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1921

SENATE FILE 487  
BY COMMITTEE ON NATURAL RESOURCES

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to payment of property taxes on lands purchased  
2 by the department of natural resources.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 487

1 Section 1. NEW SECTION. 111.17A PAYMENT IN LIEU OF  
2 PROPERTY TAXES.

3 Notwithstanding any other provision to the contrary, as a  
4 part of the annual budget proposal submitted to the general  
5 assembly under section 455A.4, subsection 1, paragraph "c",  
6 the director of the department of natural resources shall  
7 submit a budget request to pay the annual property taxes on  
8 any property held by the department, which was acquired on or  
9 after July 1, 1991, in any manner which would otherwise be  
10 subject to the levy of property taxes. The assessed value of  
11 property held by the department shall be that determined under  
12 section 427.1, subsection 31, and the director may protest the  
13 assessed value in the manner provided by law for any property  
14 owner to protest an assessment. For the purposes of chapter  
15 257, the assessed value of any property which was acquired by  
16 the department on or after July 1, 1991, shall be included in  
17 the valuation base of the school district and the payments  
18 made pursuant to this section shall be considered as property  
19 tax revenues and not as miscellaneous income. The county  
20 treasurer shall certify the amount of taxes due to the  
21 department. The taxes shall be paid annually from the  
22 departmental fund or account from which the property  
23 acquisition was funded. If the departmental fund or account  
24 has no moneys, no longer exists, or if the acquisition of  
25 property was made without an expenditure of funds by the  
26 department, the taxes shall be paid from funds in the manner  
27 provided by the general assembly. If the total amount of  
28 taxes due, as certified to the department, exceeds the amount  
29 available for expenditure under this section, the property  
30 taxes due shall be reduced proportionately so that the total  
31 amount due equals the amount available for expenditure.

32 EXPLANATION

33 This bill provides for the payment of property taxes on  
34 lands acquired in any manner by the department of natural  
35 resources on or after July 1, 1991. The department is

1 required to make an annual request on the funds available for  
2 land acquisition for moneys to pay the property taxes on the  
3 properties, as certified to the department by the county  
4 treasurer. If insufficient funds are available to make the  
5 payments, the taxes due are to be reduced proportionally on  
6 each parcel of property and the proportional amount of the  
7 property tax amount assessed shall be paid.

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SENATE FILE 487  
FISCAL NOTE

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A fiscal note for Senate File 487 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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Senate File 487 requires the Department of Natural Resources (DNR) to pay property tax on all land purchased by the DNR after July 1, 1991.

Present law requires the DNR to pay tax on REAP Open Spaces, Habitat Stamp, and Chickadee Checkoff acquisitions. This bill will impact the funding sources from which other land is acquired, such as general license receipts, the former Marine Fuel Tax (now the General Fund), Duck Stamps, and Trout Stamps.

Assumptions:

1. The DNR will continue to purchase land at the present rate.
2. The present rate of land acquisition is 4,000 acres per year.
3. The average annual property tax payment on future acquisitions will equal the present average annual payment of \$5 per acre per year.
4. Present law requires the DNR to pay the property tax on 90% of the land acquired.

Fiscal Effect:

Each year it is projected that the cost to the DNR for property tax payments will increase \$2,000 under this bill. This means that FY 1992 will see \$2,000 in increased costs, FY 1993 will see \$4,000, FY 1994 will see \$6,000, and so on. After 10 years, the Department will be responsible for \$20,000 in additional property taxes. In most cases, funding will come from the source of funds used to purchase the land, such as the Duck Stamp, the Trout Stamp, and general license revenues.

Source: Department of Natural Resources

(LSB 2736sv, JWR)

FILED APRIL 11, 1991

BY DENNIS PROUTY, FISCAL DIRECTOR