

**Senate File 505 - Introduced**

SENATE FILE 505

BY FEENSTRA

**A BILL FOR**

1 An Act relating to assessment of property for property tax  
2 purposes, property assessment protests, powers of the  
3 property assessment appeal board, funding of the property  
4 assessment appeal board, and including applicability  
5 provisions.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 441.21, subsection 1, paragraph a, Code  
2 2011, is amended to read as follows:

3 a. Except as provided in section 405.1, property subject to  
4 taxation shall be classified on January 1 of each assessment  
5 year according to its primary use on January 1 and not its  
6 highest and best use. There shall be only one classification  
7 per parcel of property. The land and the buildings on the land  
8 shall be considered separate properties if owned by different  
9 persons. An assessor shall not classify the land differently  
10 than a building located on the land unless the building and the  
11 land are owned by different persons or the property consists  
12 of an agricultural dwelling located on agricultural land.  
13 Land shall be classified as agricultural property if used in  
14 good faith primarily for agricultural purposes. All property  
15 subject to taxation shall be valued based on its classification  
16 and present primary use at its actual value which shall be  
17 entered opposite each item, and, except as otherwise provided  
18 in this section, shall be assessed at one hundred percent of  
19 its actual value, and the value so assessed shall be taken  
20 and considered as the assessed value and taxable value of the  
21 property upon which the levy shall be made.

22 Sec. 2. Section 441.21, subsection 1, paragraph b,  
23 unnumbered paragraph 1, Code 2011, is amended to read as  
24 follows:

25 The actual value of all property subject to assessment and  
26 taxation shall be the fair and reasonable market value of  
27 such property except as otherwise provided in this section.  
28 "*Market value*" is defined as the fair and reasonable exchange  
29 in the year in which the property is listed and valued between  
30 a willing buyer and a willing seller, neither being under any  
31 compulsion to buy or sell and each being familiar with all the  
32 facts relating to the particular property. Sale prices of the  
33 property or comparable property having the same classification  
34 in normal transactions reflecting market value, and the  
35 probable availability or unavailability of persons interested

1 in purchasing the property, shall be taken into consideration  
 2 in arriving at its market value. In arriving at market value,  
 3 sale prices of property in abnormal transactions not reflecting  
 4 market value shall not be taken into account, or shall be  
 5 adjusted to eliminate the effect of factors which distort  
 6 market value, including but not limited to sales to immediate  
 7 family of the seller, foreclosure or other forced sales,  
 8 contract sales, discounted purchase transactions or purchase of  
 9 adjoining land or other land to be operated as a unit.

10 Sec. 3. Section 441.26, unnumbered paragraph 1, Code 2011,  
 11 is amended to read as follows:

12 The director of revenue shall each year prescribe the form  
 13 of assessment roll to be used by all assessors in assessing  
 14 property, in this state, also the form of pages of the  
 15 assessor's assessment book. The assessment rolls shall be  
 16 in a form that will permit entering, separately, the names  
 17 of all persons assessed, and shall also contain a notice in  
 18 substantially the following form:

19 If you are not satisfied that the foregoing assessment is  
 20 correct, you may file a protest against such assessment with  
 21 the board of review on or after April 16, to and including May 5  
 22 20, of the year of the assessment, such protest to be confined  
 23 to the grounds specified in section 441.37.

24 Dated: ... day of ... (month), ... (year)

25 .....

26 County/City Assessor.

27 Sec. 4. Section 441.37, subsection 1, Code 2011, is amended  
 28 to read as follows:

29 1. Any property owner or aggrieved taxpayer who is  
 30 dissatisfied with the owner's or taxpayer's assessment may file  
 31 a protest against such assessment with the board of review  
 32 on or after April 16, to and including May 5 20, of the year  
 33 of the assessment. In any county which has been declared to  
 34 be a disaster area by proper federal authorities after March  
 35 1 and prior to ~~May 20~~ June 5 of said year of assessment, the

1 board of review shall be authorized to remain in session until  
 2 June ~~15~~ 30 and the time for filing a protest shall be extended  
 3 to and include the period from ~~May 25~~ June 10 to June ~~5~~ 20 of  
 4 such year. ~~Said~~ The protest shall be in writing and signed  
 5 by the one protesting or by the protester's duly authorized  
 6 agent. The taxpayer may have an oral hearing ~~thereon~~ on the  
 7 protest if ~~request therefor~~ request for the oral hearing is  
 8 made in writing ~~is made~~ at the time of filing the protest. ~~Said~~  
 9 The protest must be confined to one or more of the following  
 10 grounds:

11 ~~a. That said assessment is not equitable as compared with~~  
 12 ~~assessments of other like property in the taxing district.~~  
 13 ~~When this ground is relied upon as the basis of a protest the~~  
 14 ~~legal description and assessments of a representative number of~~  
 15 ~~comparable properties, as described by the aggrieved taxpayer~~  
 16 ~~shall be listed on the protest, otherwise said protest shall~~  
 17 ~~not be considered on this ground. For odd-numbered assessment~~  
 18 ~~years and even-numbered assessment years for properties having~~  
 19 ~~a change in actual value from the previous assessment year:~~

20 ~~b. (1) That the property is assessed for more than the~~  
 21 ~~value authorized by law, stating. When this ground is relied~~  
 22 ~~upon, the specific amount which the protesting party believes~~  
 23 ~~the property to be overassessed, and the amount which the party~~  
 24 ~~considers to be its actual value and the amount the party~~  
 25 ~~considers a fair assessment shall be stated.~~

26 ~~c. (2) That the property is not assessable, is exempt from~~  
 27 ~~taxes, or is misclassified and stating the reasons for the~~  
 28 ~~protest.~~

29 ~~d. (3) That there is an error in the assessment and state~~  
 30 ~~the specific alleged error. When this ground is relied upon,~~  
 31 ~~it may include but is not limited to listing errors, including~~  
 32 ~~clerical or mathematical errors, listing claims of inequity in~~  
 33 ~~the assessment, or listing any ground under this paragraph "a"~~  
 34 ~~that results in an error in the assessment.~~

35 ~~e. (4) That there is fraud in the assessment which shall~~

1 be specifically stated.

2 ~~In addition to the above, the property owner may protest~~  
 3 ~~annually to the board of review under the provisions of section~~  
 4 ~~441.35, but such protest shall be in the same manner and upon~~  
 5 ~~the same terms as heretofore prescribed in this section.~~

6 ~~The property owner or aggrieved taxpayer may combine on one~~  
 7 ~~form protests of assessment on parcels separately assessed if~~  
 8 ~~the same grounds are relied upon as the basis for protesting~~  
 9 ~~each separate assessment. If an oral hearing is requested~~  
 10 ~~on more than one of such protests, the person making the~~  
 11 ~~combined protests may request that the oral hearings be held~~  
 12 ~~consecutively.~~

13 b. For even-numbered assessment years for properties  
 14 having no change in assessment from the previous assessment  
 15 year, that there has been a decrease in actual value from the  
 16 previous assessment year. When this ground is relied upon,  
 17 the protesting party shall provide specific evidence that the  
 18 market value of the property is less than the assessed value.  
 19 Such protest shall be made under the provisions of section  
 20 441.35, but in the same manner and upon the same terms as  
 21 described in this section.

22 Sec. 5. Section 441.37, Code 2011, is amended by adding the  
 23 following new subsection:

24 NEW SUBSECTION. 1A. The property owner or aggrieved  
 25 taxpayer may combine on one form protests of assessment on  
 26 parcels separately assessed if the same grounds are relied upon  
 27 as the basis for protesting each separate assessment. If an  
 28 oral hearing is requested on more than one of such protests,  
 29 the person making the combined protests may request that the  
 30 oral hearings be held consecutively.

31 Sec. 6. Section 441.37, Code 2011, is amended by adding the  
 32 following new subsection:

33 NEW SUBSECTION. 4. The property assessment appeal board  
 34 shall adopt rules pursuant to chapter 17A to implement the  
 35 provisions of this section relating to protests of assessment.



1 assessment years for properties having a different assessment  
2 from the previous assessment year protests may only be brought  
3 by asserting that the assessment is more than the value  
4 authorized by law, that the property is not assessable, is  
5 exempt from taxes, or is misclassified, that there is an error  
6 in the assessment, or that there is fraud in the assessment. A  
7 protest on the ground that there is an error in the assessment  
8 may include but is not limited to listing errors, including  
9 clerical or mathematical errors, claims of inequity in the  
10 assessment, or any other specified ground that results in an  
11 error in the assessment.

12 For even-numbered assessment years for properties having  
13 no change in assessment from the previous assessment year,  
14 a protest under the bill is only allowed on the ground that  
15 there has been a decrease in actual value from the previous  
16 assessment year. The bill requires such a protest in the  
17 even-numbered year to be made under the provisions of Code  
18 section 441.35, but in the same manner and upon the same terms  
19 as described in Code section 441.37.

20 The bill requires the property assessment appeal board  
21 to adopt rules pursuant to Code chapter 17A to implement the  
22 provisions of Code section 441.37 relating to protests of  
23 assessment.

24 The bill specifies that the operational costs of the  
25 property assessment appeal board are litigation expenses for  
26 purposes of Code section 441.73, and that such costs shall be  
27 paid from the litigation expense fund under the control of the  
28 department of revenue.

29 The bill, except the section of the bill amending Code  
30 section 441.73, applies to property tax assessment years  
31 beginning on or after January 1, 2012.