

House File 2462 - Introduced

HOUSE FILE _____
BY FORD

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

A BILL FOR

1 An Act relating to urban renewal plans and areas, by placing a
2 durational limitation on the use of tax increment financing in
3 certain urban renewal areas, relating to amendments to urban
4 renewal plans, requiring voter approval of certain urban
5 renewal projects, and including effective, retroactive, and
6 other applicability date provisions.

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

8 TLSB 6398HH 82

9 sc/rj/14

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1 1 Section 1. Section 403.5, subsection 5, Code 2007, is
1 2 amended to read as follows:

1 3 5. An urban renewal plan may be ~~modified~~ amended at any
1 4 time: ~~Provided, that, However, if modified the urban renewal~~

~~1 5 plan is amended~~ after the lease or sale by the municipality of
1 6 real property in the urban renewal project area, such

1 7 ~~modification amendment~~ may be conditioned upon such approval

1 8 of the owner, lessee, or successor in interest as the

1 9 municipality may deem advisable, and in any event such

1 10 ~~modification amendment~~ shall be subject to such rights at law

1 11 or in equity as a lessee or purchaser, or a lessee's or

1 12 purchaser's successor or successors in interest, may be

1 13 entitled to assert. ~~The A project may be added to an urban~~

~~1 14 renewal plan only by an amendment to the plan. Territory may~~

~~1 15 be added to, or severed from, an urban renewal area only by an~~

~~1 16 amendment to the urban renewal plan. When amending an urban~~

~~1 17 renewal plan, the municipality shall comply with the~~

1 18 notification and consultation process provided in this section

1 19 prior to the approval of any amendment ~~or modification~~ to an

1 20 adopted urban renewal plan if such amendment ~~or modification~~

1 21 provides for refunding bonds or refinancing resulting in an

1 22 increase in debt service or provides for the issuance of bonds

1 23 or other indebtedness, to be funded primarily in the manner

1 24 provided in section 403.19, ~~or if such amendment proposes to~~

~~1 25 add a project to an urban renewal plan or proposes to add~~

~~1 26 territory to an urban renewal area or proposes to sever~~

~~1 27 territory from an urban renewal area.~~

1 28 Sec. 2. Section 403.5, Code 2007, is amended by adding the

1 29 following new subsection:

1 30 NEW SUBSECTION. 5A. Before an urban renewal plan may be

1 31 amended to add a project to the plan, the proposed amendment

1 32 to the plan shall be submitted to the registered voters of the

1 33 municipality. If the amendment to the plan is approved at

1 34 election, the governing body of the municipality may proceed

1 35 with adoption of the amendment to the plan. If the proposed

2 1 amendment to the plan is not approved at election, the same or

2 2 similar proposal shall not be submitted to the voters for a

2 3 period of twelve months from the date of the election.

2 4 Sec. 3. Section 403.5, subsection 6, Code 2007, is amended

2 5 to read as follows:

2 6 6. Upon the approval by a municipality of an urban renewal

2 7 plan or of any ~~modification thereof~~ amendment to an urban

~~2 8 renewal plan or upon approval of an amendment to an urban~~

~~2 9 renewal plan pursuant to subsection 5A, such plan or~~

2 10 ~~modification amendment~~ shall be deemed to be in full force and

2 11 effect for the respective urban renewal area, and the

2 12 municipality may then cause such plan or ~~modification~~

2 13 amendment to be carried out in accordance with its terms.

2 14 Sec. 4. NEW SECTION. 403.5A DURATIONAL LIMITATIONS ON

2 15 URBAN RENEWAL AREAS.

2 16 1. Notwithstanding section 403.17, subsection 10, if an

2 17 urban renewal plan for an urban renewal area is based upon a
2 18 finding that the area is an economic development area, then
2 19 the division of revenue provided in section 403.19 and stated
2 20 in the plan shall be limited to fifteen years beginning with
2 21 the calendar year following the calendar year in which the
2 22 municipality first certifies to the county auditor the amount
2 23 of any loans, advances, indebtedness, or bonds which qualify
2 24 for payment from the division of revenue provided in section
2 25 403.19. This subsection applies to urban renewal plans for
2 26 economic development areas adopted on or after January 1,
2 27 2008.

2 28 2. If an urban renewal plan for an urban renewal area is
2 29 based upon a finding that the area is a slum or blighted area,
2 30 then the division of revenue provided in section 403.19 and
2 31 stated in the plan shall be limited to fifteen years beginning
2 32 with the calendar year following the calendar year in which
2 33 the municipality first certifies to the county auditor the
2 34 amount of any loans, advances, indebtedness, or bonds which
2 35 qualify for payment from the division of revenue provided in
3 1 section 403.19. This subsection applies to urban renewal
3 2 plans for slum or blighted areas adopted on or after January
3 3 1, 2008.

3 4 Sec. 5. Section 403.6, subsection 6, paragraph b, Code
3 5 2007, is amended to read as follows:

3 6 b. Urban renewal plans adopted, or amended, pursuant to
3 7 the requirements of section 403.5;

3 8 Sec. 6. Section 403.6, subsection 12, Code 2007, is
3 9 amended to read as follows:

3 10 12. To approve and amend urban renewal plans, subject to
3 11 the requirements of section 403.5.

3 12 Sec. 7. EFFECTIVE AND APPLICABILITY DATE. The sections of
3 13 this Act amending section 403.5, subsections 5 and 6, enacting
3 14 section 403.5, subsection 5A, and amending section 403.6,
3 15 being deemed of immediate importance, take effect upon
3 16 enactment and apply to amendments to urban renewal plans if
3 17 such amendments are proposed by a municipality on or after the
3 18 effective date of this Act.

3 19 EXPLANATION

3 20 This bill makes changes relating to urban renewal plans and
3 21 areas.

3 22 The bill provides that a project may be added to an urban
3 23 renewal plan, or territory added to or severed from an urban
3 24 renewal area, only by an amendment to the urban renewal plan.
3 25 The bill also provides that before an urban renewal plan may
3 26 be amended to add a project to the plan, the proposed
3 27 amendment must be approved at an election. If the proposal is
3 28 not approved at an election, the same or similar proposal
3 29 shall not be submitted to the voters for a period of twelve
3 30 months from the date of the election. These provisions of the
3 31 bill take effect upon enactment and apply to amendments to
3 32 urban renewal plans if such amendments are proposed on or
3 33 after the effective date.

3 34 The bill establishes a durational limitation of 15 years
3 35 for dividing revenue in an urban renewal area designated as an
4 1 economic development area or as a slum or blighted area and
4 2 established by an urban renewal plan adopted by a municipality
4 3 on or after January 1, 2008. Currently, a division of revenue
4 4 in urban renewal areas designated as economic development
4 5 areas and established by an urban renewal plan adopted on or
4 6 after January 1, 1995, is limited in duration to 20 years.

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4 8 sc/rj/14