

CHAPTER 41

REIMBURSEMENT FOR RENT CONSTITUTING PROPERTY TAXES PAID — ADMINISTRATION, CALCULATION, AND CLAIMS

H.F. 368

AN ACT relating to the administration of the reimbursement for rent constituting property taxes paid and related matters and including effective date provisions.

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

Section 1. [Section 331.559, subsection 12](#), Code 2021, is amended to read as follows:

12. Carry out duties relating to the administration of the homestead tax credit and other credits as provided in [sections 425.4, 425.5, 425.7, 425.9, 425.10, and 425.25](#).

Sec. 2. [Section 425.1, subsections 1, 4, and 6](#), Code 2021, are amended to read as follows:

1. *a.* A homestead credit fund is created. There is appropriated annually from the general fund of the state to the department of revenue to be credited to the homestead credit fund, an amount sufficient to implement [this chapter subchapter](#).

b. The director of the department of administrative services shall issue warrants on the homestead credit fund payable to the county treasurers of the several counties of the state under [this chapter subchapter](#).

4. Annually the department of revenue shall certify to the county auditor of each county the credit and its amount in dollars. Each county auditor shall then enter the credit against the tax levied on each eligible homestead in each county payable during the ensuing year, designating on the tax lists the credit as being from the homestead credit fund, and credit shall then be given to the several taxing districts in which eligible homesteads are located in an amount equal to the credits allowed on the taxes of the homesteads. The amount of credits shall be apportioned by each county treasurer to the several taxing districts as provided by law, in the same manner as though the amount of the credit had been paid by the owners of the homesteads. However, the several taxing districts shall not draw the funds so credited until after the semiannual allocations have been received by the county treasurer, as provided in [this chapter subchapter](#). Each county treasurer shall show on each tax receipt the amount of credit received from the homestead credit fund.

6. The homestead tax credit allowed in [this chapter subchapter](#) shall not exceed the actual amount of taxes payable on the eligible homestead, exclusive of any special assessments levied against the homestead.

Sec. 3. [Section 425.2, subsections 1 and 3](#), Code 2021, are amended to read as follows:

1. A person who wishes to qualify for the homestead credit allowed under [this chapter subchapter](#) shall obtain the appropriate forms for filing for the credit from the assessor. The person claiming the credit shall file a verified statement and designation of homestead with the assessor for the year for which the person is first claiming the credit. The claim shall be filed not later than July 1 of the year for which the person is claiming the credit. A claim filed after July 1 of the year for which the person is claiming the credit shall be considered as a claim filed for the following year.

3. In case the owner of the homestead is in active service in the armed forces of this state or of the United States, or is sixty-five years of age or older, or is disabled, the statement and designation may be signed and delivered by any member of the owner's family, by the owner's guardian or conservator, or by any other person who may represent the owner under power of attorney. If the owner of the homestead is married, the spouse may sign and deliver the statement and designation. The director of human services or the director's designee may make application for the benefits of [this chapter subchapter](#) as the agent for and on behalf of persons receiving assistance under [chapter 249](#).

Sec. 4. [Section 425.6](#), Code 2021, is amended to read as follows:

425.6 Waiver by neglect.

If a person fails to file a claim or to have a claim on file with the assessor for the credits provided in [this chapter subchapter](#), the person is deemed to have waived the homestead credit for the year in which the person failed to file the claim or to have a claim on file with the assessor.

Sec. 5. [Section 425.7, subsections 1 and 2](#), Code 2021, are amended to read as follows:

1. Any person whose claim is denied under the provisions of [this chapter subchapter](#) may appeal from the action of the board of supervisors to the district court of the county in which said claimed homestead is situated by giving written notice of such appeal to the county auditor of said county within twenty days from the date of mailing of notice of such action by the board of supervisors.

2. In the event any claim under [this chapter subchapter](#) is allowed, any owner of an eligible homestead may appeal from the action of the board of supervisors to the district court of the county in which said claimed homestead is situated, by giving written notice of such appeal to the county auditor of said county and such notice to the owner of said claimed homestead as a judge of the district court shall direct.

