Senate File 2397 - Introduced

A BILL FOR

1 An Act establishing a state sales tax rebate program for certain
2   select cities to be used for revitalization projects in those
3   cities.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 6239XS 82
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1 1   Section 1. NEW SECTION. 15.361 STATE SALES TAX REBATE
1 2 PROGRAM.
1 3   1. The department shall establish a state sales tax rebate
1 4 program to provide a select city a rebate of sales tax
1 5 revenues collected from retail establishments located in the
1 6 select city for the purpose of funding revitalization projects
1 7 of the select city. The program shall include but not be
1 8 limited to all of the following:
1 9   a. Only cities with populations of less than forty
1 10 thousand people shall be eligible to be a select city.
1 11   b. Only five cities shall be selected.
1 12   c. Each select city shall provide public or private
1 13 matching funds. The match required shall be one dollar for
1 14 each two dollars of the projected amount of state rebate
1 15 moneys to be received.
1 16   2. a. The period during which state sales tax revenues
1 17 collected shall be rebated to a select city shall begin with
1 18 the first day of the calendar quarter following approval as a
1 19 select city until the end of the last day of the calendar
1 20 quarter three years later.
1 21   b. State sales tax rebate moneys shall be used for the
1 22 purpose of funding revitalization projects that involve
1 23 rehabilitation of and improvements to the mainstreet area of
1 24 the select city.
1 25   3. For a city to become a select city, the city shall
1 26 submit an application to the department that contains all of
1 27 the following:
1 28   a. Population of the city.
1 29   b. Proof of commitment of public or private funds to meet
1 30 the required match of the projected amount of state rebate
1 31 moneys that would be received, as specified in subsection 1,
1 32 paragraph "c".
1 33   c. A list of the revitalization projects for which the
1 34 state rebate moneys will be used.
1 35   d. The potential economic and quality of life benefits
2 1 from these revitalization projects.
2 2   e. Other information required by the department.
2 3   4. The department shall approve applications submitted to
2 4 it based upon criteria set by it that measures the need of and
2 5 benefits from the revitalization projects of the applicants.
2 6 Upon approval of applications, the applicant cities shall be
2 7 designated select cities and shall be entitled to rebates of
2 8 the state sales tax revenues collected from retail
2 9 establishments located in the select city. At the time of
2 10 notification of a select city the department shall notify the
2 11 department of revenue of the name of the city. The department
2 12 of revenue shall begin to rebate the state sales tax revenues
2 13 collected as specified in subsection 2, paragraph "a".
2 14   5. A select city shall establish a separate and distinct
2 15 fund to which the state rebate moneys and the select city's
2 16 matching funds shall be deposited and credited. The office of
2 17 the auditor of state is authorized to perform audits on this
2 18 fund.
2 19   EXPLANATION

This bill creates a state sales tax rebate program in the department of economic development that authorizes select cities to receive a rebate of the state sales tax revenues collected from retail establishments located in the city. The program is limited to five cities that have a population of less than 40,000. The department of economic development makes the selection of cities from applications submitted to it. A select city must provide public or private match funds of $1 for each $2 of projected rebate moneys to be received. The rebate period is for three years.

The rebate moneys are to be used by a select city for revitalization projects that involve the rehabilitation of and improvements to its mainstreet area.

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