

ORDINANCE NO. _____

AN ORDINANCE PROVIDING FOR THE DIVISION OF TAXES LEVIED ON TAXABLE PROPERTY IN THE 2010 ADDITION TO THE HIGHWAY 38 NORTHEAST URBAN RENEWAL AREA, PURSUANT TO SECTION 403.19 OF THE CODE OF IOWA

WHEREAS, Ordinance No. _____ entitled "An Ordinance Providing For The Division Of Taxes Levied On Taxable Property In The Highway 38 Northeast Urban Renewal Area of the City of Muscatine, Iowa, Pursuant To Section 403.19 of the Code of Iowa" was enacted by the Council of the City of Muscatine, Iowa on _____, 20__; and

WHEREAS, pursuant to prior Ordinance the Highway 38 Northeast Urban Renewal Area Urban Renewal Area in the City of Muscatine was designated a "tax increment district"; and

WHEREAS, the City Council now desires to increase the size of the "tax increment district" designated by such Ordinance by adding additional property;

BE IT ENACTED by the Council of the City of Muscatine, Iowa:

Section 1. Purpose. The purpose of this ordinance is to provide for the division of taxes levied on the taxable property in the 2010 Addition to the Highway 38 Northeast Urban Renewal Area of the City of Muscatine, Iowa, each year by and for the benefit of the state, city, county, school districts or other taxing districts after the effective date of this ordinance in order to create a special fund to pay the principal of and interest on loans, moneys advanced to or indebtedness, including bonds proposed to be issued by the City of Muscatine to finance projects in such area.

Section 2. Definitions. For use within this ordinance the following terms shall have the following meanings:

"City" shall mean the City of Muscatine, Iowa.

"County" shall mean Muscatine County, Iowa.

"Urban Renewal Area Amendment" shall mean the 2010 Addition to the Highway 38 Northeast Urban Renewal Area of the City of Muscatine, Iowa, the boundaries of which are set out on the following page, approved by the City Council by resolution adopted on the 2nd day of December 2010:

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“Urban Renewal Area” shall mean the entirety of the Highway 38 Northeast Urban Renewal Area as amended from time to time.

Section 3. Provisions for Division of Taxes Levied on Taxable Property in the Urban Renewal Area Amendment. After the effective date of this ordinance, the taxes levied on the taxable property in the Urban Renewal Area Amendment each year by and for the benefit of the State of Iowa, the City, the County and any school district or other taxing district in which the Urban Renewal Area Amendment is located, shall be divided as follows:

(a) that portion of the taxes which would be produced by the rate at which the tax is levied each year by or for each of the taxing districts upon the total sum of the assessed value of the taxable property in the Urban Renewal Area Amendment, as shown on the assessment roll as of January 1 of the calendar year preceding the first calendar year in which the City certifies to the County Auditor the amount of loans, advances, indebtedness, or bonds payable from the special fund referred to in paragraph (b) below, shall be allocated to and when collected be paid into the fund for the respective taxing district as taxes by or for said taxing district into which all other property taxes are paid. For the purpose of allocating taxes levied by or for any taxing district which did not include the territory in the Urban Renewal Area Amendment on the effective date of this ordinance, but to which the territory has been annexed or otherwise included after the effective date, the assessment roll applicable to property in the annexed territory as of January 1 of the calendar year preceding the effective date of the ordinance which amends the plan for the Urban Renewal Area Amendment to include the annexed area, shall be used in determining the assessed valuation of the taxable property in the annexed area.

(b) that portion of the taxes each year in excess of such amounts shall be allocated to and when collected be paid into a special fund of the City to pay the principal of and interest on loans, moneys advanced to or indebtedness, whether funded, refunded, assumed or otherwise, including bonds issued under the authority of Section 403.9(1), of the Code of Iowa, incurred by the City to finance or refinance, in whole or in part, projects in the Urban Renewal Area, and to provide assistance for low and moderate-income family housing as provided in Section 403.22, except that taxes for the regular and voter-approved physical plant and equipment levy of a school district imposed pursuant to Section 298.2 of the Code of Iowa, and taxes for the payment of bonds and interest of each taxing district shall be collected against all taxable property within the taxing district without limitation by the provisions of this ordinance. Unless and until the total assessed valuation of the taxable property in the Urban Renewal Area Amendment exceeds the total assessed value of the taxable property in such area as shown by the assessment roll

referred to in subsection (a) of this section, all of the taxes levied and collected upon the taxable property in the Urban Renewal Area Amendment shall be paid into the funds for the respective taxing districts as taxes by or for said taxing districts in the same manner as all other property taxes. When such loans, advances, indebtedness, and bonds, if any, and interest thereon, have been paid, all money thereafter received from taxes upon the taxable property in the Urban Renewal Area Amendment shall be paid into the funds for the respective taxing districts in the same manner as taxes on all other property.

(c) the portion of taxes mentioned in subsection (b) of this section and the special fund into which that portion shall be paid may be irrevocably pledged by the City for the payment of the principal and interest on loans, advances, bonds issued under the authority of Section 403.9(1) of the Code of Iowa, or indebtedness incurred by the City to finance or refinance in whole or in part projects in the Urban Renewal Area.

(d) as used in this section, the word "taxes" includes, but is not limited to, all levies on an ad valorem basis upon land or real property.

Section 4. Repealer. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

Section 5. Saving Clause. If any section, provision, or part of this ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

Section 6. Effective Date. This ordinance shall be effective after its final passage, approval and publication as provided by law.

Passed by the Council of the City of Muscatine, Iowa, the 16th day of December, 2010.

Mayor

Attest:

City Clerk

Approved this 2nd day of December, 2010.

Mayor

Attest:

City Clerk

First Reading: _____

Second Reading: _____

Final Reading: _____

Publication Date: _____