## House File 2502 - Introduced

HOUSE FILE 2502 BY STECKMAN, KURTH, CAHILL, WILBURN, CROKEN, ABDUL-SAMAD, BROWN-POWERS, LEVIN, KRESSIG, JACOBY, JAMES, CARLSON, and WESSEL-KROESCHELL

## A BILL FOR

- 1 An Act allowing cities to certify taxes for general fund levy
- 2 for various purposes upon approval of the voters at an
- 3 election.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 37.8, Code 2024, is amended to read as
2 follows:

3 37.8 Cost of development, operation, and maintenance.
4 For the development, operation, and maintenance of a
5 building or monument constructed, purchased, or donated under
6 this chapter, a city may utilize taxes levied under section
7 384.1 or section 384.12, subsection 7.

8 Sec. 2. Section 384.12, Code 2024, is amended by adding the 9 following new subsections:

10 <u>NEW SUBSECTION</u>. 6. A tax not to exceed thirteen and 11 one-half cents per thousand dollars of assessed value for 12 the support of instrumental or vocal musical groups, one or 13 more organizations which have tax-exempt status under section 14 501(c)(3) of the Internal Revenue Code and are organized and 15 operated exclusively for artistic and cultural purposes, or 16 any of these purposes. Certification of this tax is subject 17 to subsection 16.

18 <u>NEW SUBSECTION</u>. 7. A tax not to exceed eighty-one cents 19 per thousand dollars of assessed value for development, 20 operation, and maintenance of a memorial building or monument. 21 Certification of this tax is subject to subsection 16.

22 <u>NEW SUBSECTION</u>. 8. A tax not to exceed thirteen and 23 one-half cents per thousand dollars of assessed value for 24 support of a symphony orchestra. Certification of this tax is 25 subject to subsection 16.

26 <u>NEW SUBSECTION</u>. 9. A tax not to exceed twenty-seven cents 27 per thousand dollars of assessed value for the operation of 28 cultural and scientific facilities. Certification of this tax 29 is subject to subsection 16, except that the question may be 30 submitted on the council's own motion.

31 <u>NEW SUBSECTION</u>. 10. A tax to aid in the construction of 32 a county bridge. Certification of this tax is subject to 33 subsection 17, except that, in addition to other requirements, 34 the notice of special election must include the location of the 35 proposed bridge.

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LSB 5490YH (3) 90 dg/jh NEW SUBSECTION. 11. a. A tax to aid a company incorporated under the laws of this state in the construction of a highway or combination bridge across any navigable boundary river of this state, commencing or terminating in the city and suitable for use as highway, or for both highway and railway purposes. b. Tax moneys received for this purpose may not be paid over by the county treasurer until the city has filed a statement

8 that the corporation has complied with all conditions.

9 c. The levy is limited to one dollar and thirty-five cents 10 per thousand dollars of the assessed value of taxable property 11 in the city.

12 d. The estimated cost of the bridge must be at least ten 13 thousand dollars, and the city aid may not exceed one-half of 14 the estimated cost.

15 e. Certification of this tax is subject to subsection 17, 16 except that the notice of the special election shall include 17 the name of the corporation to be aided, and all conditions 18 required of the corporation.

19 <u>NEW SUBSECTION</u>. 12. If a tax has been voted for aid of 20 a bridge under subsection 11, a further tax may be voted for 21 the purpose of purchasing the bridge. Certification of this 22 further tax is subject to subsection 16. The levy under this 23 subsection is limited to three dollars and thirty-seven and 24 one-half cents per thousand dollars of the assessed value of 25 the taxable property in the city, payable in not less than ten 26 annual installments.

27 <u>NEW SUBSECTION</u>. 13. A tax for aid to a public 28 transportation company. Certification of this tax is 29 subject to subsection 17. The levy is limited to three and 30 three-eighths cents per thousand dollars of assessed value. In 31 addition to any other conditions, the following requirements 32 must be met before moneys received for this purpose may be paid 33 over by the county treasurer:

34 a. The public transportation company shall provide the city35 with copies of state and federal income tax returns for the

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LSB 5490YH (3) 90 dg/jh 1 five years preceding the year for which payment is contemplated 2 or for such lesser period of time as the company has been in 3 operation.

*b.* The city shall, in any given year, be authorized to pay over only such sums as will yield not to exceed two percent of the public transportation company's investment as the same r is valued in its tax depreciation schedule, provided that corporate profits and losses for the five preceding years or for such lesser period of time as the company has been in operation shall not average in excess of a two percent net return. Taxes levied under this subsection may not be used to subsidize losses incurred prior to the election required by this subsection.

NEW SUBSECTION. 14. A tax not to exceed twenty and one-half cents per thousand dollars of assessed value each each gear to maintain an institution received by gift or devise. Certification of this tax is subject to subsection 16.

NEW SUBSECTION. 15. A tax not to exceed twenty-seven cents per thousand dollars of assessed value for support of a public library. Certification of this tax is subject to subsection 16, except that if a majority of voters approve the levy pursuant to subsection 16, paragraph "b", it shall be imposed. <u>NEW SUBSECTION</u>. 16. A tax to be certified under subsection 46, 7, 8, 9, 12, or 14 shall be subject to all of the following: *a*. Upon receipt of a valid petition pursuant to section 362.4, the council shall submit to the voters at the next pursuant city election the question of whether a tax shall be

28 levied.

29 b. If a majority of voters approve the levy, it may be 30 imposed.

31 *c.* The levy can be eliminated by the same procedure of 32 petition and election.

33 d. A tax authorized by an election held prior to the
34 effective date of the city code may be continued until
35 eliminated by the council, or by petition and election.

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NEW SUBSECTION. 17. A tax to be certified under subsection 2 10, 11, or 13 shall be subject to the requirements of 3 subsection 16 and all of the following:

4 a. The question of whether to adopt the tax shall be5 submitted at a special election.

6 b. The expense of a special election shall be paid by the7 county.

8 c. The notice of the special election shall include full 9 details of the proposal, including the rate of tax to be levied 10 and all other conditions.

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EXPLANATION

12 13 The inclusion of this explanation does not constitute agreement with the explanation's substance by the members of the general assembly.

14 2023 Iowa Acts, chapter 71 (HF 718), amended Code section 15 384.12 (additional taxes) to eliminate several taxes a city 16 may levy subject to voter approval at an election. In lieu 17 thereof, HF 718 enacted Code section 384.1(3)(b)(2), which 18 allows cities to levy the same amounts the eliminated taxes 19 could have levied as a part of the cities' general fund levy. 20 This bill recodifies the tax levies eliminated by HF 718 and 21 allows such taxes to be levied, subject to the same voter 22 approval and notice requirements that existed prior to the 23 enactment of HF 718 and at the same rates as prior to the 24 enactment of HF 718, in addition to the increased amounts 25 allowed by Code section 384.1(3)(b)(2).

The permissible levies the bill recodifies relate to taxes for the support of instrumental or vocal musical groups or one or more organizations which have tax-exempt status under section 501(c)(3) of the Internal Revenue Code and are organized and operated exclusively for artistic and cultural purposes; the development, operation, and maintenance of a memorial building or monument; the support of a symphony orchestra; the operation of cultural and scientific facilities; the aid in the construction of a county bridge; the aid for a company incorporated under the laws of Iowa in the construction

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1 of certain highways or combination bridge across any navigable 2 boundary river of Iowa; the purchase of certain bridges 3 across navigable boundary rivers of Iowa; the aid to a public 4 transportation company; the maintenance of an institution 5 received by gift or devise; and the support of a public 6 library. The bill establishes the maximum rate a city may levy 7 for each tax.

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