

APR 26 2005
WAYS & MEANS CALENDAR

HOUSE FILE 880
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 815)

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

A BILL FOR

1 An Act relating to the disposition of certain real estate
2 transfer tax receipts by the treasurer of state.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22

HF 880

1 Section 1. Section 428A.8, Code 2005, is amended to read
2 as follows:

3 428A.8 REMITTANCE TO STATE TREASURER -- PORTION RETAINED
4 IN COUNTY.

5 1. On or before the tenth day of each month the county
6 recorder shall determine and pay to the treasurer of state
7 eighty-two and three-fourths percent of the receipts from the
8 real estate transfer tax collected during the preceding month
9 and the treasurer of state shall deposit ~~ninety-five-percent~~
10 ~~of-the-receipts-in-the-general-fund-of-the-state~~ and transfer
11 ~~five-percent-of~~ the receipts ~~to-the-shelter-assistance-fund~~
12 ~~created-in-section-15-349~~ as provided in subsection 2.

13 The county recorder shall deposit the remaining seventeen
14 and one-fourth percent of the receipts in the county general
15 fund.

16 Any tax or additional tax found to be due shall be
17 collected by the county recorder. If the county recorder is
18 unable to collect the tax, the director of revenue shall
19 collect the tax in the same manner as taxes are collected in
20 chapter 422, division III. If collected by the director of
21 revenue, the director shall pay the county its proportionate
22 share of the tax. Section 422.25, subsections 1, 2, 3, and 4,
23 and sections 422.26, 422.28 through 422.30, and 422.73,
24 consistent with this chapter, apply with respect to the
25 collection of any tax or additional tax found to be due, in
26 the same manner and with the same effect as if the deed,
27 instrument, or writing were an income tax return within the
28 meaning of those statutes.

29 The county recorder shall keep records and make reports
30 with respect to the real estate transfer tax as the director
31 of revenue prescribes.

32 2. The treasurer of state shall deposit or transfer the
33 receipts paid the treasurer of state pursuant to subsection 1
34 to either the general fund of the state, the housing trust
35 fund created in section 16.181, or the shelter assistance fund

1 created in section 15.349 as follows:

2 a. For the fiscal year beginning July 1, 2005, seventy
3 percent of the receipts shall be deposited in the general
4 fund, twenty-five percent of the receipts shall be transferred
5 to the housing trust fund, and five percent of the receipts
6 shall be transferred to the shelter assistance fund.

7 b. For the fiscal year beginning July 1, 2006, sixty-five
8 percent of the receipts shall be deposited in the general
9 fund, thirty percent of the receipts shall be transferred to
10 the housing trust fund, and five percent of the receipts shall
11 be transferred to the shelter assistance fund.

12 c. For the fiscal year beginning July 1, 2007, sixty
13 percent of the receipts shall be deposited in the general
14 fund, thirty-five percent of the receipts shall be transferred
15 to the housing trust fund, and five percent of the receipts
16 shall be transferred to the shelter assistance fund.

17 d. For the fiscal year beginning July 1, 2008, fifty-five
18 percent of the receipts shall be deposited in the general
19 fund, forty percent of the receipts shall be transferred to
20 the housing trust fund, and five percent of the receipts shall
21 be transferred to the shelter assistance fund.

22 e. For the fiscal year beginning July 1, 2009, and each
23 fiscal year thereafter, fifty percent of the receipts shall be
24 deposited in the general fund, forty-five percent of the
25 receipts shall be transferred to the housing trust fund, and
26 five percent of the receipts shall be transferred to the
27 shelter assistance fund.

28

EXPLANATION

29 This bill relates to the disposition of certain real estate
30 transfer tax receipts by the treasurer of state and provides
31 an applicability date.

32 Currently, when there is consideration and the actual
33 market value of the real property transferred is in excess of
34 \$500, the tax is 80 cents for each \$500 or fractional part of
35 \$500 in excess of \$500. On or before the 10th day of each

1 month the county recorder determines and pays to the treasurer
2 of state 82.75 percent of the receipts from the real estate
3 transfer tax collected during the preceding month and the
4 treasurer of state deposits 95 percent of the receipts in the
5 general fund of the state and transfers 5 percent of the
6 receipts to the shelter assistance fund.

