

Sen. Calendar 5/  
See Ways and Means 5/15, Page par 4245 6/12

Senate File 501  
Ways and Means  
Hennessey, Chairman  
Junker  
Middleton

FILED MAY 1 1975

SENATE FILE 501

By COMMITTEE ON WAYS AND MEANS

Returned to Ways and Means 1/12/76

Passed Senate, Date 5-12-75 (1351)

Passed House, Date 6-19-75 (2687)

Vote: Ayes 44 Nays 0

Vote: Ayes 76 Nays 19

Approved \_\_\_\_\_

*Motion to reconsider filed 6-19 (2689)*

## A BILL FOR

1 An Act relating to the assessment and equalization of certain  
2 industrial property.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

1 Section 1. Section four hundred forty-one point twenty-  
2 one (441.21), subsection one (1), Code 1975, is amended by  
3 inserting after unnumbered paragraph two (2) the following  
4 new unnumbered paragraph:

5 NEW UNNUMBERED PARAGRAPH. In assessing and determining  
6 the actual value of industrial real and tangible personal  
7 property having an actual value of five million dollars or  
8 more, the assessor shall equalize the values of such property  
9 with the actual values of other comparable industrial property  
10 in other counties of the state. Such industrial property  
11 includes, but is not limited to the following property:  
12 refineries and chemical plants. If a variation of ten percent  
13 or more exists between the actual values of comparable  
14 industrial property having an actual value of five million  
15 dollars or more located in separate counties, the assessors  
16 of such counties shall consult with each other and with the  
17 department of revenue to determine if adequate reasons exist  
18 for such variation. If no such reasons exist, the assessors  
19 shall make adjustments in such actual values to provide for  
20 a variation of ten percent or less.

21 EXPLANATION

22 This bill defines and provides for the assessment and  
23 equalization of industrial property having an actual value  
24 of five million dollars or more throughout the state.  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35

H-4355

1 Amend the Norland et al. amendment, H-4344, to  
2 Senate File 501, as passed by the Senate, as follows:

A

3 1. Page 1, by inserting after line 35 the following  
4 new section:

5 "Sec. \_\_\_\_ . Section four hundred forty-one point  
6 twenty-one (441.21), unnumbered paragraph four (4),  
7 Code 1975, is amended to read as follows:

A 8 In assessing and determining the actual value of  
9 agricultural property fifty percent consideration  
10 shall be given to each of the following factors:

11 a. The productivity and net earning capacity for  
12 the preceding five consecutive years determined on  
13 the basis of the use for agricultural purposes  
14 capitalized at a rate representing of not less than  
15 eight percent which represents a fair return on the  
16 investment, such rate to be established by the state  
17 board of tax review and applied uniformly among  
18 counties and among classes of property.

19 b. The fair and reasonable market value of such  
20 property as defined herein, but such market value  
21 shall be based only on its current use and not on  
22 its potential value for other uses."

23 2. Page 3, by inserting after line 31, the  
24 following:

B

25 "Sec. \_\_\_\_ . Notwithstanding the provisions of section  
B 26 four hundred forty-one point twenty-one (441.21) of  
27 the Code, the director shall, when equalizing the  
28 level of assessments of agricultural property in 1975  
29 apply the rate of eight percent for the preceding  
30 five years to adjust the level of assessment for  
31 agricultural property in assessing and determining  
32 the actual value of agricultural property in accordance  
33 with section four hundred forty-one point twenty-one  
34 (441.21) of the Code."

H-4355 FILED, MOVED TO BY  
SUBSTITUTE FOR H-4349, (2701)  
LOST, SUBSEQUENT TO LOSS  
OF H-4349, H-4355 CONSIDERED,  
H-4355A ADOPTED, (2703)  
H-4355B LOST Adopted (2705)  
JUNE 19, 1975

HULLINGER of Decatur  
WYCKOFF of Benton  
NORLAND of Worth  
SCHEELHAASE of Woodbury  
HINKHOUSE Of Cedar  
ANDERSON of Jasper  
HUSAK of Tama  
MILLER of Buchanan  
PERKINS of Greene  
KRAUSE of Palo Alto  
DIELEMAN of Marion  
MILLER of Cerro Gordo  
HUTCHINS of Guthrie  
BRUNOW of Appanoose  
HARPER of Davis  
GRIFFEE of Chickasaw  
SPRADLING of Sioux  
MIDDLESWART of Warren  
SPEAR of Lee  
WELLS of Linn

