

**House File 2070 - Introduced**

HOUSE FILE 2070

BY LYKAM

**A BILL FOR**

1 An Act relating to certain property taxes for joint county-city  
2 buildings and including applicability provisions.

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

1 Section 1. Section 331.424, subsection 1, paragraph  
2 a, subparagraph (5), Code 2011, is amended by striking the  
3 subparagraph.

4 Sec. 2. Section 331.430, Code 2011, is amended by adding the  
5 following new subsection:

6 NEW SUBSECTION. 6. The taxes realized from the tax levy  
7 imposed under section 346.27, subsection 22, for a joint  
8 county-city building shall be deposited into a separate account  
9 in the county's debt service fund for the payment of the  
10 annual rent and shall be disbursed pursuant to section 346.27,  
11 subsection 22.

12 Sec. 3. Section 346.27, subsection 22, Code 2011, is amended  
13 to read as follows:

14 22. When an incorporating unit enters into a lease with  
15 the authority, the governing body of the incorporating unit  
16 shall provide by ordinance or resolution for the levy and  
17 collection of a direct annual tax sufficient to pay the annual  
18 rent payable under the lease as and when it becomes due and  
19 payable. The tax shall be levied and collected in like manner  
20 with the other taxes of the incorporating unit and shall be in  
21 addition to all other taxes authorized to be levied by that  
22 incorporating unit. This tax shall not be included within and  
23 shall be in addition to any statutory limitation of rate or  
24 amount for that incorporating unit. The ~~fund~~ taxes realized  
25 from the tax levy shall be ~~set aside~~ deposited into an account  
26 in the debt service fund of the incorporating unit for the  
27 payment of the annual rent and shall not be disbursed for any  
28 other purpose until the annual rental has been paid in full.

29 Sec. 4. Section 384.4, Code 2011, is amended by adding the  
30 following new subsection:

31 NEW SUBSECTION. 4. The taxes realized from the tax levy  
32 imposed under section 346.27, subsection 22, for a joint  
33 county-city building shall be deposited into a separate  
34 account in the city's debt service fund for the payment of the  
35 annual rent and shall be disbursed pursuant to section 346.27,

1 subsection 22.

2 Sec. 5. Section 384.12, subsection 15, Code 2011, is amended  
3 by striking the subsection.

4 Sec. 6. Section 403.19, subsection 2, Code Supplement 2011,  
5 is amended to read as follows:

6 2. That portion of the taxes each year in excess of such  
7 amount shall be allocated to and when collected be paid into  
8 a special fund of the municipality to pay the principal of  
9 and interest on loans, moneys advanced to, or indebtedness,  
10 whether funded, refunded, assumed, or otherwise, including  
11 bonds issued under the authority of section 403.9, subsection  
12 1, incurred by the municipality to finance or refinance, in  
13 whole or in part, an urban renewal project within the area,  
14 and to provide assistance for low and moderate income family  
15 housing as provided in section 403.22, ~~except that.~~ However,  
16 taxes for the regular and voter-approved physical plant and  
17 equipment levy of a school district imposed pursuant to section  
18 298.2, ~~and~~ taxes for the payment of bonds and interest of  
19 each taxing district ~~must,~~ and taxes imposed under section  
20 346.27, subsection 22, related to joint county-city buildings  
21 shall be collected against all taxable property within the  
22 taxing district without limitation by the provisions of this  
23 subsection. However, all or a portion of the taxes for the  
24 physical plant and equipment levy shall be paid by the school  
25 district to the municipality if the auditor certifies to the  
26 school district by July 1 the amount of such levy that is  
27 necessary to pay the principal and interest on bonds issued  
28 by the municipality to finance an urban renewal project,  
29 which bonds were issued before July 1, 2001. Indebtedness  
30 incurred to refund bonds issued prior to July 1, 2001, shall  
31 not be included in the certification. Such school district  
32 shall pay over the amount certified by November 1 and May  
33 1 of the fiscal year following certification to the school  
34 district. Unless and until the total assessed valuation of  
35 the taxable property in an urban renewal area exceeds the

1 total assessed value of the taxable property in such area as  
2 shown by the last equalized assessment roll referred to in  
3 subsection 1, all of the taxes levied and collected upon the  
4 taxable property in the urban renewal area shall be paid into  
5 the funds for the respective taxing districts as taxes by  
6 or for the taxing districts in the same manner as all other  
7 property taxes. When such loans, advances, indebtedness, and  
8 bonds, if any, and interest thereon, have been paid, all moneys  
9 thereafter received from taxes upon the taxable property in  
10 such urban renewal area shall be paid into the funds for the  
11 respective taxing districts in the same manner as taxes on all  
12 other property. In those instances where a school district  
13 has entered into an agreement pursuant to section 279.64 for  
14 sharing of school district taxes levied and collected from  
15 valuation described in this subsection and released to the  
16 school district, the school district shall transfer the taxes  
17 as provided in the agreement.

18 Sec. 7. APPLICABILITY. This Act applies to property taxes  
19 due and payable in fiscal years beginning on or after July 1,  
20 2013.

21 EXPLANATION

22 Current Code section 346.27 allows a county along with  
23 its county seat to establish an authority for the purpose of  
24 acquiring, constructing, demolishing, improving, enlarging,  
25 equipping, furnishing, repairing, maintaining, and operating  
26 a public building for the joint use of the county and city or  
27 any school district which is within or is a part of the county  
28 or city. The authority then leases the building to the county  
29 and city. Current Code section 346.27(22) authorizes each such  
30 county and city to levy and collect property tax sufficient  
31 to pay the annual rent payable under the lease as and when it  
32 becomes due and payable.

33 This bill specifies that taxes realized from the tax levy  
34 imposed by a county or city under Code section 346.27(22) for a  
35 joint county-city building shall be deposited into a separate

1 account in the applicable county or city debt service fund for  
2 the payment of the annual rent.

3 The bill also removes such tax levies from inclusion within  
4 the county supplemental levy under Code section 331.424 and the  
5 city additional tax under Code section 384.12.

6 The bill excludes the property taxes levied and collected  
7 for the purpose of Code section 346.27(22) from a division of  
8 revenue (tax increment financing) under Code section 403.19.

9 The bill applies to property taxes due and payable in fiscal  
10 years beginning on or after July 1, 2013.