House File 741 - Introduced

HOUSE FILE 741
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 589)
(SUCCESSOR TO HSB 99)

A BILL FOR

An Act relating to the property tax levy for the payment of general obligation bonds issued by cities for certain flood-related purposes and including applicability provisions.

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

Section 1. Section 76.1, subsection 2, paragraph b, Code 2019, is amended to read as follows:

b. General obligation bonds issued for any of the following purposes may mature and be retired in a period not exceeding thirty years from date of issue:

(1) Purposes specified in section 331.441, subsection 2, paragraph "*b*", subparagraphs (18) and (19)~~, or~~.

(2) Purposes specified in section 384.24, subsection 3, paragraphs "*w*" and "*x*"~~, and bonds~~.

(3) Purposes specified in section 384.24, subsection 3, paragraph "*i*", if the bonds are issued in conjunction with a project approved by the flood mitigation board under chapter 418 and if the estimated useful life of the project, independently determined by a licensed professional engineer, is at least two hundred percent of the maturity and retirement period for the bonds.

(4) Bonds issued to refund or refinance bonds issued for ~~those~~ the purposes~~, may mature and be retired in a period not exceeding thirty years from date of issue~~ specified in subparagraph (1), (2), or (3).

Sec. 2. APPLICABILITY. This Act applies to bonds issued before, on, or after the effective date of this Act.

EXPLANATION

The inclusion of this explanation does not constitute agreement with the explanation's substance by the members of the general assembly.

This bill amends provisions governing the property tax levy imposed by a city to retire bonds. The bill provides that general obligation bonds issued by a city for specified flood-related purposes and bonds issued to refund or refinance such bonds may mature and be retired in a period not exceeding 30 years from the date of issue, instead of a 20-year retirement period. However, the 30-year period is only applicable if the bonds are issued in conjunction with a project approved by the flood mitigation board under Code chapter 418 and if the estimated useful life of the project,

independently determined by a licensed professional engineer, is at least 200 percent of the maturity and retirement period for the bonds.

The bill applies to bonds issued before, on, or after the effective date of this Act.