Senate File 501

H-4357

1 Amend Senaté File 501, as passed by the Senate,  
 2 as follows:  
 3 Page 1, by inserting after line 20 the follow-  
 4 ing new section:  
 5 "Sec. \_\_\_\_\_. Chapter four hundred forty-one point  
 6 twenty-one (441.21), Code 1975, is amended by adding  
 7 the following new unnumbered paragraphs:  
 8 NEW UNNUMBERED PARAGRAPH.  
 9 No owner of agricultural land shall be assessed  
 10 on a capitalization rate higher than five percent  
 11 unless the owner of such land receives at least  
 12 eighty percent of his revenue from farming.  
 13 NEW UNNUMBERED PARAGRAPH.  
 14 For the purposes of this section "farming"  
 15 means the cultivation of land for the production  
 16 of agricultural crops, the raising of poultry, the  
 17 production of eggs, the production of milk, the  
 18 production of fruit or other horticultural crops,  
 19 grazing or the production of livestock."

H-4357 FILED  
JUNE 19, 1975

BY HOWELL of Floyd

Senate File 501

H-4358

1 Amend the Norland et al. amendment, H-4344, to  
 2 Senate File 501, as passed by the Senate, page 1,  
 3 by inserting after line 35 the following new section:  
 4 "Sec. \_\_\_\_\_. Section four hundred forty-one point  
 5 twenty-one (441.21), unnumbered paragraph four (4),  
 6 Code 1975, is amended to read as follows:  
 7 In assessing and determining the actual value of  
 8 ~~agricultural~~ property fifty percent consideration  
 9 shall be given to each of the following factors:  
 10 a. The productivity and net earning capacity  
 11 determined on the basis of the use ~~for agricultural~~  
 12 ~~purposes~~ capitalized at a rate representing a fair  
 13 return on the investment, such rate to be established  
 14 by the state board of tax review and applied uniformly  
 15 among counties and among classes of property.  
 16 b. The fair and reasonable market value of such  
 17 property as defined herein, but such market value  
 18 shall be based only on its current use and not on  
 19 its potential value for other uses."

H-4358 FILED - *Adopted 6/19 (2706)* BY MONROE of Des Moines  
 JUNE 19, 1975 *Reconsidered (2708)* HIGGINS of Scott  
*Filed out of order with adoption* JOCHUM of Dubuque  
*of H-4355 6/19 (2708)* GILLOON of Dubuque  
 CAFFREY of Polk  
 MIDDLETON of Black Hawk  
 CUSAK of Scott  
 HORN of Linn

Senate File 501

H-4359

1 Amend Senate File 501 as follows:  
 2 By inserting before the words "industrial  
 3 property" in line 14 the words "special purpose".

H-4359 FILED  
JUNE 19, 1975

BY HENNESSEY of Delaware

H-4349

1 Amend the Norland amendment H-4344, to  
 2 Senate File 501, as passed by the Senate, as  
 3 follows:

4 1. Page 1, by inserting after line 33:

5 "Sec. \_\_\_\_\_. From funds appropriated to the depart-  
 6 ment of revenue pursuant to this Act there shall be  
 7 allocated a sufficient amount for the administration  
 8 of sections four hundred forty-one point twenty-one  
 9 (441.21), unnumbered paragraph four (4) of the Code  
 10 and section four hundred forty-one point forty-seven  
 11 (441.47) of the Code, as amended by this Act.

12 Sec. \_\_\_\_\_. Section four hundred forty-one point  
 13 twenty-one (441.21), unnumbered paragraph four (4),  
 14 Code 1975, is amended to read as follows:

15 In assessing and determining the actual value of  
 16 agricultural property fifty percent consideration  
 17 shall be given to each of the following factors:

18 a. The productivity and net earning capacity  
 19 determined on the basis of the use for agricultural  
 20 purposes capitalized at a rate ~~representing a fair~~  
 21 ~~return on the investment, such rate to be established~~  
 22 ~~by the state board of tax review~~ of nine percent per  
 23 annum and applied uniformly among counties and among  
 24 classes of property.

