



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 09/12/05
Agenda Item Type: Resolution

Communication No.: 05-497
Roll Call No.:

Submitted by: Larry Hulse, Community Development Director

SUBJECT—

Approval of six abatement applications requesting backdating for improvements to properties, which were completed in 2003 and 2004 that were not filed until this year.

SYNOPSIS—

The attached tax abatement applications are for improvements to the properties at 4317 Hull Avenue, 438 E Kenyon Avenue, and 3003 East 43rd Court completed in 2004, and to the properties at 3147 S.W. 6th Street, 4309 Hull Avenue, and 5807 S.E. 31st Street completed in 2003. The applications are each for improvements to property within a designated abatement area, meet the requirements for the area, and were filed within the two-year grace period allowed by the State Law. The staff recommends that the City Council approve the applications.

Applicants further request that the applications be "backdated" so that abatement may be effective retroactively and applied to property taxes that have already been levied. Staff recommends that the request to "back date" the application be denied because such action is contrary to the express provisions of Iowa Code §404.4.

FISCAL IMPACT—

Taxes are generated in the first year from the land value, but the improvement value will be forthcoming when the new valuation comes on the tax rolls after abatement ends.

RECOMMENDATION—

Approval of the applications, to apply prospectively as provided by Iowa law.

BACKGROUND—

Applications for tax abatement are to be filed by February 1st following the calendar year in which the improvement is completed, or within a two-year grace period thereafter. The attached applications are for projects that were completed in 2004 and 2003, and were filed within the two-year grace period allowed by State Law. These projects are in designated abatement areas, and meet each area's requirements. The City Council may approve the applications and the owners will receive the full abatement schedule, but the scheduled abatement will commence with the taxes to be paid in fiscal year 2007-2008.

The City cannot change or misrepresent the date the applications were actually filed. The City Council has previously asked Polk County to apply tax abatement retroactively only when there were extraordinary circumstances, such as when there is evidence the application was timely filed but lost by the City. In those circumstances Polk County has honored the City Council's request for retroactive application. However, the retroactive application of tax abatement is contrary to the provisions in Iowa Code §404.4, and should be reserved for extraordinary circumstances.

Late Filed Application For Tax Abatement:

1. 4317 Hull Avenue
2. 3003 East 43rd Court
3. 3147 S.W. 6th Street
4. 5807 S.E. 31st Street
5. 438 East Kenyon Avenue
6. 4309 Hull Avenue