7 The bill modifies the use of the receipts that are paid to
8 the treasurer of state each month. For the fiscal year
9 beginning July 1, 2005, the bill reduces the percentage of
10 receipts deposited in the general fund to 70 percent and the
11 percentage is reduced each fiscal year thereafter by 5
12 percent. By the fiscal year beginning July 1, 2009, and each
13 fiscal year thereafter, 50 percent of the receipts received by
14 the treasurer of state shall be deposited in the general fund.
15 For the fiscal year beginning July 1, 2005, the bill increases
16 the percentage of receipts transferred to the housing trust
17 fund to 25 percent and the percentage is increased each fiscal
18 year by 5 percent. By the fiscal year beginning July 1, 2009,
19 and each fiscal year thereafter, 45 percent of the receipts
20 received by the treasurer of state shall be transferred to the
21 housing trust fund. The bill does not modify the percentage
22 of receipts being transferred to the shelter assistance fund.

23
24
25
26
27
28
29
30
31
32
33
34
35

Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 880 - Title Transfer for Housing Trust Funds (LSB 1357 YH)
Analyst: Russell Trimble (Phone: (515) 281-4613) (russ.trimble@legis.state.ia.us)
Fiscal Note Version - New

Description

House File 880 reduces each year the percentage of real estate transfer tax that is deposited into the General Fund and deposits those funds into the State Housing Trust Fund, while maintaining the percentage of funds that are deposited into the Shelter Assistance Fund.