Sec. 6. [Section 425.8](#), Code 2021, is amended to read as follows:

425.8 Forms — rules.

1. The director of revenue shall prescribe the form for the making of a verified statement and designation of homestead, the form for the supporting affidavits required herein, and such other forms as may be necessary for the proper administration of [this chapter subchapter](#). Whenever necessary, the department of revenue shall forward to the county auditors of the several counties in the state the prescribed sample forms, and the county auditors shall furnish blank forms prepared in accordance therewith with the assessment rolls, books, and supplies delivered to the assessors. The department of revenue shall prescribe and the county auditors shall provide on the forms for claiming the homestead credit a statement to the effect that the owner realizes that the owner must give written notice to the assessor when the owner changes the use of the property.

2. The director of revenue may prescribe rules, not inconsistent with the provisions of [this chapter subchapter](#), necessary to carry out and effectuate its purposes.

Sec. 7. [Section 425.9, subsection 1](#), Code 2021, is amended to read as follows:

1. If the amount of credit apportioned to any homestead under the provisions of [this chapter subchapter](#) in any year shall exceed the total tax, exclusive of any special assessments levied against said homestead, then such excess shall be remitted by the county treasurer to the department of revenue to be redeposited in the homestead credit fund and be reallocated the following year by the department as provided in [this chapter subchapter](#).

Sec. 8. [Section 425.10](#), Code 2021, is amended to read as follows:

425.10 Reversal of allowed claim.

In the event any claim is allowed, and subsequently reversed on appeal, any credit made thereunder shall be void, and the amount of such credit shall be charged against the property in question, and the director of revenue, the county auditor, and the county treasurer are authorized and directed to correct their books and records accordingly. The amount of such erroneous credit, when collected, shall be returned by the county treasurer to the homestead credit fund to be reallocated the following year as provided in [this chapter subchapter](#).

Sec. 9. [Section 425.11, subsection 1](#), unnumbered paragraph 1, Code 2021, is amended to read as follows:

For the purpose of [this chapter subchapter](#) and wherever used in [this chapter subchapter](#):

Sec. 10. [Section 425.11, subsection 1](#), paragraph d, subparagraph (3), Code 2021, is amended to read as follows:

(3) It must not embrace more than one dwelling house, but where a homestead has more than one dwelling house situated thereon, the credit provided for in [this chapter subchapter](#) shall apply to the home and buildings used by the owner, but shall not apply to any other dwelling house and buildings appurtenant.

Sec. 11. [Section 425.11, subsection 1](#), paragraph e, Code 2021, is amended to read as follows:

e. “Owner” means the person who holds the fee simple title to the homestead, and in addition shall mean the person occupying as a surviving spouse or the person occupying under a contract of purchase which contract has been recorded in the office of the county recorder of the county in which the property is located; or the person occupying the homestead under devise or by operation of the inheritance laws where the whole interest passes or where the divided interest is shared only by persons related or formerly related to each other by blood, marriage or adoption; or the person occupying the homestead is a shareholder of a family farm corporation that owns the property; or the person occupying the homestead under a deed which conveys a divided interest where the divided interest is shared only by persons related or formerly related to each other by blood, marriage or adoption; or where the person occupying the homestead holds a life estate with the reversion interest held by a nonprofit corporation organized under [chapter 504](#), provided that the holder of the life estate is liable for and pays property tax on the homestead; or where the person occupying the homestead holds an interest in a horizontal property regime under [chapter 499B](#), regardless of whether the underlying land committed to the horizontal property regime is in fee or as a leasehold interest, provided that the holder of the interest in the horizontal property regime is liable for and pays property tax on the homestead; or where the person occupying the homestead is a member of a community land trust as defined in 42 U.S.C. §12773, regardless of whether the underlying land is in fee or as a leasehold interest, provided that the member of the community land trust is occupying the homestead and is liable for and pays property tax on the homestead. For the purpose of [this chapter subchapter](#) the word “owner” shall be construed to mean a bona fide owner and not one for the purpose only of availing the person of the benefits of [this chapter subchapter](#). In order to qualify for the homestead tax credit, evidence of ownership shall be on file in the office of the clerk of the district court or recorded in the office of the county recorder at the time the owner files with the assessor a verified statement of the homestead claimed by the owner as provided in [section 425.2](#).

