

JAN 27 2006
WAYS AND MEANS

HOUSE FILE 2152
BY PAULSEN

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to imposition of city taxes against property
2 located in certain annexation areas and including effective
3 and applicability provisions.

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

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HF 2152

1 Section 1. Section 368.7, subsection 5, Code Supplement
2 2005, is amended to read as follows:

3 5. In the discretion of a city council, the resolution
4 provided for in subsection 1, paragraph "d", or subsection 2
5 or 3, may include a provision for a transition for the
6 imposition of city taxes against property within the
7 annexation area as provided in section 368.11, subsection 3,
8 paragraph "m". However, the city shall provide for such
9 transition for the imposition of city taxes against that
10 property that is included in the territory to be annexed
11 without the consent of the landowner.

12 Sec. 2. Section 368.11, subsection 3, paragraph m, Code
13 Supplement 2005, is amended to read as follows:

14 m. ~~In the discretion of a city council,~~ a A provision for
15 a transition for the imposition of city taxes against property
16 within an annexation area. The provision shall allow for an
17 exemption from taxation of the following percentages of
18 assessed valuation according to the following schedule:

- 19 (1) For the first and second years, seventy-five percent.
20 (2) For the third and fourth years, sixty percent.
21 (3) For the fifth and sixth years, forty-five percent.
22 (4) For the seventh and eighth years, thirty percent.
23 (5) For the ninth and tenth years, fifteen percent.

24 An alternative schedule may be adopted by the city council.
25 ~~However,~~ an An alternative schedule shall ~~not~~ allow a ~~greater~~
26 an exemption that is equivalent to or greater than that
27 provided in this paragraph. The exemption shall be applied in
28 the levy and collection of taxes. The provision may also
29 allow for the partial provision of city services during the
30 time in which the exemption from taxation is in effect.

31 Sec. 3. EFFECTIVE AND APPLICABILITY PROVISIONS. This Act,
32 being deemed of immediate importance, takes effect upon
33 enactment and applies to annexation applications submitted to
34 a city council and petitions for involuntary annexation filed
35 with the city development board on or after the effective date

1 of this Act.

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EXPLANATION

This bill requires a city to implement the statutory transition for the imposition of city taxes against property to be annexed if the property is included in a voluntary annexation application without the consent of the landowner (i.e., where up to 20 percent of the annexed property may be annexed without consent) or if the property is included in an involuntary annexation petition. The bill also provides that if a city provides its own schedule of exemption from city taxes as an alternative to the statutory schedule, the alternative exemption must be equivalent to or greater than the statutory exemption.

The bill takes effect upon enactment and applies to annexation applications submitted to a city council and petitions for involuntary annexation filed with the city development board on or after the effective date.