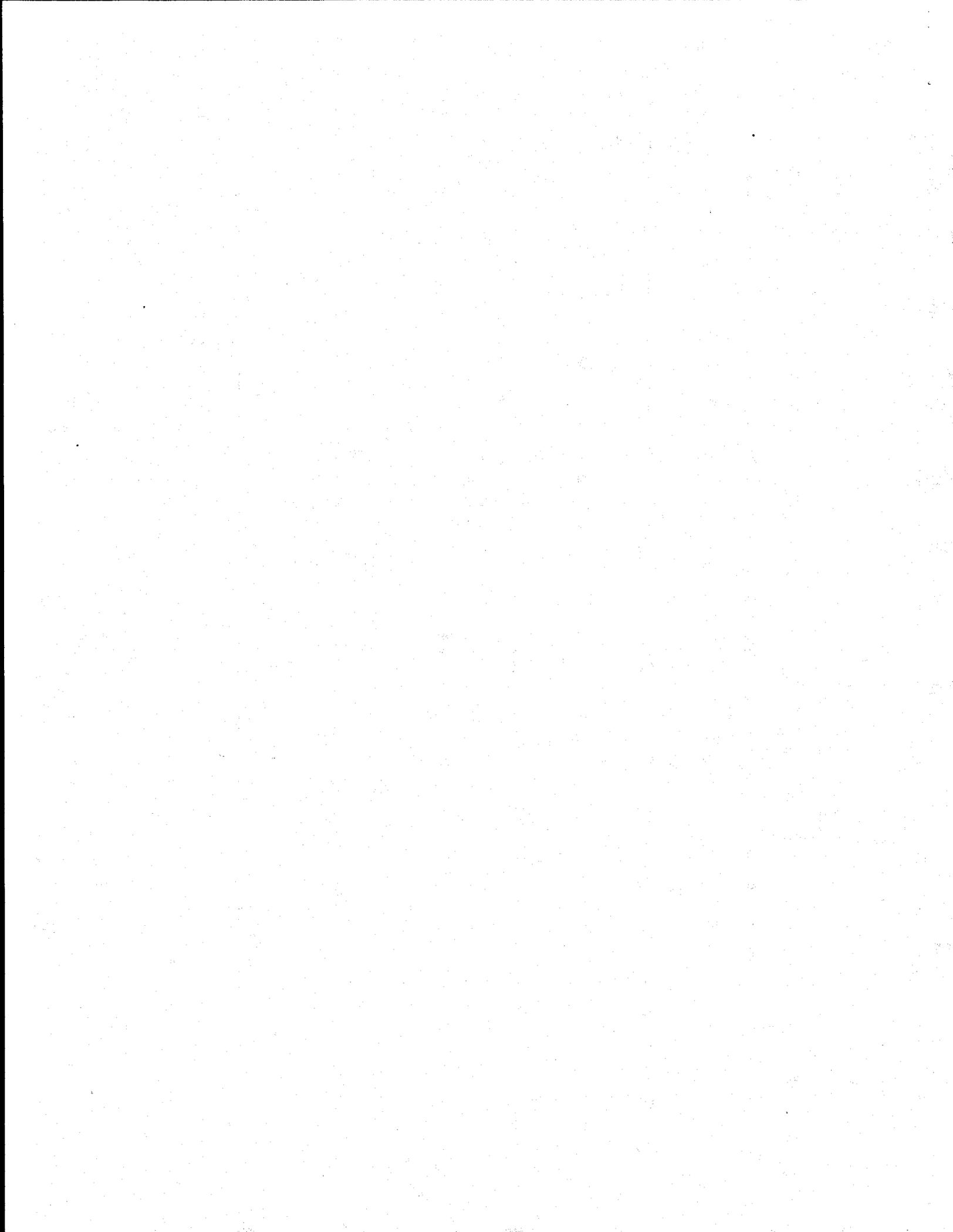
Background

1. Currently, counties remit 82.75% of real estate transfer tax collected to the State. The Bill does not change this percentage.
2. Under current law, 95.0% of the funds remitted to the State are deposited into the General Fund, and 5.0% are deposited into the Shelter Assistance Fund. House File 880 proposes to change the percentage of real estate transfer tax deposited into the State General Fund to 70.0% in FY 2006 and reduce the percentage by 5.0% per year until FY 2010. The percentage deposited to the Shelter Assistance Fund does not change and the percentage deposited to the Housing Trust Fund is 25.0% in FY 2006 and increases by 5.0% per year until FY 2010 when it would be 45.0% of the real estate transfer tax collected by the State. For FY 2010 and subsequent fiscal years, the percentages will remain at 50.0% deposited to the General Fund; 5.0% to the Shelter Assistance Fund, and 45.0% to the Housing Trust Fund. The table below summarizes the proposed changes in HF 880:

Fiscal Year	Deposit of Funds Remitted to State		
	General Fund	Shelter Asst. Fund	Housing Trust Fund
2006	70.0%	5.0%	25.0%
2007	65.0%	5.0%	30.0%
2008	60.0%	5.0%	35.0%
2009	55.0%	5.0%	40.0%
2010	50.0%	5.0%	45.0%
2011	50.0%	5.0%	45.0%

Assumptions

1. The average annual growth of real estate transfer tax receipts over the last nine years has been approximately 8.6%. This growth will continue in subsequent fiscal years.
2. If House File 880 does not become law, the State would continue to receive 82.75% of the real estate transfer tax receipts which will continue to grow at 8.6% per year. Of this amount, 95.0% would continue to be deposited into the General Fund and 5.0% would continue to be deposited into the Shelter Assistance Fund.
3. Data in the tables below are estimates factoring in an 8.6% annual rate of growth in total receipts.



Fiscal Impact

Fiscal Year	Current Law			
	General Fund Receipts	Shelter Asst. Fund	County Portion	Total
2006	\$ 17,239,140	\$ 907,323	\$ 3,782,797	\$ 21,929,260
2007	\$ 18,721,706	\$ 985,353	\$ 4,108,118	\$ 23,815,177
2008	\$ 20,331,772	\$ 1,070,093	\$ 4,461,416	\$ 25,863,282
2009	\$ 22,080,305	\$ 1,162,121	\$ 4,845,098	\$ 28,087,524
2010	\$ 23,979,211	\$ 1,262,064	\$ 5,261,776	\$ 30,503,051
2011	\$ 26,041,423	\$ 1,370,601	\$ 5,714,289	\$ 33,126,314