Sec. 12. [Section 425.12](#), Code 2021, is amended to read as follows:
425.12 Indian land.

Each forty acres of land, or fraction thereof, occupied by a member or members of the Sac and Fox Indians in Tama county, which land is held in trust by the secretary of the interior of the United States for said Indians, shall be given a homestead tax credit within the meaning and under the provisions of [this chapter subchapter](#). Application for such homestead tax credit shall be made to the county auditor of Tama county and may be made by a representative of the tribal council.

Sec. 13. [Section 425.13](#), Code 2021, is amended to read as follows:
425.13 Conspiracy to defraud.

If any two or more persons conspire and confederate together with fraudulent intent to obtain the credit provided for under the terms of [this chapter subchapter](#) by making a false deed, or a false contract of purchase, they are guilty of a fraudulent practice.

Sec. 14. [Section 425.15, subsection 1](#), unnumbered paragraph 1, Code 2021, is amended to read as follows:

If the owner of a homestead allowed a credit under [this chapter subchapter](#) is any of the following, the credit allowed on the homestead from the homestead credit fund shall be the entire amount of the tax levied on the homestead:

Sec. 15. [Section 425.16](#), Code 2021, is amended to read as follows:
425.16 Additional tax credit.

1. In addition to the homestead tax credit allowed under [section 425.1, subsections 1 through 4](#), persons who own or rent their homesteads and who meet the qualifications

provided in [this subchapter](#) are eligible for an ~~extraordinary~~ a property tax credit or¹ property taxes due or reimbursement of rent constituting property taxes paid.

2. *a.* The property tax credit for property taxes due under [this subchapter](#) shall be administered by the department of revenue, the assessor, and other county officials as provided in [this subchapter](#).

b. The reimbursement of rent constituting property taxes paid under [this subchapter](#) shall be administered by the department of human services as provided in [this subchapter](#).

Sec. 16. [Section 425.17, subsection 3](#), Code 2021, is amended to read as follows:

3. “Gross rent” means rental paid at arm’s length for the right of occupancy of a homestead or manufactured or mobile home, including rent for space occupied by a manufactured or mobile home not to exceed one acre. If the department of ~~revenue~~ human services determines that the landlord and tenant have not dealt with each other at arm’s length, and the department of ~~revenue~~ human services is satisfied that the gross rent charged was excessive, the department of human services shall adjust the gross rent to a reasonable amount as determined by the department of human services.

Sec. 17. [Section 425.18](#), Code 2021, is amended to read as follows:

425.18 Right to file a claim.

The right to file a claim for reimbursement or credit under [this subchapter](#) may be exercised by the claimant or on behalf of a claimant by the claimant’s legal guardian, spouse, or attorney, or by the executor or administrator of the claimant’s estate. If a claimant dies after having filed a claim for reimbursement for rent constituting property taxes paid, the amount of the reimbursement may be paid to another member of the household as determined by the department of ~~revenue~~ of² human services. If the claimant was the only member of the household, the reimbursement may be paid to the claimant’s executor or administrator, but if neither is appointed and qualified within one year from the date of the filing of the claim, the reimbursement shall escheat to the state. If a claimant dies after having filed a claim for credit for property taxes due, the amount of credit shall be paid as if the claimant had not died.

Sec. 18. [Section 425.19](#), Code 2021, is amended to read as follows:

425.19 Claim and credit or reimbursement.

Subject to the limitations provided in [this subchapter](#), a claimant may annually claim a credit for property taxes due during the fiscal year next following the base year or claim a reimbursement for rent constituting property taxes paid in the base year. The amount of the credit for property taxes due for a homestead shall be paid on June 15 of each year from the elderly and disabled property tax credit fund under [section 425.39, subsection 1](#), by the director of revenue to the county treasurer who shall credit the money received against the amount of the property taxes due and payable on the homestead of the claimant and the amount of the reimbursement for rent constituting property taxes paid shall be paid by the director of human services to the claimant from the ~~state general reimbursement~~ fund under [section 425.39, subsection 2](#), on or before December 31 of each year.

Sec. 19. [Section 425.20, subsections 1 and 3](#), Code 2021, are amended to read as follows:

1. A claim for reimbursement for rent constituting property taxes paid shall not be paid or allowed, unless the claim is filed with and in the possession of the department of ~~revenue~~ human services on or before June 1 of the year following the base year.

