall be an
18 initial payment of two million three hundred thousand dollars,
19 and one million dollars for the fiscal year beginning July 1,
20 2004, and each fiscal year thereafter.

21 4. For purposes of this section:

22 a. "Gaming operations real property" means real property
23 owned or occupied by a licensee under chapter 99D or 99F and
24 used in or related to the operation of gambling games, racing,
25 or pari-mutuel wagering. "Gaming operations real property"
26 does not mean hotels, restaurants or bars, convention centers,
27 theaters, or meeting rooms.

28 b. "Target resident population of the county" means the
29 total population, based upon the most recent federal decennial
30 census, of the greater of the population of the county in
31 which the gaming operations real property is located or the
32 population of each county within this state included in the
33 federally designated metropolitan statistical area that
34 includes the county in which the gaming operations real
35 property is located, as designated as of January 1, 2004.

1 real property owned or occupied by a licensee under Code
2 chapter 99D or 99F and used in or related to the operation of
3 gambling games, racing, or pari-mutuel wagering but does not
4 include hotels, restaurants or bars, convention centers,
5 theaters, or meeting rooms.

6 The bill also defines "target resident population of the
7 county" as the greater of the population of the county in
8 which the racetrack is located or the population of each
9 county in this state, including the county in which the
10 racetrack is located, that is included in a federal
11 metropolitan statistical area.

12 The bill provides that if the population where the gaming
13 operations real property is located is less than 100,000, the
14 amount to be raised on real property that is gaming floor
15 shall be an initial payment of \$25 million, and \$5 million for
16 fiscal year 2004-2005 and each fiscal year thereafter. In
17 addition, the amount to be raised on real property that is not
18 gaming floor shall be an initial payment of \$100,000, and
19 \$33,250 for fiscal year 2004-2005 and each fiscal year
20 thereafter.

21 If the population where the gaming operations real property
22 is located is 100,000, but less than 300,000, the amount to be
23 raised on real property that is gaming floor shall be an
24 initial payment of \$80 million, and \$20 million for fiscal
25 year 2004-2005 and each fiscal year thereafter. In addition,
26 the amount to be raised on real property that is not gaming
27 floor shall be an initial payment of \$350,000, and \$133,500
28 for fiscal year 2004-2005 and each fiscal year thereafter.

29 The bill provides that if the population where the gaming
30 operations real property is located is more than 300,000, the
31 amount to be raised on real property that is gaming floor
32 shall be an initial payment of \$95 million, and \$25 million
33 for fiscal year 2004-2005 and each fiscal year thereafter. In
34 addition, the amount to be raised on real property that is not
35 gaming floor shall be an initial payment of \$2.3 million, and

1 \$1 million for fiscal year 2004-2005 and each fiscal year
2 thereafter.

3 The bill includes a transition provision for the initial
4 payment of the annual levy. The bill provides that the
5 director of revenue shall notify the owner of the property of
6 the tax to be assessed within 30 days of the effective date of
7 the bill. The bill then provides that the owner has 30 days
8 to pay the tax following notice.

9 The bill takes effect upon enactment.

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