

House File 171 - Introduced

HOUSE FILE 171
BY KNIFF MCCULLA

A BILL FOR

- 1 An Act removing the maximum annual amount of real estate transfer
- 2 tax receipts that may be transferred into the housing trust
- 3 fund.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 428A.8, subsection 2, Code 2025, is
2 amended by striking the subsection and inserting in lieu thereof
3 the following:

4 2. For the fiscal year beginning July 1, 2025, and each
5 succeeding fiscal year, of the receipts remitted to the
6 department of revenue under subsection 1, sixty-five percent of
7 the receipts shall be deposited in the general fund, thirty
8 percent of the receipts shall be transferred to the housing trust
9 fund created in section 16.181, and five percent of the receipts
10 shall be transferred to the shelter assistance fund created in
11 section 16.41.

12 Sec. 2. Section 428A.8, subsection 3, Code 2025, is amended
13 by striking the subsection.

14 EXPLANATION

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

17 The housing trust fund (HTF) was established for the
18 development and preservation of affordable housing for low-income
19 people in the state and for the Iowa mortgage help initiative.

20 Each month county recorders remit 82.75 percent of the real
21 estate transfer tax (RETT) receipts to the department of revenue
22 (DOR), and deposit the remaining 17.25 percent of the RETT
23 receipts in the county general fund. Of the RETT receipts
24 transferred to DOR, DOR transfers 65 percent to the state general
25 fund, 30 percent to the HTF, and 5 percent to the shelter
26 assistance fund. Currently, DOR may deposit a maximum of \$7
27 million of RETT receipts into the HTF per year. Any amounts in
28 excess of \$7 million are deposited into the state general fund.

29 This bill removes the \$7 million annual maximum that may be
30 deposited into the HTF.

31 The bill also strikes outdated phase-in language in Code
32 section 428A.8(2).