3. In case of sickness, absence, or other disability of the claimant or if, in the judgment of the director of revenue or the director of human services, as applicable, good cause exists and the claimant requests an extension, the director of human services may extend the time for filing a claim for reimbursement ~~or~~ and the director of revenue may extend the time for filing a claim for credit. However, any further time granted shall not extend beyond December 31 of the year following the year in which the claim was required to be filed. Claims filed as a

¹ See chapter 174, §18 herein

² See chapter 174, §19 herein

result of [this subsection](#) shall be filed with the director of human services or the director of revenue, as applicable, who shall provide for the reimbursement of the claim to the claimant.

Sec. 20. [Section 425.23, subsection 3](#), paragraph a, Code 2021, is amended to read as follows:

a. A person who is eligible to file a claim for credit for property taxes due and who has a household income of eight thousand five hundred dollars or less and who has an unpaid special assessment levied against the homestead may file a claim for a special assessment credit with the county treasurer. The department of revenue shall provide to the respective treasurers the forms necessary for the administration of [this subsection](#). The claim shall be filed not later than September 30 of each year. Upon the filing of the claim, interest for late payment shall not accrue against the amount of the unpaid special assessment due and payable. The claim filed by the claimant constitutes a claim for credit of an amount equal to the actual amount due upon the unpaid special assessment, plus interest, payable during the fiscal year for which the claim is filed against the homestead of the claimant. However, where the claimant is an individual described in [section 425.17, subsection 2](#), paragraph “a”, subparagraph (2), and the tentative credit is determined according to the schedule in [subsection 1](#), paragraph “b”, subparagraph (2), of [this section](#), the claim filed constitutes a claim for credit of an amount equal to one-half of the actual amount due and payable during the fiscal year. The treasurer shall certify to the director of revenue not later than October 15 of each year the total amount of dollars due for claims allowed. The amount of reimbursement due each county shall be certified by the director of revenue and paid by the director of the department of administrative services by November 15 of each year, drawn upon warrants payable to the respective treasurer. There is appropriated annually from the general fund of the state to the department of revenue an amount sufficient to carry out the provisions of [this subsection](#). The treasurer shall credit any moneys received from the department of revenue against the amount of the unpaid special assessment due and payable on the homestead of the claimant.

Sec. 21. [Section 425.23, subsection 4](#), Code 2021, is amended by adding the following new paragraph:

NEW PARAGRAPH. c. The cumulative adjustment factor shall be determined annually by the department of revenue.

Sec. 22. [Section 425.25](#), Code 2021, is amended to read as follows:

425.25 Administration — claim forms.

1. The director of revenue shall make available suitable forms with instructions for claimants of the credit for property taxes due. Each assessor and county treasurer shall make available the forms and instructions. The claim shall be in a form as the director of revenue may prescribe. The director may shall also devise a tax credit or reimbursement table, with amounts rounded to the nearest even whole dollar. Reimbursements or credits Credits in the amount of less than one dollar shall not be paid.

2. The director of human services shall make available suitable forms with instructions for claimants of the reimbursement for rent constituting property taxes paid. The claim shall be in a form as the director of human services may prescribe. The director of revenue shall devise a reimbursement table with amounts rounded to the nearest even whole dollar and provide such table to the director of human services. Reimbursements in the amount of less than one dollar shall not be paid.

Sec. 23. [Section 425.26](#), Code 2021, is amended to read as follows:

425.26 Proof of claim.

1. Every claimant for the credit for property taxes due shall give the department of revenue, in support of the claim, reasonable proof of:

a. Age and total disability, if any.

b. ~~Property taxes due or rent constituting property taxes paid, including the name and address of the owner or manager of the property rented and a statement whether the claimant is related by blood, marriage, or adoption to the owner or manager of the property rented.~~

c. Homestead credit allowed against property taxes due.

- d. Changes of homestead.
- e. Household membership.
- f. Household income.
- g. Size and nature of property claimed as the homestead.

