

Senate File 1069
Ways and Means
Van Gilst, Chairperson
Shaff
Nolting
Gluba
Lamborn

FILED JAN 29 1976

SENATE FILE 1069

By PRIEBE

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to determining the market value of agricultural
2 property for tax purposes.

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), unnumbered paragraph five (5), Code 1975, is
3 amended to read as follows:

4 In assessing and determining the actual value of agri-
5 cultural property ~~fifty-percent-consideration-shall-be-given~~
6 ~~to-each-of-the-following-factors:~~

7 a.--~~The~~ the value shall be computed on the basis of the
8 productivity and net earning capacity of the property
9 determined on the basis of the use for agricultural purposes
10 capitalized at a rate representing a fair return on the invest-
11 ment, such rate to be established by the state board of tax
12 review and applied uniformly among counties and among classes
13 of property.

14 b.--~~The-fair-and-reasonable-market-value-of-such-property~~
15 ~~as-defined-herein, but-such-market-value-shall-be-based-only~~
16 ~~on-its-current-use-and-not-on-its-potential-value-for-other~~
17 ~~uses.~~

18 EXPLANATION

19 This bill provides for the valuation of agricultural
20 property using the income approach only and no longer using
21 the market value and the income approach to determine the
22 value of the property.

23
24
25
26
27
28
29
30
31
32
33
34
35