25 b. The fair and reasonable market value of such  
 26 property as defined herein, but such market value  
 27 shall be based only on its current use and not on  
 28 its potential value for other uses.

29 Sec. \_\_\_\_\_. Section four hundred forty-one point  
 30 forty-seven (441.47), Code 1975, is amended to read  
 31 as follows:

32 441.47 ADJUSTED VALUATIONS. The director of  
 33 revenue on or about the third Monday of September  
 34 in each year shall adjust the valuation of property  
 35 in the several counties adding to or deducting from  
 36 the valuation of each kind or class of property such  
 37 percentage in each case as will bring the same to  
 38 its taxable value as fixed in this chapter and chapters  
 39 427 to 443, inclusive. The director shall also adjust  
 40 the valuations as between each kind or class of  
 41 property in any city assessed by a city assessor and  
 42 each kind or class of property in the same county  
 43 assessed by the county assessor. The director shall  
 44 order the equalization of the levels of assessment  
 45 of each class of property in the first and third year  
 46 of the quadrennial assessment period. The director  
 47 shall, when equalizing the level of assessments of  
 48 agricultural property in 1975 and subsequent years,  
 49 apply the rate of nine percent per annum to adjust  
 50 the level of assessment for agricultural property

1 in assessing and determining the actual value of  
2 agricultural property in accordance with section four  
3 hundred forty-one point twenty-one (441.21) of the  
4 Code. For purposes of such value adjustments and B  
5 before such equalization the director shall adopt,  
6 in the manner prescribed by chapter 17A, such rules  
7 as may be necessary to determine the level of  
8 assessment for each class of property in each county.  
9 The rules shall cover: (1) The proposed use of the  
10 assessment-sales ratio study set out in section 421.17,  
11 subsection 6; (2) the proposed use of any state-wide  
12 income capitalization studies; (3) the proposed use  
13 of other methods that would assist the director in  
14 arriving at the accurate level of assessment of each  
15 class of property in each assessing jurisdiction."

H-4349 FILED, MOVED TO BY BRANSTAD of Winnebago  
SUSPEND RULES TO CONSIDER, *Reconsidered, divided, A. lost, B. withdrawn 6/19 (2702-03)*  
LOST, JUNE 19, 1975 (2686) Senate File 501

H-4353

1 Amend Senate File 501 as passed by the Senate,  
2 page 1, after line 20, by adding the following new  
3 section:  
4 "NEW SECTION. Chapter four hundred twenty-seven  
5 point one (427.1), subsection thirty-two (32), Code  
6 1975, unnumbered paragraphs five (5) and eight (8),  
7 are amended to read as follows:  
8 The first annual application for any specific  
9 pollution-control property shall be accompanied by  
10 a certificate of the executive director of the de-  
11 partment of environmental quality stating that the  
12 air quality commission or the water quality commis-  
13 sion has directed the department of environmental  
14 quality to certify that the primary sole use of the  
15 property is to control or abate pollution of any  
16 air or water of this state or to enhance the quality  
17 of any air or water of this state.  
18 For the purposes of this subsection "pollution  
19 control property" means personal property or improve-  
20 ment to real property, or any portion thereof, used  
21 primarily solely to control or abate pollution of  
22 any air or water of this state or used primarily  
23 solely to enhance the quality of any air or water  
24 of this state. ~~In the event such property shall~~  
25 ~~also serve other purposes or uses of productive~~  
26 ~~benefit to the owner of the property, only such~~  
27 ~~portion of the assessed valuation thereof as may be~~  
28 ~~necessary for and devoted to the control or abatement~~  
29 ~~of pollution or to the enhancement of the quality of~~  
30 ~~air or water of this state shall be exempt from~~  
31 ~~taxation under this subsection.~~

H-4353 FILED BY HIGGINS of Scott  
JUNE 19, 1975

H-4361

1 Amend H-4344 to Senate File 501 as follows:

2 1. Page 3, by inserting after line 33 the fol-  
3 lowing new section:

