

FEB 6 2001
WAYS AND MEANS

HOUSE FILE 196
BY RANTS

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

A BILL FOR

1 An Act relating to the transition of city property taxes imposed
2 in annexed areas.

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

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HF 196

1 Section 1. Section 368.11, subsection 13, unnumbered
2 paragraph 1, Code 2001, is amended to read as follows:

3 In the discretion of a city council, a provision for a
4 transition for the imposition of city taxes against property
5 within an annexation area. The provision shall not allow a
6 greater exemption from taxation than the tax exemption formula
7 schedule provided under section ~~427B.37-subsections-1-through~~
8 5 404.3, subsection 2, and shall be applied in the levy and
9 collection of taxes. The provision may also allow for the
10 partial provision of city services during the time in which
11 the exemption from taxation is in effect.

12 EXPLANATION

13 Current law allows a city that annexes territory,
14 voluntarily or involuntarily, to provide a transition for
15 imposition of city property taxes in the annexed territory.
16 In providing for the transition, the law prohibits a city from
17 giving a taxpayer a greater exemption from property taxes than
18 is currently allowed by the five-year exemption schedule under
19 the program that provides a property tax exemption for new
20 construction of industrial property and cattle facilities.
21 The exemption schedule under current law is as follows:

22 For the first year, 75 percent.

23 For the second year, 60 percent.

24 For the third year, 45 percent.

25 For the fourth year, 30 percent.

26 For the fifth year, 15 percent.

27 This bill prohibits a city from giving a taxpayer a greater
28 exemption from property taxes than is currently allowed by the
29 10-year exemption schedule for certain property in an urban
30 revitalization area. The exemption schedule proposed by this
31 bill is as follows:

32 For the first year, 80 percent.

33 For the second year, 70 percent.

34 For the third year, 60 percent.

35 For the fourth year, 50 percent.

- 1 For the fifth year, 40 percent.
- 2 For the sixth year, 40 percent.
- 3 For the seventh year, 30 percent.
- 4 For the eighth year, 30 percent.
- 5 For the ninth year, 20 percent.
- 6 For the tenth year, 20 percent.

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