2. Every claimant for reimbursement of rent constituting property taxes paid shall give the department of human services, in support of the claim, reasonable proof of:

a. Age and total disability, if any.

b. Rent constituting property taxes paid, including the name and address of the owner or manager of the property rented and a statement whether the claimant is related by blood, marriage, or adoption to the owner or manager of the property rented.

c. Changes of homestead.

d. Household membership.

e. Household income.

f. Size and nature of property claimed as the homestead.

2. 3. The department of revenue or the department of human services may require any additional proof necessary to support a claim.

Sec. 24. [Section 425.27](#), Code 2021, is amended to read as follows:

425.27 Audit — recalculation or denial — appeals.

1. a. The department of revenue is responsible for the audit of claims for credit of property taxes due under [this subchapter](#).

b. The department of human services is responsible for the audit of claims for reimbursement for rent constituting property taxes paid under [this subchapter](#).

2. If on the audit of a claim for credit ~~or reimbursement~~ under [this subchapter](#), the department of revenue determines the amount of the claim to have been incorrectly calculated or that the claim is not allowable, the department of revenue shall recalculate the claim and notify the claimant of the recalculation or denial and the reasons for it. The recalculation of the claim shall be final unless appealed to the director of revenue within thirty days from the date of notice of recalculation or denial. The director of revenue shall grant a hearing, and upon hearing determine the correct claim, if any, and notify the claimant of the decision by mail. The department of revenue shall not adjust a claim after three years from October 31 of the year in which the claim was filed. ~~If the claim for reimbursement has been paid, the amount may be recovered by assessment in the same manner that income taxes are assessed under [sections 422.26 and 422.30](#).~~ If the claim for credit has been paid, the department of revenue shall give notification to the claimant and the county treasurer of the recalculation or denial of the claim and the county treasurer shall proceed to collect the tax owed in the same manner as other property taxes due and payable are collected, if the property on which the credit was granted is still owned by the claimant, and repay the amount to the director upon collection. If the property on which the credit was granted is not owned by the claimant, the amount may be recovered from the claimant by assessment in the same manner that income taxes are assessed under [sections 422.26 and 422.30](#). The decision of the director of revenue shall be final unless appealed as provided in [section 425.31](#).

3. If on the audit of a claim for reimbursement for rent constituting property taxes paid under [this subchapter](#), the department of human services determines the amount of the claim to have been incorrectly calculated or that the claim is not allowable, the department of human services shall recalculate the claim and notify the claimant of the recalculation or denial and the reasons for it. The recalculation of the claim shall be final unless appealed to the director of human services within thirty days from the date of notice of recalculation or denial. The director of human services shall grant a hearing, and upon hearing determine the correct claim, if any, and notify the claimant of the decision by mail. The department of human services shall not adjust a claim after three years from October 31 of the year in which the claim was filed. If the claim for reimbursement has been paid, the amount may be recovered by the department of human services. The decision of the director of human services shall be final unless appealed as provided in [section 425.31](#).

4. a. ~~Section~~ For the purpose of administering the credit for property taxes due, including the duties of the director of revenue and the department of revenue, [section 422.70](#) is applicable with respect to [this subchapter](#).

b. For the purpose of administering the reimbursement for rent constituting property taxes paid, including the duties of the director of human services and the department of human services under [this subchapter](#), the director of human services shall have the same powers as those described in [section 422.70](#).

Sec. 25. [Section 425.28](#), Code 2021, is amended to read as follows:

425.28 Waiver of confidentiality.

1. A claimant for the credit for property taxes due shall expressly waive any right to confidentiality relating to all income tax information obtainable through the department of revenue, including all information covered by [sections 422.20](#) and [422.72](#). This waiver shall apply to information available to the county treasurer who shall hold the information confidential except that it may be used as evidence to disallow the credit.

2. A claimant for reimbursement of rent constituting property taxes paid shall expressly waive any right to confidentiality relating to all income tax information obtainable by the department of human services.

3. For the effective administration of [this subchapter](#), the department of revenue and the department of human services shall share information obtained by each department from claimants under [this subchapter](#).

2. 4. The In addition to the sharing of information under [subsection 3](#), the department of revenue human services may release information pertaining to a person's eligibility or claim for or receipt of rent reimbursement to an employee of the department of inspections and appeals in the employee's official conduct of an audit or investigation.