4 "Sec. \_\_\_\_ . NEW SECTION. Notwithstanding the  
5 disclosure provisions of this chapter or the pro-  
6 visions of Chapters four hundred twenty-one (421)  
7 and four hundred forty-one (441) and four hundred  
8 forty-three (443), Code 1975, no increase in the  
9 actual value of any property assessed in accordance  
10 Chapter four hundred forty-one point twenty-one  
11 (441.21), Code 1975, shall be ordered by the  
12 director of revenue, an assessor, or the board of  
13 review; or entered on the tax list by the county  
14 auditor on any property on which a credit is  
15 claimed and allowed under Chapter four hundred  
16 twenty-five (425), Code 1975, until; (1) the owner  
17 fails to qualify or claim the credit allowed under  
18 Chapter four hundred twenty-five (425), Code 1975,  
19 or (2) the property is sold, conveyed, transferred  
20 or inherited by a person who is not an owner as de-  
21 fined in Section four hundred twenty-five point  
22 eleven (425.11) subsection two (2), Code 1975; ex-  
23 cept that the actual value may be increased to re-  
24 flect the actual value of any improvements made to  
25 the property. For the purpose of this section:

26 (a) 'Improvement' means any remodeling, addition,  
27 extensions, structural change, or other change to an  
28 existing building, amounting to more than repairs and  
29 maintenance.

30 (b) 'Repairs and maintenance' means ordinary and  
31 reasonable care and upkeep of an existing building in  
32 accordance with customary standards of prudent prop-  
33 erty management in this state. 'Repairs and main-  
34 tenance' includes, but is not limited to, painting  
35 and replacement of worn or damaged materials, but  
36 does not include improvements. However, everything  
37 required to comply with any applicable state or local  
38 building code or building regulation shall be deemed  
39 to be repairs and maintenance rather than improve-  
40 ments."

41 The actual value of any homestead which is in-  
42 creased because of the application of subparagraphs  
43 one (1) and two (2) of this section shall again be  
44 frozen at the then actual value whenever a credit is  
45 claimed and allowed by the same owner or by a new  
46 owner and the new value shall not be increased unless  
47 the property again becomes subject to the operation  
48 of subparagraphs one (1) and two (2) of this section.

H-4361 FILED  
JUNE 19, 1975

BY NIELSEN of Polk  
BYERLY of Polk  
SCHROEDER of Pottawattamie  
WOODS of Polk

H-4360

1 Amend the Norland, Byerly amendment H-4344,  
2 to Senate File 501, as passed by the Senate as  
3 follows:

4 Page 1, by inserting after line 35 the  
5 following new section:

6 Sec. \_\_\_\_\_. Section four hundred forty-one  
7 point twenty-one (441.21), Code 1975, is amended  
8 by inserting after unnumbered paragraph four (4)  
9 the following new unnumbered paragraphs:

10 NEW UNNUMBERED PARAGRAPHS.

11 In assessing and determining the actual value  
12 of non-agricultural property fifty percent consider-  
13 ation shall be given to each of the following  
14 factors:

15 a. The productivity and net earning capacity  
16 of the property determined on the basis of the  
17 use for non-agricultural purposes capitalized at  
18 a rate of not less than eight percent which  
19 represents a fair return on the investment, such  
20 rate to be established by the state board of tax  
21 review and applied uniformly among counties and  
22 among classes of property.

23 b. The fair and reasonable market value of  
24 such non-agricultural property as defined herein,  
25 but such market value shall be based only on its  
26 current use and not on its potential value for  
27 other uses."

28 Property which is not used for the production  
29 of income shall be valued at a rate to be establish-  
30 ed by the state board of tax review and applied  
31 uniformly among counties and among classes of  
32 property, by taking into consideration both the  
33 market value of the property and the income of  
34 the owner of the property. For every one thousand  
35 dollars that a property owner makes under eight  
36 thousand dollars, the market value shall be re-  
37 duced by one thousand dollars."

H-4360 FILED  
JUNE 19, 1975

BY WOODS of Polk

H-3923

1 Amend Senate File 501 as follows:

2 1. Page 1, line 6, by inserting after the word  
3 "of" the words "special purpose".