Fiscal Year	Proposed Law				
	Gen. Fund Receipts	Shelter Asst. Fund	Housing Trust Fund	County Portion	Total
2006	\$ 12,702,524	\$ 907,323	\$ 4,536,616	\$ 3,782,797	\$ 21,929,260
2007	\$ 12,809,588	\$ 985,353	\$ 5,912,118	\$ 4,108,118	\$ 23,815,177
2008	\$ 12,841,119	\$ 1,070,093	\$ 7,490,653	\$ 4,461,416	\$ 25,863,282
2009	\$ 12,783,334	\$ 1,162,121	\$ 9,296,970	\$ 4,845,098	\$ 28,087,524
2010	\$ 12,620,637	\$ 1,262,064	\$ 11,358,574	\$ 5,261,776	\$ 30,503,051
2011	\$ 13,706,012	\$ 1,370,601	\$ 12,335,411	\$ 5,714,289	\$ 33,126,314

House File 880 will reduce General Fund revenues by the amounts deposited each year into the State Housing Trust Fund as shown in the table above.

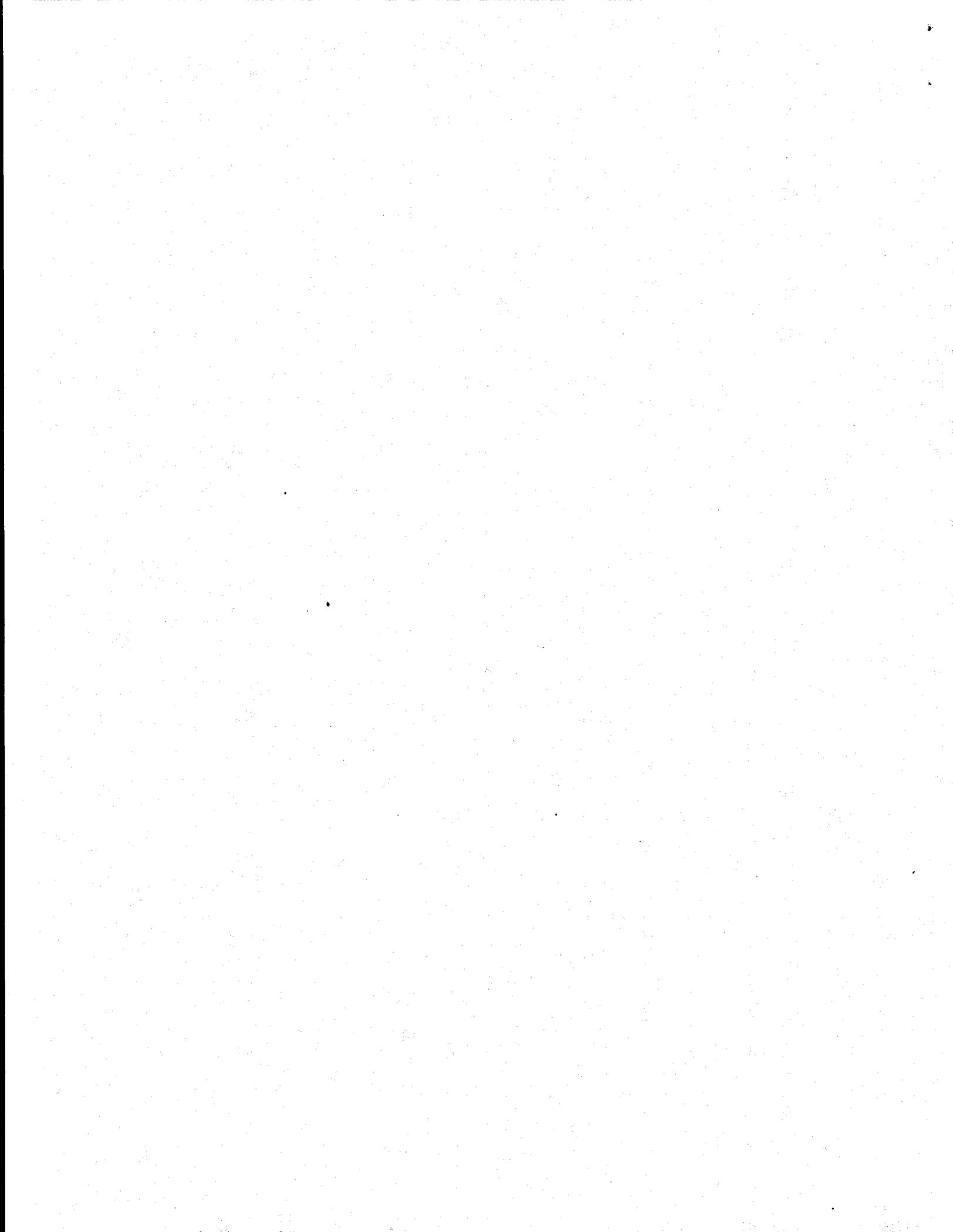
Source

Legislative Services Agency

/s/ Holly M. Lyons

April 27, 2005

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.



HOUSE FILE 880

H-1571

1 Amend House File 880 as follows:

2 1. Page 2, by striking lines 2 through 27 and
3 inserting the following:

4 "a. For the fiscal year beginning July 1, 2005,
5 ninety-five percent of the receipts shall be deposited
6 in the general fund and five percent of the receipts
7 shall be transferred to the shelter assistance fund.

8 b. For the fiscal year beginning July 1, 2006,
9 ninety-five percent of the receipts, less one million
10 dollars which shall be transferred to the housing
11 trust fund, shall be deposited in the general fund and
12 five percent of the receipts shall be transferred to
13 the shelter assistance fund.

14 c. For the fiscal year beginning July 1, 2007,
15 ninety-five percent of the receipts, less two million
16 dollars which shall be transferred to the housing
17 trust fund, shall be deposited in the general fund and
18 five percent of the receipts shall be transferred to
19 the shelter assistance fund.

20 d. For the fiscal year beginning July 1, 2008,
21 seventy percent of the receipts shall be deposited in
22 the general fund, twenty-five percent of the receipts
23 shall be transferred to the housing trust fund, and
24 five percent of the receipts shall be transferred to
25 the shelter assistance fund.

26 e. For the fiscal year beginning July 1, 2009,
27 sixty-five percent of the receipts shall be deposited
28 in the general fund, thirty percent of the receipts
