

Connolly
Rehberg
Miller

SSB 1270
Ways + Means

SENATE FILE ^{Referred By} HF 536

BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON MCKIBBEN)

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

A BILL FOR

1 An Act relating to physical plant and equipment levy amounts
2 collected in urban renewal areas, providing an effective date,
3 and providing for the Act's applicability.

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

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1 Section 1. Section 403.19, subsection 2, Code 2001, is
2 amended to read as follows:

3 2. That portion of the taxes each year in excess of such
4 amount shall be allocated to and when collected be paid into a
5 special fund of the municipality to pay the principal of and
6 interest on loans, moneys advanced to, or indebtedness,
7 whether funded, refunded, assumed, or otherwise, including
8 bonds issued under the authority of section 403.9, subsection
9 1, incurred by the municipality to finance or refinance, in
10 whole or in part, an urban renewal project within the area,
11 and to provide assistance for low and moderate income family
12 housing as provided in section 403.22, except that taxes for
13 the regular and voter-approved physical plant and equipment
14 levy of a school district imposed pursuant to section 298.2
15 and taxes for the payment of bonds and interest of each taxing
16 district must be collected against all taxable property within
17 the taxing district without limitation by the provisions of
18 this subsection. However, all or a portion of the taxes for
19 the physical plant and equipment levy shall be paid by the
20 school district to the municipality if the municipality
21 certifies to the school district by July 1 the amount of such
22 levy that is necessary to pay the principal and interest on
23 ~~indebtedness-incurred~~ bonds issued by the municipality to
24 finance an urban renewal project, which ~~indebtedness-was~~
25 incurred bonds were issued before July 1, 2000. Indebtedness
26 incurred to refund bonds issued prior to July 1, 2000, shall
27 not be included in the certification. Such school district
28 shall pay over the amount certified by November 1 and May 1 of
29 the fiscal year following certification to the school
30 district. Unless and until the total assessed valuation of
31 the taxable property in an urban renewal area exceeds the
32 total assessed value of the taxable property in such area as
33 shown by the last equalized assessment roll referred to in
34 subsection 1, all of the taxes levied and collected upon the
35 taxable property in the urban renewal area shall be paid into

1 the funds for the respective taxing districts as taxes by or
2 for the taxing districts in the same manner as all other
3 property taxes. When such loans, advances, indebtedness, and
4 bonds, if any, and interest thereon, have been paid, all
5 moneys thereafter received from taxes upon the taxable
6 property in such urban renewal area shall be paid into the
7 funds for the respective taxing districts in the same manner
8 as taxes on all other property.

9 Sec. 2. Section 403.19, Code 2001, is amended by adding
10 the following new subsection:

11 NEW SUBSECTION. 7. For any fiscal year, a municipality
12 may only certify for physical plant and equipment revenue
13 necessary for payment of principal and interest on bonds
14 issued prior to July 1, 2000, if the municipality certified
15 for such revenue for the fiscal year beginning July 1, 2000.
16 A municipality shall not certify to a school district more
17 than the amount the municipality certified for the fiscal year
18 beginning July 1, 2000. If for any fiscal year a municipality
19 fails to certify to a school district by July 1 the amount of
20 physical plant and equipment revenue necessary for payment of
21 principal and interest on such bonds, as provided in
22 subsection 2, the school district is not required to pay over
23 the revenue to the municipality. If a school district and a
24 municipality are unable to agree on the amount of physical
25 plant and equipment revenue certified by the municipality for
26 the fiscal year beginning July 1, 2001, either party may
27 request that the state appeal board review and finally pass
28 upon the amount that may be certified. Such appeals must be
29 presented in writing to the state appeal board no later than
30 July 31 following certification. A final decision must be
31 issued by the state appeal board no later than the following
32 October 1.

33 Sec. 3. EFFECTIVE DATE. This Act, being deemed of
34 immediate importance, takes effect upon enactment and applies
35 to property taxes due and payable in fiscal years beginning on

1 or after July 1, 2001.

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EXPLANATION

3 This bill makes several changes to the law relating to
4 school district physical plant and equipment levy (PPEL)
5 property taxes collected in an urban renewal area. The bill
6 provides that a municipality may certify to a school district
7 the amount of PPEL revenue needed for bonds rather than
8 indebtedness. Indebtedness incurred to refund bonds issued
9 before July 1, 2000, shall not be included in the amount
10 certified. The bill requires the school district to pay over
11 the PPEL revenue to the municipality by November 1 and May 1
12 of the fiscal year following certification. Current law
13 requires that the revenue be paid over by November 1.