4 2. Page 1, line 9, by inserting after the word  
5 "comparable" the words "special purpose".

6 3. Page 1, line 10, by inserting after the word  
7 "such" the words "special purpose".

8 4. Page 1, line 14, by inserting before the word  
9 "industrial" the words "special purpose".

10 5. Page 1, line 20, by inserting after the period  
11 the following: "For the purposes of this paragraph,  
12 special purpose industrial property includes structures  
13 which are designed and erected for operation of a  
14 special use, are not rentable in existing condition  
15 and are incapable of conversion to ordinary commercial  
16 or industrial use at a nominal cost."

17 6. Amend the title, line 2, by inserting before  
18 the word "industrial" the words "special purpose".

H-3923 FILED - *Withdrawn 6/19 (2679)*  
MAY 21, 1975

BY HENNESSEY of Delaware  
JUNKER of Woodbury  
MARTIN of Black Hawk

1 Amend Senate File 501, as passed by the Senate,  
2 as follows:

3 1. Page 1, by inserting before line \*1, the  
4 following new section:

5 "Sec. \_\_\_\_\_. Section four hundred twenty-one point  
6 twenty (421.20), Code 1975, is amended to read as  
7 follows:

8 421.20 ACTIONS. The director of revenue may bring  
9 actions of mandamus or injunction or any other proper  
10 actions in the district court to compel the performance  
11 of any order made by the director or to require any  
12 board of equalization or any other officer or person  
13 to perform any duty required by this chapter. The  
14 director shall ~~select~~ commence an action only in the  
15 district court in the county which-is-most-accessible  
16 to-the-subject-matter, and in which the defendant  
17 or defendants in any-such the action, but no removal  
18 of-the-question-to-any-other-county-shall-be-had-by  
19 any-defendant-in-consequence-of-his-not-being-a  
20 resident-of-the-county-where-the-action-is-brought  
21 or-because-the-subject-matter-shall-not-be-located  
22 in-the-county-in-which-said-action-may-be-brought  
23 perform their official duties.

24 Upon the filing of an action in the county required  
25 by this section the director may move to change the  
26 action to another county, and the motion shall be  
27 granted upon a showing of good cause. As used in  
28 this section, good cause shall mean those grounds  
29 for change specified in rule one hundred sixty-seven  
30 (167) of the Rules of Civil Procedure: However, the  
31 director shall not be required to submit affidavits  
32 of disinterested persons in order to prevail in the  
33 motion."

34 2. Page 1, by inserting after line 20 the following  
35 new sections:

36 "Sec. \_\_\_\_\_. Section four hundred forty-one point  
37 forty-eight (441.48), Code 1975, is amended to read  
38 as follows:

39 441.48 NOTICE OF ADJUSTMENT. Before the director  
40 of revenue shall adjust the valuation of any kind  
41 or class of property any such percentage, the director  
42 shall serve ten days' notice by mail, on the ~~assessor~~  
43 county auditor of the county whose valuation is  
44 proposed to be adjusted and the director shall hold  
45 an adjourned meeting after such ten days' notice,  
46 at which time such ~~assessor~~ county or assessing  
47 jurisdiction may appear by its ~~assessor~~ city council  
48 or board of supervisors, city or county attorney,  
49 or-otherwise and other city or county officials, and  
50 make written or oral protest against such proposed

1 adjustment, which protest shall consist simply of  
2 a statement of the error, or errors, complained of  
3 with such facts as may lead to their correction,  
4 and at such adjourned meeting final action may be  
5 taken in reference thereto.

