

Sec. 9. Section 235A.19, subsection 2, paragraph b, Code 2005, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (9) For others identified in section 235A.15, subsection 2, paragraph "d", subparagraph (7), and paragraph "e", subparagraphs (9) and (16).

Sec. 10. Section 239B.8, subsection 7, Code 2005, is amended by striking the subsection.

Approved May 12, 2005

CHAPTER 122

TAXATION OF NURSING FACILITY PROPERTY

H.F. 589

AN ACT relating to the property taxation of nursing facilities and including effective and applicability date provisions.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 427.1, subsection 14, unnumbered paragraph 2, Code 2005, is amended to read as follows:

The assessor, in arriving at the valuation of any property of the society or organization, shall take into consideration any uses of the property not for the appropriate objects of the organization and shall assess in the same manner as other property, all or any portion of the property involved which is leased or rented and is used regularly for commercial purposes for a profit to a party or individual. If a portion of the property is used regularly for commercial purposes, an exemption shall not be allowed upon property so used and the exemption granted shall be in the proportion of the value of the property used solely for the appropriate objects of the organization, to the entire value of the property. However, the board of trustees or the board of directors of a hospital, as defined in section 135B.1, may permit use of a portion of the hospital for commercial purposes, and the hospital is entitled to full exemption for that portion used for nonprofit health-related purposes, upon compliance with the filing requirements of this subsection. The property of a nursing facility, as defined in section 135C.1, subsection 13, which is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, and otherwise qualified, is entitled to the full exemption of the property regardless of the proportion of residents of the facility for whom the cost of care is privately paid or paid under Title XIX of the federal Social Security Act, upon compliance with the filing requirements of this subsection.

Sec. 2. **EFFECTIVE AND APPLICABILITY DATE.** This Act, being deemed of immediate importance, takes effect upon enactment and applies to property taxes due and payable in fiscal years beginning on or after July 1, 2005.

Approved May 12, 2005