

FEB 22 2001

WAYS AND MEANS

HOUSE FILE 364

BY WISE, BUKTA, COHOON, LARKIN,
and BELL

Passed House, Date _____

Passed Senate, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act appropriating additional state funds to replace losses in
2 revenue by certain cities due to the exemption from property
3 taxation of industrial machinery, computers, and equipment.

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

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HF 364

1 Section 1. NEW SECTION. 427B.19E ADDITIONAL ASSISTANCE
2 FOR CERTAIN CITIES.

3 1. An additional assistance fund is created to provide
4 additional replacement moneys to cities that qualify under
5 this section. Beginning with the fiscal year beginning July
6 1, 2001, through the fiscal year ending June 30, 2006, there
7 is appropriated annually from the general fund of the state to
8 the department of revenue and finance, to be credited to the
9 additional assistance fund, an amount sufficient to pay
10 additional assistance claims under this section.

11 2. If the total assessed value of the property in a city
12 assessed under section 427B.17 as of January 1, 1994, and
13 reported by the county auditor pursuant to section 427B.19,
14 comprised eight percent or more of the total assessed value of
15 taxable property in the city as of January 1, 1994, as
16 reported by the county or city assessor, as appropriate, the
17 city may file a claim for additional assistance under this
18 section. The claim shall include a statement indicating such
19 values. The city clerk must file the claim with the
20 department of revenue and finance on or before September 1,
21 2001. If the department determines that the city qualifies
22 for additional assistance under this section, the city shall
23 receive the additional assistance each year through the fiscal
24 year ending June 30, 2006, and need not file another claim.

25 3. The amount a city shall receive under this section is
26 equal to ninety percent of the replacement claim received by
27 the city under this division for the fiscal year beginning
28 July 1, 1996. Moneys received under this section are in
29 addition to replacement moneys otherwise received under this
30 division.

31 EXPLANATION

32 This bill creates an additional assistance fund to provide
33 certain cities additional funds to replace property tax
34 revenues lost from the phaseout of property tax on industrial
35 machinery, computers, and equipment (M & E). To qualify for

1 the additional assistance, a city must show that the city's M
2 & E assessed valuation as of January 1, 1994, comprised 8
3 percent or more of its total assessed valuation of taxable
4 property. A city must file a claim for additional funds with
5 the department of revenue and finance on or before September
6 1, 2001. Once a city is approved to receive additional funds,
7 it need not file another claim for subsequent years. The
8 amount of additional assistance a city may receive is equal to
9 90 percent of the replacement claim paid to the city in fiscal
10 year 1996-1997.

11 The additional assistance provided from this fund is to be
12 provided for the fiscal year beginning July 1, 2001, through
13 the fiscal year ending June 30, 2006. The bill provides that
14 additional assistance is in addition to the city's M & E
15 replacement moneys received.

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