29 shall be transferred to the housing trust fund, and
30 five percent of the receipts shall be transferred to
31 the shelter assistance fund.

32 f. For the fiscal year beginning July 1, 2010,
33 sixty percent of the receipts shall be deposited in
34 the general fund, thirty-five percent of the receipts
35 shall be transferred to the housing trust fund, and
36 five percent of the receipts shall be transferred to
37 the shelter assistance fund.

38 g. For the fiscal year beginning July 1, 2011,
39 fifty-five percent of the receipts shall be deposited
40 in the general fund, forty percent of the receipts
41 shall be transferred to the housing trust fund, and
42 five percent of the receipts shall be transferred to
43 the shelter assistance fund.

44 h. For the fiscal year beginning July 1, 2012, and
45 each fiscal year thereafter, fifty percent of the
46 receipts shall be deposited in the general fund,
47 forty-five percent of the receipts shall be
48 transferred to the housing trust fund, and five
49 percent of the receipts shall be transferred to the
50 shelter assistance fund."

By HUSER of Polk
KURTENBACH of Story

JACOBS of Polk
WESSEL-KROESCHELL of Story

H-1571 FILED APRIL 27, 2005

HOUSE FILE 880

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 815)

(As Amended and Passed by the House April 28, 2005)

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

A BILL FOR

1 An Act relating to the disposition of certain real estate
2 transfer tax receipts by the treasurer of state.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

4

5

House Amendments _____

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

TLSB 1357HV 81

tm/sh/8

1 Section 1. Section 428A.8, Code 2005, is amended to read
2 as follows:

3 428A.8 REMITTANCE TO STATE TREASURER -- PORTION RETAINED
4 IN COUNTY.

5 1. On or before the tenth day of each month the county
6 recorder shall determine and pay to the treasurer of state
7 eighty-two and three-fourths percent of the receipts from the
8 real estate transfer tax collected during the preceding month
9 and the treasurer of state shall deposit ~~ninety-five-percent~~
10 ~~of-the-receipts-in-the-general-fund-of-the-state~~ and transfer
11 ~~five-percent-of~~ the receipts ~~to-the-shelter-assistance-fund~~
12 ~~created-in-section-15-349~~ as provided in subsection 2.