6 Sec. \_\_\_\_\_. Section four hundred forty-one point  
7 forty-nine (441.49), Code 1975, is amended by striking  
8 the section and inserting in lieu thereof the  
9 following:

10 441.49 ADJUSTMENT BY COUNTY AUDITOR. The director  
11 shall keep a record of the review and adjustment  
12 proceedings and finish such proceedings on or before  
13 the third Monday of October. The director shall  
14 notify each county auditor by mail of the final action  
15 taken at the proceedings and specify any adjustments  
16 in the valuations of any kind or class of property  
17 to be made effective for the jurisdiction. The  
18 director shall adjust the valuation when there is  
19 a variation of five percent above or below the actual  
20 value. The county auditor shall notify by publication  
21 in official newspapers of general circulation any  
22 class or classes of property affected by an  
23 equalization order. The county auditor shall thereupon  
24 add to or deduct from the valuation of each kind or  
25 class of property in his county the required  
26 percentage, rejecting all fractions of fifty cents  
27 or less in the result, and counting all fractions  
28 over fifty cents as one dollar.

29 The local board of review shall reconvene in special  
30 session from November first to November thirtieth  
31 for the purpose of hearing any and all protests that  
32 any affected property owner or taxpayer within the  
33 jurisdiction of the board may have, whose valuation  
34 of property, if adjusted pursuant to the property  
35 valuation notice issued by the director of revenue  
36 to the county auditor of the county would result in  
37 a greater taxable value than permitted under section  
38 four hundred forty-one point twenty-one (441.21) of  
39 the Code and where the property owner or taxpayer  
40 is able to show to the satisfaction of the local board  
41 of review that an inequity would result if the  
42 provisions of the notice would be applied to his  
43 property. The local board of review shall accept  
44 protests only during the first fifteen days following  
45 the date the local board of review reconvenes. The  
46 local board of review may recommend to the director  
47 an adjustment to all or a part of the percentage  
48 increase ordered by the director of revenue, by  
49 adjusting the taxable value of the property to one  
50 hundred percent of actual value. Any adjustment so

1 recommended by the local board of review shall not  
2 exceed the percentage increase provided for in the  
3 director's notice. The recommendation of the local  
4 board of review at the special session shall be  
5 reported to the director of revenue.

6 Sec. \_\_\_\_\_. Section four hundred forty-two point  
7 two (442.2), unnumbered paragraph one (1), Code 1975,  
8 is amended to read as follows:

9 Each school district shall cause to be levied each  
10 year, for the school general fund, a foundation  
11 property tax of five dollars and forty cents per  
12 thousand dollars of assessed valuation on all taxable  
13 property in the district. For the purpose of this  
14 chapter, a school district is defined as a school  
15 corporation organized under chapter 274. Each county  
16 auditor shall certify to each school district within  
17 the county and to the state comptroller, not later  
18 than ~~October~~ January first each year, the assessed  
19 valuation of taxable property for the current year  
20 in each school district within the county.

21 Sec. \_\_\_\_\_. Section four hundred forty-two point  
22 nine (442.9), subsection two (2), Code 1975, is amended  
23 to read as follows:

24 2. No later than ~~August~~ May first of each year,  
25 the state comptroller shall notify the county auditor  
26 of each county the amount, in dollars and cents per  
27 thousand dollars of assessed value, of the additional  
28 property tax levy in each school district in the  
29 county. Each county auditor shall spread the  
30 additional property tax levy for each school dis-  
31 trict over all taxable property in the district."

32 3. Amend the title, line 2, by striking the word  
33 "industrial".

34 4. Renumber sections and correct internal  
35 references as may be necessary in accordance with  
36 this amendment.

H-4344 FILED, RULED GERMANE, BY NORLAND of Worth  
ADOPTED, JUNE 19, 1975 (2686) BYERLY of Polk

H-4346

1 Amend the Stromer amendment H-4345, to the  
2 Norland amendment H-4344, to Senate File 501, as  
3 passed by the Senate, as follows:

4 By striking from lines 13 and 14 the following:  
5 "not later than January first of the following year"  
6 and inserting in lieu thereof the words "by December  
7 thirty-first of the year of the equalization order".

