

House Study Bill 521 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON EDUCATION BILL BY
CHAIRPERSON HITE)

A BILL FOR

1 An Act relating to the division of certain school taxes
2 collected in urban renewal areas containing wind energy
3 conversion property.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 403.19, subsection 2, paragraph a, Code
2 2022, is amended to read as follows:

3 a. That portion of the taxes each year in excess of such
4 amount shall be allocated to and when collected be paid into a
5 special fund of the municipality to pay the principal of and
6 interest on loans, moneys advanced to, or indebtedness, whether
7 funded, refunded, assumed, or otherwise, including bonds
8 issued under the authority of [section 403.9, subsection 1](#),
9 incurred by the municipality to finance or refinance, in whole
10 or in part, an urban renewal project within the area, and to
11 provide assistance for low and moderate income family housing
12 as provided in [section 403.22](#). However, except as provided
13 in paragraph "b", taxes for the regular and voter-approved
14 physical plant and equipment levy of a school district imposed
15 pursuant to [section 298.2](#) and taxes for the instructional
16 support program of a school district imposed pursuant to
17 section 257.19, taxes for the payment of bonds and interest
18 of each taxing district, and taxes imposed under section
19 346.27, subsection 22, related to joint county-city buildings
20 shall be collected against all taxable property within the
21 taxing district without limitation by the provisions of this
22 subsection. Additionally, for property taxes due and payable
23 in fiscal years beginning on or after July 1, 2023, if the
24 urban renewal area contains wind energy conversion property
25 that is subject to special valuation under section 427B.26,
26 foundation property taxes of a school district imposed under
27 section 257.3 shall be collected against all taxable property
28 within the urban renewal area without limitation by the
29 provisions of this subsection and when collected be paid into
30 the fund of the school district into which all other property
31 taxes are paid.

32 EXPLANATION

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

35 Code section 403.19 authorizes municipalities to provide

1 by ordinance for the division of property tax revenue (tax
2 increment financing) collected against property located within
3 an urban renewal area. This bill provides that for property
4 taxes due and payable in fiscal years beginning on or after
5 July 1, 2023, if the urban renewal area contains wind energy
6 conversion property that is subject to special valuation under
7 Code section 427B.26, foundation property taxes of a school
8 district imposed under Code section 257.3 shall not be subject
9 to the division of property tax revenue and shall instead be
10 paid to the school district.