13 The county recorder shall deposit the remaining seventeen
14 and one-fourth percent of the receipts in the county general
15 fund.

16 Any tax or additional tax found to be due shall be
17 collected by the county recorder. If the county recorder is
18 unable to collect the tax, the director of revenue shall
19 collect the tax in the same manner as taxes are collected in
20 chapter 422, division III. If collected by the director of
21 revenue, the director shall pay the county its proportionate
22 share of the tax. Section 422.25, subsections 1, 2, 3, and 4,
23 and sections 422.26, 422.28 through 422.30, and 422.73,
24 consistent with this chapter, apply with respect to the
25 collection of any tax or additional tax found to be due, in
26 the same manner and with the same effect as if the deed,
27 instrument, or writing were an income tax return within the
28 meaning of those statutes.

29 The county recorder shall keep records and make reports
30 with respect to the real estate transfer tax as the director
31 of revenue prescribes.

32 2. The treasurer of state shall deposit or transfer the
33 receipts paid the treasurer of state pursuant to subsection 1
34 to either the general fund of the state, the housing trust
35 fund created in section 16.181, or the shelter assistance fund

1 created in section 15.349 as follows:

2 a. For the fiscal year beginning July 1, 2005, ninety-
3 five percent of the receipts shall be deposited in the general
4 fund and five percent of the receipts shall be transferred to
5 the shelter assistance fund.

6 b. For the fiscal year beginning July 1, 2006, ninety-
7 five percent of the receipts, less one million dollars which
8 shall be transferred to the housing trust fund, shall be
9 deposited in the general fund and five percent of the receipts
10 shall be transferred to the shelter assistance fund.

11 c. For the fiscal year beginning July 1, 2007, ninety-
12 five percent of the receipts, less two million dollars which
13 shall be transferred to the housing trust fund, shall be
14 deposited in the general fund and five percent of the receipts
15 shall be transferred to the shelter assistance fund.

16 d. For the fiscal year beginning July 1, 2008, seventy
17 percent of the receipts shall be deposited in the general
18 fund, twenty-five percent of the receipts shall be transferred
19 to the housing trust fund, and five percent of the receipts
20 shall be transferred to the shelter assistance fund.

21 e. For the fiscal year beginning July 1, 2009, sixty-five
22 percent of the receipts shall be deposited in the general
23 fund, thirty percent of the receipts shall be transferred to
24 the housing trust fund, and five percent of the receipts shall
25 be transferred to the shelter assistance fund.

26 f. For the fiscal year beginning July 1, 2010, sixty
27 percent of the receipts shall be deposited in the general
28 fund, thirty-five percent of the receipts shall be transferred
29 to the housing trust fund, and five percent of the receipts
30 shall be transferred to the shelter assistance fund.

31 g. For the fiscal year beginning July 1, 2011, fifty-five
32 percent of the receipts shall be deposited in the general
33 fund, forty percent of the receipts shall be transferred to
34 the housing trust fund, and five percent of the receipts shall
35 be transferred to the shelter assistance fund.

1 h. For the fiscal year beginning July 1, 2012, and each
2 fiscal year thereafter, fifty percent of the receipts shall be
3 deposited in the general fund, forty-five percent of the
4 receipts shall be transferred to the housing trust fund, and
5 five percent of the receipts shall be transferred to the
6 shelter assistance fund.

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 880 - Title Transfer for Housing Trust Funds (LSB 1357 HV.1)
Analyst: Russell Trimble (Phone: (515) 281-4613) (russ.trimble@legis.state.ia.us)
Fiscal Note Version – As Amended by H-1571

Description

House File 880 transfers \$1.0 million in real estate transfer tax receipts to be deposited to the General Fund and deposits the receipts to the State Housing Trust Fund in FY 2007, and transfers \$2.0 million for deposit to the Trust Fund in FY 2008. Starting in FY 2009, the Bill reduces each year the percentage of real estate transfer tax that is deposited into the General Fund and deposits those funds into the State Housing Trust Fund, while maintaining the percentage of funds that are deposited into the Shelter Assistance Fund.