14 The bill also provides that in subsequent years a
15 municipality may only certify an amount of PPEL revenues if
16 the municipality had certified an amount of the revenue for
17 the fiscal year beginning July 1, 2000. A municipality shall
18 not certify an amount more than it certified for the fiscal
19 year beginning July 1, 2000. If a municipality misses the
20 certification deadline for a fiscal year it is not eligible to
21 receive PPEL revenue from the school district. If a school
22 district and municipality do not agree on the amount of PPEL
23 revenue a municipality may certify, either party may, by July
24 31, request that the state appeal board review and make a
25 final decision on the amount that may be certified. The state
26 appeal board must make its decision no later than the
27 following October 1.

28 The bill is effective upon enactment and applies to
29 property taxes due and payable in fiscal years beginning on or
30 after July 1, 2001.

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H-4/27/01 Ways+Means

FILED APR 25 2001

SENATE FILE 536
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 1270)

Passed Senate, Date ^(P.1354) 4/26/01 Passed House, Date _____
Vote: Ayes 48 Nays 0 Vote: Ayes _____ Nays _____
Approved _____

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SF 536

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14 levy of a school district imposed pursuant to section 298.2
15 and taxes for the payment of bonds and interest of each taxing
16 district must be collected against all taxable property within
17 the taxing district without limitation by the provisions of
18 this subsection. However, all or a portion of the taxes for
19 the physical plant and equipment levy shall be paid by the
20 school district to the municipality if the municipality
21 auditor certifies to the school district by July 1 the amount
22 of such levy that is necessary to pay the principal and
23 interest on ~~indebtedness-incurred~~ bonds issued by the
24 municipality to finance an urban renewal project, which
25 ~~indebtedness-was-incurred~~ bonds were issued before July 1,
26 2000. Indebtedness incurred to refund bonds issued prior to
27 July 1, 2000, shall not be included in the certification.
28 Such school district shall pay over the amount certified by
29 November 1 and May 1 of the fiscal year following
30 certification to the school district. Unless and until the
31 total assessed valuation of the taxable property in an urban
32 renewal area exceeds the total assessed value of the taxable
33 property in such area as shown by the last equalized
34 assessment roll referred to in subsection 1, all of the taxes
35 levied and collected upon the taxable property in the urban

1 renewal area shall be paid into the funds for the respective
2 taxing districts as taxes by or for the taxing districts in
3 the same manner as all other property taxes. When such loans,
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5 thereon, have been paid, all moneys thereafter received from
6 taxes upon the taxable property in such urban renewal area
7 shall be paid into the funds for the respective taxing
8 districts in the same manner as taxes on all other property.

9 Sec. 2. Section 403.19, Code 2001, is amended by adding
10 the following new subsection:

11 NEW SUBSECTION. 7. For any fiscal year, a municipality
12 may certify to the county auditor for physical plant and
13 equipment revenue necessary for payment of principal and
14 interest on bonds issued prior to July 1, 2000, only if the
15 municipality certified for such revenue for the fiscal year
16 beginning July 1, 2000. A municipality shall not certify to
17 the county auditor for a school district more than the amount
18 the municipality certified for the fiscal year beginning July
19 1, 2000. If for any fiscal year a municipality fails to
20 certify to the county auditor for a school district by July 1
21 the amount of physical plant and equipment revenue necessary
22 for payment of principal and interest on such bonds, as
23 provided in subsection 2, the school district is not required
24 to pay over the revenue to the municipality. If a school
25 district and a municipality are unable to agree on the amount
26 of physical plant and equipment revenue certified by the
27 municipality for the fiscal year beginning July 1, 2001,
28 either party may request that the state appeal board review
29 and finally pass upon the amount that may be certified. Such
30 appeals must be presented in writing to the state appeal board
31 no later than July 31 following certification. The burden
32 shall be on the municipality to prove that the physical plant
33 and equipment levy revenue is necessary to pay principal and
34 interest on bonds issued prior to July 1, 2000. A final
35 decision must be issued by the state appeal board no later

1 than the following October 1.

2 Sec. 3. EFFECTIVE AND APPLICABILITY DATES. This Act,
3 being deemed of immediate importance, takes effect upon
4 enactment and applies to property taxes due and payable in
5 fiscal years beginning on or after July 1, 2001.

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18 The bill also provides that in subsequent years a
19 municipality may only certify for PPEL revenue if the
20 municipality had certified for PPEL revenue for the fiscal
21 year beginning July 1, 2000. A municipality shall not certify
22 an amount more than it certified for the fiscal year beginning
23 July 1, 2000. If a municipality misses the certification
24 deadline for a fiscal year it is not eligible to receive PPEL
25 revenue from the school district. If a school district and
26 municipality do not agree on the amount of PPEL revenue a
27 municipality may certify, either party may, by July 31,
28 request that the state appeal board review and make a final
29 decision on the amount that may be certified. The burden is
30 on the municipality to prove that it needs the revenue to pay
31 on bonds issued prior to July 1, 2000. The state appeal board
32 must make its decision no later than the following October 1.

33 The bill is effective upon enactment and applies to
34 property taxes due and payable in fiscal years beginning on or
35 after July 1, 2001.