

House File 698 - Introduced

HOUSE FILE _____
BY D. OLSON

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

A BILL FOR

1 An Act relating to property tax incentives offered under the high
2 quality job creation program or as part of an urban renewal
3 plan or project and providing applicability dates.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1637YH 82
6 sc/je/5

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1 1 Section 1. Section 15.332, subsection 1, Code 2007, is
1 2 amended to read as follows:
1 3 1. The community may exempt from taxation all or a portion
1 4 of the actual value added by improvements to real property
1 5 directly related to new jobs created by the location or
1 6 expansion of an eligible business under the program and used
1 7 in the operations of the eligible business. ~~The If the~~
1 8 ~~community allows an exemption may under this section, the~~
1 9 ~~amount of the exemption and the period of exemption shall be~~
1 10 ~~allowed for a period not to exceed twenty years beginning in~~
1 11 ~~accordance with one of the schedules described in section~~
1 12 ~~404.3, subsection 1, 2, 3, or 4, and shall begin the year the~~
1 13 improvements are first assessed for taxation.

1 14 Sec. 2. Section 403.5, Code 2007, is amended by adding the
1 15 following new subsections:

1 16 NEW SUBSECTION. 5A. If an urban renewal plan or project,
1 17 or any contract or other instrument relating to an urban
1 18 renewal plan or project, provides for an exemption from actual
1 19 value added by improvements to real property located in the
1 20 urban renewal area, the amount of the exemption and the period
1 21 of exemption shall be in accordance with one of the schedules
1 22 described in section 404.3, subsection 1, 2, 3, or 4.

1 23 For purposes of this subsection, "actual value added by
1 24 improvements" means the actual value added as of the first
1 25 year for which the exemption was received. For purposes of
1 26 this subsection, "improvements" includes rehabilitation and
1 27 additions to existing structures as well as new construction
1 28 on vacant land or on land with existing structures.

1 29 NEW SUBSECTION. 5B. An urban renewal plan or project, or
1 30 any contract or other instrument relating to an urban renewal
1 31 plan or project, shall not contain a provision allowing taxes
1 32 on property in the urban renewal area to be abated or
1 33 compromised.

1 34 For purposes of this subsection, "abate" and "compromise"
1 35 mean the same as those terms are defined in section 445.1.

2 1 Sec. 3. APPLICABILITY DATES.

2 2 1. The sections of this Act amending section 15.332 and
2 3 enacting new subsection 5A in section 403.5 apply
2 4 retroactively to January 1, 2007, for improvements assessed
2 5 for taxation on or after that date.

2 6 2. The section of this Act enacting new subsection 5B in
2 7 section 403.5 applies to fiscal years beginning on or after
2 8 July 1, 2008.

2 9 EXPLANATION

2 10 This bill provides that a property tax exemption for
2 11 improvements to property allowed under the "High Quality Job
2 12 Creation Act" or under an urban renewal plan or project shall
2 13 be limited as to amount and time period according to one of
2 14 the exemption schedules offered in Code chapter 404, (urban
2 15 revitalization).

2 16 The bill further provides that for fiscal years beginning
2 17 on or after July 1, 2008, an urban renewal plan or project, or
2 18 any instrument relating thereto, shall not contain a provision
2 19 for abatement or compromise of property taxes.

2 20 The sections of the bill relating to an exemption from
2 21 value for improvements added apply retroactively to January 1,
2 22 2007, for improvements assessed for taxation on or after that
2 23 date.
2 24 LSB 1637YH 82
2 25 sc:rj/je/5