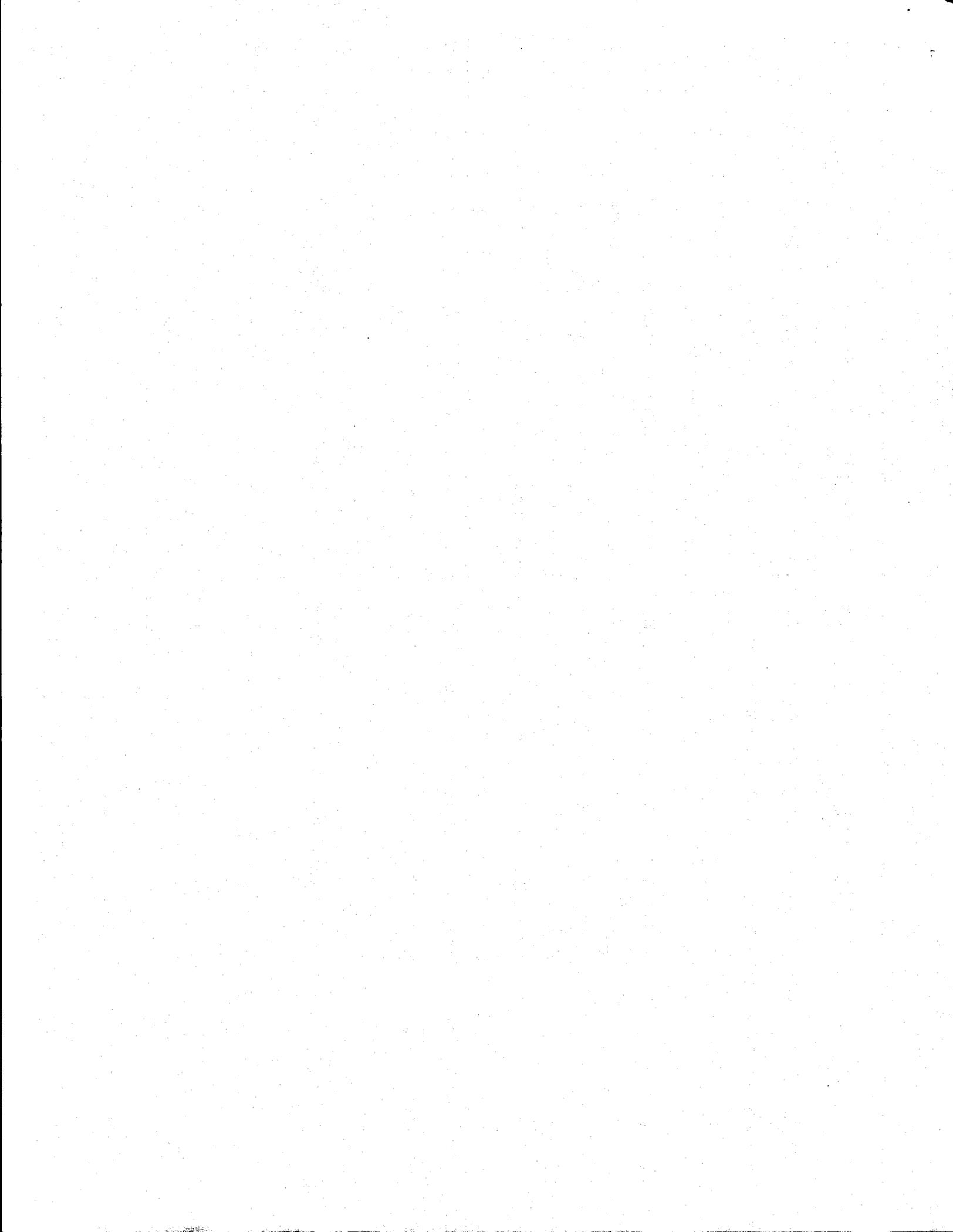
Background

1. Currently, counties remit 82.75% of real estate transfer tax collected to the State. The Bill does not change this percentage.
2. Under current law, 95.0% of the funds remitted to the State are deposited into the General Fund, and 5.0% are deposited into the Shelter Assistance Fund. House File 880 transfers \$1.0 million in real estate transfer tax receipts to be deposited to the General Fund and deposits the receipts to the State Housing Trust Fund in FY 2007, and transfers \$2.0 million for deposit to the Trust Fund in FY 2008.
3. The Bill proposes to change the percentage of real estate transfer tax deposited into the State General Fund to 70.0% in FY 2009 and reduce the percentage by 5.0% per year until FY 2013. The percentage deposited to the Shelter Assistance Fund does not change and the percentage deposited to the Housing Trust Fund is 25.0% in FY 2009 and increases by 5.0% per year until FY 2013 when it would be 45.0% of the real estate transfer tax collected by the State. For FY 2013 and subsequent fiscal years, the percentages will remain at 50.0% deposited to the General Fund; 5.0% to the Shelter Assistance Fund, and 45.0% to the Housing Trust Fund. The table below summarizes the proposed changes in HF 880:

Deposit of Funds Remitted to State			
<u>Fiscal Year</u>	<u>General Fund Receipts</u>	<u>Shelter Asst. Fund</u>	<u>Housing Trust Fund</u>
2009	70.0%	5.0%	25.0%
2010	65.0%	5.0%	30.0%
2011	60.0%	5.0%	35.0%
2012	55.0%	5.0%	40.0%
2013	50.0%	5.0%	45.0%

Assumptions

1. The average annual growth of real estate transfer tax receipts over the last nine years has been approximately 8.6%. This growth will continue in subsequent fiscal years.