H-4346 FILED, ADOPTED 6/19 BY STROMER of Hancock  
JUNE 19, 1975

Senate File 501

H-4345

1 Amend the Norland et al. amendment, H-4344, to  
2 Senate File 501, as passed by the Senate, as follows:  
3 1. Page 2, line 17, by inserting after the period  
4 the words "However, a county may request the director  
5 to permit the use of an alternative method of applying  
6 the ordered increase to the property values in the  
7 county, provided that the final valuation shall be  
8 equivalent to the increase ordered by the director.  
9 The request to use an alternative method of applying  
10 the ordered increase including procedures for appealing  
11 valuation adjustments shall be made within ten days from  
12 the date the county auditor receives the equalization  
13 order and shall be completed not later than January  
14 first of the following year. The grounds that compliance  
15 with the provisions of section four hundred forty-one  
16 point twenty-one (441.21) of the Code shall be sufficient  
17 grounds for the director to permit the use of an alterna-  
18 tive method of applying the increases required by the  
19 equalization order."  
20 2. Page 3, by inserting after line 5 the following  
21 new section:  
22 "Sec. \_\_\_\_\_. Chapter four hundred forty-one (441),  
23 Code 1975, is amended by adding the following new  
24 section:  
25 NEW SECTION. REPORTING OF AGRICULTURAL LAND  
26 VALUATION. Each county assessor shall, not later  
27 than February first of each year, report to the depart-  
28 ment of revenue the following information:  
29 1. Proposed changes in the valuation of  
30 agricultural land in the county.  
31 2. The total increase or decrease in agricultural  
32 land valuations which will result from the proposed  
33 changes.  
34 3. Specific changes proposed in the valuations  
35 of agricultural land located adjacent to boundaries  
36 of the county."  
37 3. Renumber sections and correct internal references  
38 as may be necessary in accordance with this amendment.

H-4345 FILED, ADOPTED 6/19 BY STROMER of Hancock  
JUNE 19, 1975

H-4343

1 Amend Senate File 501, as passed by the Senate,  
2 page 1, by inserting after the period in line 20 the  
3 words "In assessing the value of special purpose  
4 industrial property and other property under the  
5 provisions of this chapter, the assessor shall not  
6 increase the valuation of such property in excess  
7 of six percent annually. However, the provisions  
8 of this section shall not apply to new improvements  
9 to special purpose industrial property or other  
10 property, or property subject to an equalization  
11 order."

H-4343 FILED, LOST (2687) BY BENNETT of Ida  
JUNE 19, 1975 READINGER of Polk

H-4029

1 Amend Senate File 501, as passed by the Senate,  
2 as follows:  
3 1. Page 1, by inserting after line 20 the following  
4 new sections:

5 "Sec. \_\_. Section four hundred forty-one point  
6 twenty-one (441.21), unnumbered paragraph four (4),  
7 Code 1975, is amended to read as follows:

8 In assessing and determining the actual value of  
9 agricultural property fifty percent consideration  
10 shall be given to each of the following factors:

11 a. The productivity and net earning capacity  
12 determined on the basis of the use for agricultural  
13 purposes capitalized at a rate representing a fair  
14 ~~return on the investment~~ the average agricultural  
15 property mortgage loan rate for the previous year,  
16 such rate to be established by the state board of  
17 tax-review director of revenue and applied uniformly  
18 among counties and among classes of property.

19 b. The fair and reasonable market value of such  
20 property as defined herein, but such market value  
21 shall be based only on its current use and not on  
22 its potential value for other uses.

23 Sec. \_\_. Section four hundred forty-one point  
24 forty-seven (441.47), Code 1975, is amended to read  
25 as follows:

26 441.47 ADJUSTED VALUATIONS. The director of  
27 revenue on or about the third Monday of September  
28 in each year shall adjust the valuation of property  
29 in the several counties adding to or deducting from  
30 the valuation of each kind or class of property such  
31 percentage in each case as will bring the same to  
32 its taxable value as fixed in this chapter and chapters  
33 427 to 443, inclusive. The director shall also adjust  
34 the valuations as between each kind or class of  
35 property in any city assessed by a city assessor and  
36 each kind or class of property in the same county  
37 assessed by the county assessor. The director shall  
38 order the equalization of the levels of assessment  
39 of each class of property in the first and third year  
40 of the quadrennial assessment period. The director  
41 shall, when equalizing the level of assessments of  
42 agricultural property in 1975 and subsequent years,  
43 establish a rate representing the average agricultural  
44 property mortgage loan rate for the previous year,  
45 and shall apply such rate to adjust the level of  
46 assessment for agricultural property to the level  
47 which will result if such rate had been used to  
48 capitalize productivity and net earning capacity in  
49 assessing and determining the actual value of  
50 agricultural property in accordance with section four

