

Senate Study Bill 1190 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON BOLKCOM)

A BILL FOR

1 An Act relating to local government funding by authorizing
2 cities and counties to impose a local public safety
3 fee on the rental of certain lodging, authorizing the
4 establishment of public safety districts, modifying certain
5 city and township property tax levy rates, and including
6 applicability provisions.
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 359.43, subsection 1, Code 2011, is
2 amended to read as follows:

3 1. The township trustees ~~may~~ shall levy an annual tax
4 of not exceeding less than forty and one-half cents per
5 thousand dollars of assessed value of the taxable property
6 in the township and not exceeding eighty cents per thousand
7 dollars of assessed value of taxable property in the township,
8 excluding property within a benefited fire district or within
9 the corporate limits of a city, for the purpose of exercising
10 the powers and duties specified in section 359.42. However,
11 ~~in a township having a fire protection service or emergency~~
12 ~~medical service agreement or both service agreements with~~
13 ~~a special charter city having a paid fire department, the~~
14 ~~township trustees may levy an annual tax not exceeding~~
15 ~~fifty-four cents per thousand dollars of the assessed value of~~
16 ~~the taxable property for the services authorized or required~~
17 ~~under section 359.42 and in a township which is located within~~
18 ~~a county having a population of three hundred thousand or more,~~
19 ~~the township trustees may levy an annual tax not exceeding~~
20 ~~sixty-seven and one-half cents per thousand dollars of assessed~~
21 ~~value of taxable property for the services authorized or~~
22 ~~required under section 359.42.~~

23 Sec. 2. Section 384.1, Code 2011, is amended to read as
24 follows:

25 **384.1 Taxes certified.**

26 A city may certify taxes to be levied by the county on
27 all taxable property within the city limits, for all city
28 government purposes. However, the tax levied by a city on
29 tracts of land and improvements thereon used and assessed
30 for agricultural or horticultural purposes, shall not exceed
31 three dollars and three-eighths cents per thousand dollars
32 of assessed value in any year. Improvements located on such
33 tracts of land and not used for agricultural or horticultural
34 purposes and all residential dwellings are subject to the same
35 rate of tax levied by the city on all other taxable property

1 within the city. A city's tax levy for the general fund shall
2 not exceed eight dollars and ten cents per thousand dollars of
3 taxable value in any tax year, except for the levies authorized
4 in section 384.12. However, if a city is imposing a public
5 safety charge under section 384.84, subsection 7A, the city's
6 tax levy for the general fund shall not exceed six dollars and
7 seventy cents per thousand dollars of taxable value in any tax
8 year, except for the levies authorized in section 384.12.

9 Sec. 3. Section 384.84, subsection 4, paragraph a,
10 subparagraph (1), Code 2011, is amended to read as follows:

11 (1) Except as provided in paragraph "d", all rates or
12 charges for the services of sewer systems, storm water drainage
13 systems, sewage treatment, solid waste collection, water,
14 solid waste disposal, public safety services, or any of these
15 services, if not paid as provided by ordinance of the council
16 or resolution of the trustees, are a lien upon the property or
17 premises served by any of these services upon certification to
18 the county treasurer that the rates or charges are due.

19 Sec. 4. Section 384.84, Code 2011, is amended by adding the
20 following new subsection:

21 NEW SUBSECTION. 7A. a. A governing body may declare
22 all or a certain portion of the improved properties located
23 within that city as a public safety district for the purpose
24 of establishing, imposing, adjusting, and providing for the
25 collection of the public safety charge as provided in this
26 section. The ordinance provisions for collection of a public
27 safety charge may prescribe a formula for determination of the
28 charge which may include criteria and standards that allocate
29 the city's aggregate public safety expenditures to the improved
30 properties within the district, including properties totally or
31 partially exempt from taxation under chapter 404, chapter 404B,
32 section 427.1, or section 427B.1. A public safety charge shall
33 become effective for the fiscal year beginning July 1 following
34 adoption of the ordinance.

35 b. For the purposes of imposing and collecting a public

1 safety charge under this subsection, the property in the
2 district shall, pursuant to section 427.1, subsection 18, be
3 valued and assessed in accordance with chapter 441. Such
4 property owners shall be entitled to protest any assessment and
5 take appeals in the same manner as any taxpayer.

6 *c.* All amounts collected from a public safety charge under
7 this subsection shall be expended exclusively for the city's
8 budgeted public safety expenditures for police, fire, and
9 emergency medical services.

10 *d.* A city imposing a public safety charge under this
11 subsection shall not impose a public safety fee under section
12 423A.4A.

13 *e.* Each city imposing a public safety charge shall provide
14 a copy of the ordinance to the city finance committee and shall
15 continue to provide information requested by the city finance
16 committee that is necessary to evaluate the effectiveness of
17 the public safety charge authorized in this subsection.

18 *f.* Public safety charges imposed pursuant to this
19 subsection, if not paid as provided in the ordinance, are a
20 lien upon the property or premises that is provided public
21 safety services by the city upon certification to the county
22 treasurer that such charges are due.

23 **Sec. 5. NEW SECTION. 423A.4A Local public safety fee.**

24 1. A city may impose by ordinance of the city council a
25 public safety fee at a rate not to exceed one dollar and fifty
26 cents per night of lodging rental. The fee shall apply only
27 within the corporate boundaries of that city.

28 2. The fee shall be collected by the lessor of lodging from
29 the user of that lodging. The lessor shall add the fee to the
30 sales price of the lodging, and the fee shall be stated as a
31 distinct item, separate and apart from the sales price of the
32 lodging and taxes imposed, if any, under section 423A.3 or
33 423A.4.