2. If House File 880 does not become law, the State would continue to receive 82.75% of the real estate transfer tax receipts which will continue to grow at 8.6% per year. Of this amount, 95.0% would continue to be deposited into the General Fund and 5.0% would continue to be deposited into the Shelter Assistance Fund.
3. Data in the tables below are estimates factoring in an 8.6% annual rate of growth in total receipts.



Fiscal Impact

Fiscal Year	Current Law				
	General Fund Receipts	Shelter Asst. Fund	County Portion	Total	
2007	\$ 18,721,706	\$ 985,353	\$ 4,108,118	\$ 23,815,177	
2008	\$ 20,331,772	\$ 1,070,093	\$ 4,461,416	\$ 25,863,282	
2009	\$ 22,080,305	\$ 1,162,121	\$ 4,845,098	\$ 28,087,524	
2010	\$ 23,979,211	\$ 1,262,064	\$ 5,261,776	\$ 30,503,051	
2011	\$ 26,041,423	\$ 1,370,601	\$ 5,714,289	\$ 33,126,314	
2012	\$ 28,280,986	\$ 1,488,473	\$ 6,205,718	\$ 35,975,177	
2013	\$ 30,713,150	\$ 1,616,482	\$ 6,739,410	\$ 39,069,042	

Fiscal Year	Proposed Law				
	Gen. Fund Receipts	Shelter Asst. Fund	Housing Trust Fund	County Portion	Total
2007	\$ 17,721,706	\$ 985,353	\$ 1,000,000	\$ 4,108,118	\$ 23,815,177
2008	\$ 18,331,772	\$ 1,070,093	\$ 2,000,000	\$ 4,461,416	\$ 25,863,282
2009	\$ 16,269,698	\$ 1,162,121	\$ 5,810,607	\$ 4,845,098	\$ 28,087,524
2010	\$ 16,406,829	\$ 1,262,064	\$ 7,572,382	\$ 5,261,776	\$ 30,503,051
2011	\$ 16,447,215	\$ 1,370,601	\$ 9,594,209	\$ 5,714,289	\$ 33,126,314
2012	\$ 16,373,202	\$ 1,488,473	\$ 11,907,783	\$ 6,205,718	\$ 35,975,177
2013	\$ 16,164,816	\$ 1,616,482	\$ 14,548,334	\$ 6,739,410	\$ 39,069,042

House File 880 will reduce General Fund revenues by the amounts deposited each year into the State Housing Trust Fund as shown in the table above.

Source

Legislative Services Agency

/s/ Holly M. Lyons

April 29, 2005

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
