

**427B.19A Fund created.**

1. The industrial machinery, equipment and computers property tax replacement fund is created. For the fiscal year beginning July 1, 1996, through the fiscal year ending June 30, 2004, there is appropriated annually from the general fund of the state to the department of revenue to be credited to the industrial machinery, equipment and computers property tax replacement fund, an amount sufficient to implement [this subchapter](#). However, for the fiscal year beginning July 1, 2003, the amount appropriated to the department of revenue to be credited to the industrial machinery, equipment and computers tax replacement fund is eleven million two hundred eighty-one thousand six hundred eighty-five dollars.

2. If an amount appropriated for a fiscal year is insufficient to pay all claims as a result of action by the general assembly limiting the amount appropriated to the fund, the director shall prorate the disbursements from the fund to the county treasurers and shall notify the county auditors of the pro rata percentage on or before September 30.

3. The replacement claims shall be paid to each county treasurer in equal installments in September and March of each year. The county treasurer shall apportion the replacement claim payments among the eligible taxing districts in the county. If the taxing district is an urban renewal area, the amount of the replacement claim shall be apportioned as provided in [subsection 4](#) unless the municipality elects to proceed under [subsection 5](#).

4. *a.* If the total assessed value of property located in an urban renewal area taxing district is equal to or more than that portion of such valuation defined in [section 403.19, subsection 1](#), the total tax replacement amount computed pursuant to [section 427B.19](#) shall be credited to that portion of the assessed value defined in [section 403.19, subsection 2](#).

*b.* If the total assessed value of the property is less than that portion of such valuation defined in [section 403.19, subsection 1](#), the replacement amount shall be credited to those portions of the assessed value defined in [section 403.19, subsections 1 and 2](#), as follows:

(1) To that portion defined in [section 403.19, subsection 1](#), an amount equal to the amount that would be produced by multiplying the applicable consolidated levy times the difference between the assessed value of the taxable property defined in [section 403.19, subsection 1](#), and the total assessed value in the budget year for which the replacement claim is computed.

(2) To that portion defined in [section 403.19, subsection 2](#), the remaining amount, if any.

*c.* Notwithstanding the allocation provisions of paragraphs “*a*” and “*b*”, the amount of the tax replacement amount that shall be allocated to that portion of the assessed value defined in [section 403.19, subsection 2](#), shall not exceed the amount equal to the amount certified to the county auditor under [section 403.19](#) for the budget year in which the claim is paid, after deduction of the amount of other revenues committed for payment on that amount for the budget year. The amount not allocated to that portion of the assessed value defined in [section 403.19, subsection 2](#), as a result of the operation of this paragraph, shall be allocated to that portion of assessed value defined in [section 403.19, subsection 1](#).

5. A municipality may elect to reduce the amount of assessed value of property defined in [section 403.19, subsection 1](#), by an amount equal to that portion of the amount of such assessed value which was phased out for the fiscal year by operation of [section 427B.17, subsection 4](#). The applicable assessment roll and ordinance providing for the division of taxes under [section 403.19](#) in the urban renewal taxing district shall be deemed to be modified for that fiscal year only to the extent of such adjustment without further action on the part of the city or county implementing the urban renewal taxing district.

95 Acts, ch 206, §32; 96 Acts, ch 1049, §5, 6; 97 Acts, ch 158, §34; 2001 Acts, ch 116, §22; 2003 Acts, ch 145, §286; 2003 Acts, ch 178, §7; 2003 Acts, ch 179, §37; 2013 Acts, ch 90, §246; 2017 Acts, ch 54, §76

Referred to in §257.3, 298.18A, 427B.19C