

MAR 9 2004
WAYS AND MEANS

HOUSE FILE 2519
BY FALLON

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

A BILL FOR

1 An Act prohibiting division of school foundation property taxes
2 for financing certain urban renewal plans and providing an
3 effective date.

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

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HF 2519

1 Section 1. Section 403.19, subsection 2, Code 2003, 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 403.227-~~except-that~~. However,
13 taxes for the regular and voter-approved physical plant and
14 equipment levy of a school district imposed pursuant to
15 section 298.2, and taxes for the payment of bonds and interest
16 of each taxing district must, and the foundation property tax,
17 but only as provided in subsection 8, shall be collected
18 against all taxable property within the taxing district
19 without limitation by the provisions of this subsection.
20 However, all or a portion of the taxes for the physical plant
21 and equipment levy shall be paid by the school district to the
22 municipality if the auditor certifies to the school district
23 by July 1 the amount of such levy that is necessary to pay the
24 principal and interest on bonds issued by the municipality to
25 finance an urban renewal project, which bonds were issued
26 before July 1, 2001. Indebtedness incurred to refund bonds
27 issued prior to July 1, 2001, shall not be included in the
28 certification. Such school district shall pay over the amount
29 certified by November 1 and May 1 of the fiscal year following
30 certification to the school district.

31 PARAGRAPH DIVIDED. Unless and until the total assessed
32 valuation of the taxable property in an urban renewal area
33 exceeds the total assessed value of the taxable property in
34 such area as shown by the last equalized assessment roll
35 referred to in subsection 1, all of the taxes levied and

1 collected upon the taxable property in the urban renewal area
2 shall be paid into the funds for the respective taxing
3 districts as taxes by or for the taxing districts in the same
4 manner as all other property taxes. When such loans,
5 advances, indebtedness, and bonds, if any, and interest
6 thereon, have been paid, all moneys thereafter received from
7 taxes upon the taxable property in such urban renewal area
8 shall be paid into the funds for the respective taxing
9 districts in the same manner as taxes on all other property.

10 Sec. 2. Section 403.19, Code 2003, is amended by adding
11 the following new subsection:

12 NEW SUBSECTION. 8. For urban renewal plans adopted after
13 the effective date of this Act, the school foundation property
14 tax imposed pursuant to section 257.3, subsection 1, shall not
15 be divided under this section but shall be paid to the school
16 district.

17 Sec. 3. EFFECTIVE DATE. This Act, being deemed of
18 immediate importance, takes effect upon enactment.

19 EXPLANATION

20 This bill provides that for urban renewal plans adopted
21 after the effective date of the bill, school foundation
22 property taxes will not be divided and made available to the
23 municipality for tax increment financing but will be paid to
24 the school district.

25 The bill takes effect upon enactment.

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