Sec. 26. [Section 425.29](#), Code 2021, is amended to read as follows:

425.29 False claim — penalty.

1. A person who makes a false affidavit for the purpose of obtaining credit or reimbursement provided for in [this subchapter](#) or who knowingly receives the credit or reimbursement without being legally entitled to it or makes claim for the credit or reimbursement in more than one county in the state without being legally entitled to it is guilty of a fraudulent practice. The claim for credit or reimbursement shall be disallowed in full and if the claim has been paid the amount shall be recovered in the manner provided in [section 425.27](#).

2. The In the case of a claim for credit disallowed by the department of revenue, the department of revenue may impose penalties under [section 421.27](#). The department of revenue shall send a notice of disallowance of the claim.

3. In the case of a claim for reimbursement disallowed by the department of human services, the department of human services may impose penalties described in [section 421.27](#). The department of human services shall send a notice of disallowance of the claim.

Sec. 27. [Section 425.30](#), Code 2021, is amended by striking the section and inserting in lieu thereof the following:

425.30 Notices.

1. A notice authorized or required under [this subchapter](#) related to a credit for property taxes due may be given by mailing the notice to the person for whom it is intended, addressed to that person at the address given in the last credit claim form filed by the person pursuant to [this subchapter](#), or if no return has been filed, then to any address obtainable.

2. A notice authorized or required under [this subchapter](#) related to a reimbursement for rent constituting property taxes paid may be given by mailing the notice to the person for whom it is intended, addressed to that person at the address given in the reimbursement claim form filed by the person pursuant to [this subchapter](#), or if no return has been filed, then to any address obtainable.

3. The mailing of the notice is presumptive evidence of the receipt of the notice by the person to whom addressed. Any period of time which is determined according to [this subchapter](#) by the giving of notice commences to run from the date of mailing of the notice.

Sec. 28. [Section 425.31](#), Code 2021, is amended by striking the section and inserting in lieu thereof the following:

425.31 Appeals.

1. Judicial review of the actions of the director of revenue or the department of revenue under [this subchapter](#) may be sought in accordance with the terms of [chapter 17A](#) and the rules of the department of revenue.

2. Judicial review of the actions of the director of human services or the department of human services under [this subchapter](#) may be sought in accordance with the terms of [chapter 17A](#) and the rules of the department of human services.

3. For cause and upon a showing by the director of revenue or the director of human services, as applicable, that collection of the amount in dispute is in doubt, the court may order the petitioner to file with the clerk a bond for the use of the respondent, with sureties approved by the clerk, equal to the amount appealed from, conditioned that the petitioner shall perform the orders of the court.

4. An appeal may be taken by the claimant or the director of revenue or the director of human services, as applicable, to the supreme court of this state irrespective of the amount involved.

Sec. 29. [Section 425.32](#), Code 2021, is amended to read as follows:

425.32 Disallowance of certain claims for credit.

A claim for credit for property taxes due shall be disallowed if the department of revenue finds that the claimant or a person of the claimant's household received title to the homestead primarily for the purpose of receiving benefits under [this subchapter](#).

Sec. 30. [Section 425.33](#), Code 2021, is amended to read as follows:

425.33 Rent increase — request and order for reduction.

1. If upon petition by a claimant the department of revenue human services determines that a landlord has increased the claimant's rent primarily because the claimant is eligible for reimbursement under [this subchapter](#), the department of revenue human services shall request the landlord by mail to reduce the rent appropriately.

2. In determining whether a landlord has increased a claimant's rent primarily because the claimant is eligible for reimbursement under [this subchapter](#), the department of revenue human services shall consider the following factors:

a. The amount of the increase in rent.

b. If the landlord operates other rental property, whether a similar increase was imposed on the other rental property.

c. Increased or decreased costs of materials, supplies, services, and taxes in the area.

d. The time the rent was increased.

e. Other relevant factors in each particular case.

3. If the landlord fails to comply with the request of the department of revenue human services within fifteen days after the request is mailed by the department, the department of revenue human services shall order the rent reduced by an appropriate amount.

Sec. 31. [Section 425.34](#), Code 2021, is amended to read as follows:

425.34 Hearings Rent increase hearings and appeals.

1. If the department of revenue human services orders a landlord to reduce rent to a claimant, then upon the request of the landlord the department of revenue human services shall hold a prompt hearing of the matter, to be conducted in accordance with the rules of the department. The department of revenue human services shall give notice of the decision by mail to the claimant and to the landlord.