34 3. Public safety fees collected by a lessor shall be due and
35 payable to the city according to a schedule specified in the

1 ordinance. A lessor is liable for the payment of fees to the
2 city in the same manner as liability is imposed on retailers
3 for the payment of taxes under sections 421.26 and 421.28.

4 4. Fees received by a city under this section shall be
5 deposited in a public safety fee account within the city's
6 general fund. All fees collected under this section are deemed
7 to be held in trust for the applicable city that is imposing
8 the fee.

9 5. a. Moneys in the public safety fee account within the
10 city general fund shall be used for that city's costs related
11 to public safety services including police, fire, and emergency
12 medical services within the applicable city.

13 b. A city imposing a public safety fee under this section
14 shall not establish a public safety district under section
15 384.84, subsection 7A.

16 6. An ordinance imposing a fee under this section shall
17 designate an applicable city officer to receive payments
18 from lessors and to prescribe any forms necessary for the
19 collection, reporting, and payment of such fees.

20 Sec. 6. Section 423A.5, Code 2011, is amended by adding the
21 following new subsection:

22 NEW SUBSECTION. 3. All of the following are exempt from any
23 fee imposed under section 423A.4A:

24 a. The renting of lodging which is rented by the same person
25 for a period of more than thirty-one consecutive days.

26 b. The renting of sleeping rooms in dormitories and in the
27 memorial unions at all universities and colleges located in the
28 state of Iowa.

29 c. The lodging furnished to the guests of a religious
30 institution if the property is exempt under section 427.1,
31 subsection 8, and the purpose of renting is to provide a
32 place for a religious retreat or function and not a place for
33 transient guests generally.

34 Sec. 7. APPLICABILITY. The section of this Act amending
35 section 259.43 applies to property taxes due and payable in the

1 fiscal year beginning July 1, 2012.

2 EXPLANATION

3 This bill relates to local government funding.

4 Current law allows townships to levy an amount not exceeding
5 40 1/2 cents per \$1,000 of assessed value of the taxable
6 property in the township for fire protection service and, if
7 the township chooses to provide emergency medical service, for
8 emergency medical services. In townships that contract with a
9 special charter city to provide these services, the levy limit
10 is 54 cents per \$1,000 of assessed value. In townships located
11 in a county with a population of 300,000 or more, the levy
12 limit is 67 1/2 cents per \$1,000 of assessed value.

13 This bill requires all townships to impose a levy of not
14 less than 40 1/2 cents and not exceeding 80 cents per \$1,000
15 of assessed value of the taxable property in the township,
16 excluding property within a benefited fire district or within
17 the corporate limits of a city, for fire protection service
18 and, if the township chooses to so provide, for emergency
19 medical service.

20 The bill enacts new Code section 384.84(7A) authorizing
21 cities to declare all or a certain portion of the improved
22 properties located within that city as a public safety district
23 for the purpose of establishing, imposing, adjusting, and
24 providing for the collection of a public safety charge. Under
25 the bill, the ordinance providing for collection of the public
26 safety charge may prescribe a formula for determination of
27 the charge. The bill allows the public safety charge to be
28 imposed on property that is otherwise exempt from property
29 taxes. The bill specifies that a public safety charge shall
30 become effective for the fiscal year beginning July 1 following
31 adoption of the ordinance.

32 The bill includes provisions for the valuation and
33 assessment of certain property located within a public safety
34 district, provisions designating the use of amounts collected
35 from a public safety charge, and provisions relating to

1 reviewing the effectiveness of a public safety charge. The
2 bill provides that public safety charges, if not paid as
3 provided in the city ordinance, are a lien upon the property
4 or premises. The bill provides that a city imposing a public
5 safety charge shall not impose a public safety fee, as provided
6 for in the bill under new Code section 423A.4A.

7 Currently, a city's tax levy for the general fund shall
8 not exceed \$8.10 per \$1,000 of taxable value in any tax year,
9 except for specified supplemental levies authorized in Code
10 section 384.12. The bill provides that if a city is imposing
11 a public safety charge under new Code section 384.84(7A), the
12 city's tax levy for the general fund shall not exceed \$6.70
13 per \$1,000 of taxable value in any tax year, except for the
14 supplemental levies.

15 The bill authorizes cities to impose by ordinance of the city
16 council a lodging public safety fee at a rate not to exceed
17 \$1.50 per night of lodging rental. The fee applies only within
18 the corporate boundaries of that city.

19 The bill requires such fees to be collected by the lessor
20 of lodging from the user of the lodging. The fee is added to
21 the sales price of the lodging, and the fee must be stated as
22 a distinct item, separate from the sales price of the lodging
23 and other hotel and motel taxes imposed on the rental. The
24 fees collected by a lessor are paid to the city according to a
25 schedule specified by the city. The bill imposes liability on
26 a lessor for the payment of fees to the city in the same manner
27 as liability is imposed on retailers for the payment of certain
28 taxes.

29 The bill requires all public safety fees received by a city
30 to be deposited in a public safety fee account within the
31 city's general fund. Moneys in the public safety fee account
32 must be used for that city's costs related to public safety
33 services including fire, police, and emergency medical services
34 within the applicable city.

35 The bill prohibits a city that is imposing a public safety

1 fee from establishing a public safety district under new Code
2 section 384.84(7A).

3 The bill exempts certain lodging rentals from the public
4 safety fee. The exemptions in the bill are similar to the
5 exemptions currently applicable to state and local hotel and
6 motel taxes under Code chapter 423A.

7 The section of the bill amending Code section 359.43 applies
8 to property taxes due and payable in the fiscal year beginning
9 July 1, 2012.