

SENATE FILE 2223
BY LUNDBY

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

A BILL FOR

1 An Act relating to a property tax reimbursement for certain
2 services provided by certain commercial property owners or
3 taxpayers.

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

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SF 2223
WAYS & MEANS

1 Section 1. NEW SECTION. 384.12A PROPERTY TAX
2 REIMBURSEMENT FOR PROVISION OF CERTAIN CITY SERVICES TO
3 COMMERCIAL PROPERTY.

4 1. For land located within a city and assessed as
5 commercial property for purposes of property taxation, if such
6 commercial property is used primarily for residential
7 purposes, a property owner or taxpayer may apply to the city
8 council for a property tax reimbursement of up to twenty-five
9 percent of the property taxes levied on the property by the
10 city and due and payable in the following fiscal year. To be
11 eligible for the reimbursement, the property owner or taxpayer
12 must certify to the city council at least one of the
13 following:

14 a. That the property owner or taxpayer provided street
15 repair and cleanup on the property in lieu of the city
16 providing such services.

17 b. That the property owner or taxpayer provided for solid
18 waste removal on the property in lieu of the city providing
19 such service.

20 c. That the property owner or taxpayer provided fixtures,
21 equipment, accessories, improvements, maintenance, or repair
22 relating to the water supply or sewer system that when
23 provided by the city are not normally billed to an individual
24 property owner or taxpayer.

25 2. a. A property owner or taxpayer who wishes to qualify
26 for one or more of the reimbursements provided in this section
27 shall obtain the appropriate forms for filing for the
28 reimbursement from the city clerk. The claim shall be filed
29 on or before January 15 of the calendar year in which the
30 fiscal year for which the claim is first allowed commences. A
31 claim filed after January 15 shall be considered as a claim
32 filed for the fiscal year commencing in the following calendar
33 year.

34 b. Upon the filing and allowance of the reimbursement
35 claim, the claim shall be allowed on that property for

1 successive years without further filing until the property
2 owner or taxpayer ceases to provide the service, in lieu of
3 the city, for which the claim was filed.

4 c. The city clerk shall forward the claims to the city
5 council. The council shall allow or disallow the claims. If
6 the council disallows a claim, it shall send written notice,
7 by mail, to the claimant at the claimant's last known address.
8 The notice shall state the reasons for disallowing a claim for
9 the reimbursement. The council is not required to send notice
10 that a claim is disallowed if the claimant voluntarily
11 withdraws the claim.

12 d. On or before March 1 of each fiscal year, the city
13 council shall take action to allow or disallow all claims
14 filed for that fiscal year with the city clerk. The city
15 clerk shall retain a permanent file of current property tax
16 reimbursement claims filed with the clerk pursuant to this
17 section.

18 3. The amount of the reimbursement allowed shall be as
19 follows:

20 a. If the claim is filed for purposes of subsection 1,
21 paragraph "a", an amount equal to ten percent of the property
22 taxes levied on the property by the city and collected for the
23 fiscal year.

24 b. If the claim is filed for purposes of subsection 1,
25 paragraph "b", an amount equal to ten percent of the property
26 taxes levied on the property by the city and collected for the
27 fiscal year.

28 c. If the claim is filed for purposes of subsection 1,
29 paragraph "c", an amount equal to five percent of the property
30 taxes levied on the property by the city and collected for the
31 fiscal year.

32 4. On or before May 31 of each fiscal year, the city clerk
33 shall reimburse each claimant the amount of property taxes
34 paid in that fiscal year by the claimant equal to the amount
35 of the reimbursement due the claimant. The reimbursement

1 shall be mailed to the claimant's last known address. A
2 claimant is required to notify the city clerk of any change in
3 the claimant's mailing address.

4 Sec. 2. IMPLEMENTATION OF ACT. Section 25B.2, subsection
5 3, shall not apply to this Act.

6 EXPLANATION

7 This bill provides a property owner or taxpayer with a
8 property tax reimbursement of city property taxes paid if the
9 property is assessed as commercial property, if such property
10 is used primarily for residential purposes, and if the
11 property owner or taxpayer provides certain services on or to
12 the property in lieu of the city providing such services.

13 The bill provides that if a property owner or taxpayer
14 provides services relating to solid waste collection in lieu
15 of the city providing such service, the amount of the
16 reimbursement is equal to 10 percent of city property taxes
17 paid. If a property owner or taxpayer provides street repair
18 and street maintenance to the property in lieu of the city
19 providing such service, the amount of the reimbursement is
20 equal to 10 percent of city property taxes paid. If a
21 property owner or taxpayer provided fixtures, equipment,
22 accessories, improvements, maintenance, or repair relating to
23 the water supply or sewer system that when provided by the
24 city are not normally billed to an individual property owner
25 or taxpayer, the amount of the reimbursement is equal to 5
26 percent of city property taxes paid.

27 The bill also provides that once a reimbursement claim is
28 allowed, the claim shall be allowed for successive years
29 without further filing until the property owner or taxpayer
30 ceases to provide the service for which the claim was filed.

31 The bill provides that the city shall, on or before May 31
32 of each year, reimburse a property owner or taxpayer who has
33 properly filed a claim with the city.

34 The bill may include a state mandate as defined in Code
35 section 25B.3. The bill makes inapplicable Code section

1 25B.2, subsection 3, which would relieve a political
2 subdivision from complying with a state mandate if funding for
3 the cost of the state mandate is not provided or specified.
4 Therefore, political subdivisions are required to comply with
5 any state mandate included in the bill.

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