2. The claimant and the landlord shall have the rights of appeal and review as provided in [section 425.31](#).

Sec. 32. [Section 425.37](#), Code 2021, is amended to read as follows:

425.37 Rules.

The director of revenue and the director of human services shall each adopt rules in accordance with [chapter 17A](#) for the interpretation and proper administration of [this subchapter](#) and each department's applicable powers and duties under [this subchapter](#), including rules to prevent and disallow duplication of benefits and to prevent any unreasonable hardship or advantage to any person.

Sec. 33. [Section 425.39](#), Code 2021, is amended to read as follows:

425.39 Fund Funds created — ~~appropriation appropriations~~ — priority.

1. The elderly and disabled property tax credit ~~and reimbursement~~ fund is created. There is appropriated annually from the general fund of the state to the department of revenue to be credited to the elderly and disabled property tax credit ~~and reimbursement~~ fund, from funds not otherwise appropriated, an amount sufficient to implement [this subchapter](#) for credits for property taxes due for claimants described in [section 425.17, subsection 2](#), paragraph “a”, subparagraph (1).³

2. The elderly and disabled rent reimbursement fund is created. There is appropriated annually from the general fund of the state to the department of human services to be credited to the elderly and disabled rent reimbursement fund, from funds not otherwise appropriated, an amount sufficient to implement [this subchapter](#) for reimbursement for rent constituting property taxes paid for claimants described in [section 425.17, subsection 2](#), paragraph “a”, subparagraph (1).

Sec. 34. [Section 425.40](#), Code 2021, is amended to read as follows:

425.40 Low-income fund created.

1. A low-income tax credit and reimbursement fund is created. Within the low-income tax credit and reimbursement fund, a rent reimbursement account is created under the control of the department of human services and a tax credit account is created under the control of the department of revenue. Amounts appropriated to the fund shall first be credited to the ⁴ reimbursement account.

2. a. If The director of human services shall use amounts credited to the rent reimbursement account for a fiscal year to pay all claims for reimbursement of rent constituting property taxes paid for claimants described in [section 425.17, subsection 2](#), paragraph “a”, subparagraph (2). If the amount appropriated for purposes of [this section](#) for a fiscal year and credited to the rent reimbursement account is insufficient to pay all claims in full, the director of human services shall pay, in full, all claims to be paid during the fiscal year for reimbursement of rent constituting property taxes paid or if moneys are insufficient to pay all such claims on a pro rata basis. If the amount of claims for credit for property taxes due to be paid during the fiscal year exceed the amount remaining after payment to renters, the director of revenue shall prorate the payments to the counties for the property tax credit.

b. If the amount appropriated for purposes of [this section](#) for a fiscal year and credited to the rent reimbursement account exceeds the amount necessary to pay in full all reimbursement claims for the fiscal year, the department of human services shall transfer such excess amount to the department of revenue for deposit in the tax credit account. The department of revenue shall use any amounts credited to the tax credit account for a fiscal year to pay to the counties all claims for credit for property taxes due for the fiscal year, or if such amount is insufficient, to pay to the counties all such claims on a pro rata basis.

3. In order for the director of revenue or the director of human services to carry out the requirements of [this subsection 2](#), notwithstanding any provision to the contrary in [this subchapter](#), claims for reimbursement for rent constituting property taxes paid filed before May 1 of the fiscal year shall be eligible to be paid in full during the fiscal year and those claims filed on or after May 1 of the fiscal year shall be eligible to be paid during the following fiscal year and the director of revenue is not required to make payments to counties for the property tax credit before June 15 of the fiscal year.

Sec. 35. TRANSITION PROVISION — ADMINISTRATIVE RULES. The department of revenue shall continue to administer that portion of [chapter 425, subchapter II](#), relating to claims for reimbursement of rent constituting property taxes paid until the department of human services has adopted rules to assume such administration as provided in this Act, but not later than January 1, 2023.

³ See chapter 177, §130 herein

⁴ See chapter 174, §20 herein

Sec. 36. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved April 12, 2021