

FEB 24 2006  
WAYS AND MEANS

HOUSE FILE 2530  
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HF 2229)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act authorizing a school district to share its portion of  
2 incremental property taxes with a contiguous school district.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2530

1 Section 1. NEW SECTION. 279.63 TAX-SHARING AGREEMENTS.

2 A school district may enter into an agreement under chapter  
3 28E with a contiguous school district for the purpose of  
4 sharing all or a percentage of school district taxes collected  
5 from that portion of valuation described in section 403.19,  
6 subsection 2, that is released by the municipality to the  
7 school district.

8 Upon filing of a copy of the agreement with the auditor of  
9 the county in which the urban renewal area is located, the  
10 auditor shall provide for the transfer of taxes, as stated in  
11 the agreement, for the period of time set forth in the  
12 agreement.

13 Sec. 2. Section 403.19, subsection 2, Code 2005, is  
14 amended to read as follows:

15 2. That portion of the taxes each year in excess of such  
16 amount shall be allocated to and when collected be paid into a  
17 special fund of the municipality to pay the principal of and  
18 interest on loans, moneys advanced to, or indebtedness,  
19 whether funded, refunded, assumed, or otherwise, including  
20 bonds issued under the authority of section 403.9, subsection  
21 1, incurred by the municipality to finance or refinance, in  
22 whole or in part, an urban renewal project within the area,  
23 and to provide assistance for low and moderate income family  
24 housing as provided in section 403.22, except that taxes for  
25 the regular and voter-approved physical plant and equipment  
26 levy of a school district imposed pursuant to section 298.2  
27 and taxes for the payment of bonds and interest of each taxing  
28 district must be collected against all taxable property within  
29 the taxing district without limitation by the provisions of  
30 this subsection. However, all or a portion of the taxes for  
31 the physical plant and equipment levy shall be paid by the  
32 school district to the municipality if the auditor certifies  
33 to the school district by July 1 the amount of such levy that  
34 is necessary to pay the principal and interest on bonds issued  
35 by the municipality to finance an urban renewal project, which

1 bonds were issued before July 1, 2001. Indebtedness incurred  
2 to refund bonds issued prior to July 1, 2001, shall not be  
3 included in the certification. Such school district shall pay  
4 over the amount certified by November 1 and May 1 of the  
5 fiscal year following certification to the school district.  
6 Unless and until the total assessed valuation of the taxable  
7 property in an urban renewal area exceeds the total assessed  
8 value of the taxable property in such area as shown by the  
9 last equalized assessment roll referred to in subsection 1,  
10 all of the taxes levied and collected upon the taxable  
11 property in the urban renewal area shall be paid into the  
12 funds for the respective taxing districts as taxes by or for  
13 the taxing districts in the same manner as all other property  
14 taxes. When such loans, advances, indebtedness, and bonds, if  
15 any, and interest thereon, have been paid, all moneys  
16 thereafter received from taxes upon the taxable property in  
17 such urban renewal area shall be paid into the funds for the  
18 respective taxing districts in the same manner as taxes on all  
19 other property. In those instances where a school district  
20 has entered into an agreement pursuant to section 279.63 for  
21 sharing of school district taxes levied and collected from  
22 valuation described in this subsection and released to the  
23 school district, the school district's portion shall be  
24 allocated as provided in the agreement.

## EXPLANATION

25  
26 This bill allows a school district to enter into a Code  
27 chapter 28E agreement with a contiguous school district to  
28 share school property taxes collected from that portion of the  
29 incremental value in an urban renewal area that has been  
30 released to the school district by the municipality that  
31 created the urban renewal area.

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