1 hundred forty-one point twenty-one (441.21) of the  
2 Code. For purposes of such value adjustments and  
3 before such equalization the director shall adopt,  
4 in the manner prescribed by chapter 17A, such rules  
5 as may be necessary to determine the level of  
6 assessment for each class of property in each county.  
7 The rules shall cover: (1) The proposed use of the  
8 assessment-sales ratio study set out in section 421.17,  
9 subsection 6; (2) the proposed use of any state-wide  
10 income capitalization studies; (3) the proposed use  
11 of other methods that would assist the director in  
12 arriving at the accurate level of assessment of each  
13 class of property in each assessing jurisdiction."  
14 2. Amend the title, line 1, by inserting after  
15 the word "of" the words "agricultural property and".

H-4029 FILED - *Withdrawn 6/18 (2650)* BY DANKER of Pottawattamie  
JUNE 3, 1975 HINKHOUSE of Cedar  
PELLETT of Cass  
HUSAK of Tama  
KOOGLER of Mahaska

Senate File 501

H-4245

1 Amend Senate File 501, as passed by the Senate,  
2 as follows:  
3 1. Page 1, line 6, by inserting after the word  
4 "of" the words "special purpose".  
5 2. Page 1, line 9, by inserting after the word  
6 "comparable" the words "special purpose".  
7 3. Page 1, line 10, by inserting after the word  
8 "such" the words "special purpose".  
9 4. Page 1, line 11, by striking the words "the  
10 following property:".  
11 5. Page 1, line 12, by striking the words "re-  
12 fineries and".  
13 6. Page 1, line 20, by inserting after the period  
14 the words "For the purposes of this paragraph, special  
15 purpose industrial property includes structures which  
16 are designed and erected for operation of a unique  
17 and special use, are not rentable in existing condition  
18 and are incapable of conversion to ordinary commercial  
19 or industrial use except at a substantial cost."  
20 7. Amend the title, line 2, by inserting before  
21 the word "industrial" the words "special purpose".

H-4245 FILED - *Adopted 6/19 (2679)* BY COMMITTEE ON WAYS AND MEANS  
JUNE 12, 1975 NORLAND of Worth, Chairman

S-3742

1 Amend Senate File 501 as follows:

- 2 1. Page 1, line 6, by inserting after the word "of"  
3 the words "special purpose".  
4 2. Page 1, line 9, by inserting after the word  
5 "comparable" the words "special purpose".  
6 3. Page 1, line 10, by inserting after the word  
7 "such" the words "special purpose".  
8 4. Page 1, line 14, by inserting before the word  
9 "industrial" the words "special purpose".  
10 5. Amend the title, line 2, by inserting before the  
11 word "industrial" the words "special purpose".

S-3742 FILED - *Lost 5/12 (1351)*  
MAY 6, 1975

BY E. KEVIN KELLY  
CLOYD E. ROBINSON

H-4245

1 Amend Senate File 501, as passed by the Senate,  
2 as follows:

- 3 1. Page 1, line 6, by inserting after the word  
4 "of" the words "special purpose".  
5 2. Page 1, line 9, by inserting after the word  
6 "comparable" the words "special purpose".  
7 3. Page 1, line 10, by inserting after the word  
8 "such" the words "special purpose".  
9 4. Page 1, line 11, by striking the words "the  
10 following property:"  
11 5. Page 1, line 12, by striking the words "re-  
12 fineries and".  
13 6. Page 1, line 20, by inserting after the period  
14 the words "For the purposes of this paragraph, special  
15 purpose industrial property includes structures which  
16 are designed and erected for operation of a unique  
17 and special use, are not rentable in existing condition  
18 and are incapable of conversion to ordinary commercial  
19 or industrial use except at a substantial cost."  
20 7. Amend the title, line 2, by inserting before  
21 the word "industrial" the words "special purpose".

FILED - *Accepted 6/19*  
JUNE 12, 1975

BY COMMITTEE ON WAYS AND MEANS  
NORLAND of Worth, Chairman