

**House File 2347 - Introduced**

HOUSE FILE 2347  
BY COMMITTEE ON LOCAL  
GOVERNMENT

(SUCCESSOR TO HSB 546)

**A BILL FOR**

1 An Act relating to the approval and use of increased local  
2 sales and services tax revenues to fund urban renewal  
3 projects and including effective date provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423B.10, Code 2009, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 7. An ordinance under this section  
4 providing for the use of a designated amount of the increased  
5 local sales and services tax revenue shall not be adopted on or  
6 after the effective date of this Act.

7 Sec. 2. ORDINANCES ADOPTED PRIOR TO EFFECTIVE DATE. The  
8 amount of the increased local sales and services taxes received  
9 by a city as the result of an ordinance adopted under chapter  
10 423B prior to the effective date of this Act that have been  
11 designated by a city by ordinance to fund urban renewal  
12 projects pursuant to section 423B.10 shall be deposited in the  
13 city's special fund created in section 403.19, subsection 2,  
14 and shall be used to fund urban renewal projects located in an  
15 urban renewal area.

16 Sec. 3. OBLIGATIONS OF CITIES. This Act shall not relieve,  
17 impair, or otherwise alter the obligations of a city relating  
18 to bonds issued pursuant to chapter 403 prior to the effective  
19 date of this Act or contracts made prior to the effective date  
20 of this Act in connection with an urban renewal project.

21 Sec. 4. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
22 immediate importance, takes effect upon enactment.

23 EXPLANATION

24 This bill relates to the use of sales and services tax  
25 revenues to fund urban renewal projects.

26 Current law allows an eligible city to provide by ordinance  
27 for the use of a designated amount of the increased local sales  
28 and services tax revenues attributable to retail establishments  
29 in an urban renewal area to fund urban renewal projects located  
30 in the area.

31 The bill provides that an ordinance under Code section  
32 423B.10 designating an amount of increased local sales and  
33 services tax revenue for urban renewal projects may not be  
34 adopted on or after the effective date of the bill.

35 The bill provides that any local sales and services taxes

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1 received as the result of an ordinance adopted prior to the  
2 effective date of the bill and designated for urban renewal  
3 projects must be deposited in the city's special fund and used  
4 to fund urban renewal projects.

5 The bill does not relieve, impair, or alter the obligations  
6 of a city in regard to certain bonds or contracts.

7 The bill takes effect upon enactment.