

FILED JAN 12 2005

SENATE FILE 24
BY WARNSTADT and WIECK

LOCAL GOVERNMENT

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

A BILL FOR

1 An Act relating to the exemption from city taxes of land included
2 in a city's involuntary annexation petition and including
3 effective and applicability date provisions.

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

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SF 24 LOCAL GOVERNMENT

1 Section 1. Section 368.11, subsection 3, paragraph m, Code
2 2005, is amended to read as follows:

3 m. In the discretion of a city council, a provision for a
4 transition for the imposition of city taxes against property
5 within an annexation area. The provision shall ~~not~~ allow a
6 greater for an exemption from taxation than the tax-exemption
7 formula of the following percentages of assessed valuation
8 according to the following schedule provided under section
9 427B.37-subsections 1-through-5-and:

- 10 (1) For the first and second years, seventy-five percent.
- 11 (2) For the third and fourth years, sixty percent.
- 12 (3) For the fifth and sixth years, forty-five percent.
- 13 (4) For the seventh and eighth years, thirty percent.
- 14 (5) For the ninth and tenth years, fifteen percent.

15 An alternative schedule may be adopted by the city council.
16 However, an alternative schedule shall not allow a greater
17 exemption than that provided in this paragraph. The exemption
18 shall be applied in the levy and collection of taxes. The
19 provision may also allow for the partial provision of city
20 services during the time in which the exemption from taxation
21 is in effect.

22 Sec. 2. EFFECTIVE AND APPLICABILITY DATES. This Act,
23 being deemed of immediate importance, takes effect upon
24 enactment and applies to petitions for involuntary annexation
25 filed with the city development board on or after the
26 effective date of this Act.

27 EXPLANATION

28 Current law allows a city to include in a petition for
29 involuntary annexation a provision for a transition for
30 imposition of city taxes within the area proposed to be
31 annexed. The provision allows for exemption from city taxes
32 of property in the annexed area according to a schedule
33 provided in statute or according to an alternative schedule
34 adopted by the city council. The alternative schedule cannot
35 provide a greater exemption than that provided by the schedule

1 specified in statute. The statutory schedule runs for five
2 years.

3 This bill extends the statutory schedule to 10 years but
4 retains the current exemption percentage amounts, extending
5 the applicability of each percentage amount to two years
6 instead of just one year.

7 The bill takes effect upon enactment and applies to
8 petitions for involuntary annexation filed with the city
9 development board on or after the effective date.

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