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SENATE FILE

403

BY LUNDBY

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

A BILL FOR

1 An Act relating to application and protest of assessment  
 2 equalization orders for purposes of property taxation.  
 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 403 LOCAL GOVERNMENT

1 Section 1. Section 428.4, unnumbered paragraph 1, Code  
2 1999, is amended to read as follows:

3 Property shall be assessed for taxation each year. Real  
4 estate shall be listed and assessed in 1981 and every two  
5 years thereafter. The assessment of real estate shall be the  
6 value of the real estate as of January 1 of the year of the  
7 assessment. The year 1981 and each odd-numbered year  
8 thereafter shall be a reassessment year. In any year, after  
9 the year in which an assessment has been made of all the real  
10 estate in an assessing jurisdiction, the assessor shall value  
11 and assess or revalue and reassess, as the case may require,  
12 any real estate that the assessor finds was incorrectly valued  
13 or assessed, or was not listed, valued, and assessed, in the  
14 assessment year immediately preceding, also any real estate  
15 the assessor finds has changed in value subsequent to January  
16 1 of the preceding real estate assessment year. However, a  
17 percentage increase on a class of property shall not be made  
18 in a year not subject to an equalization order unless ordered  
19 by the department of revenue and finance. The assessor shall  
20 determine the actual value and compute the taxable value  
21 thereof as of January 1 of the year of the revaluation and  
22 reassessment. The assessment shall be completed as specified  
23 in section 441.28, but no reduction or increase in actual  
24 value shall be made for prior years, except as provided in  
25 section 441.49. If an assessor makes a change in the  
26 valuation of the real estate as provided for, sections 441.23,  
27 441.37, 441.38 and 441.39 apply.

28 Sec. 2. Section 441.28, Code 1999, is amended to read as  
29 follows:

30 441.28 ASSESSMENT ROLLS -- CHANGE -- NOTICE TO TAXPAYER.

31 The assessment shall be completed not later than April 15  
32 each year. If the assessor makes any change in an assessment  
33 after it has been entered on the assessor's rolls, including a  
34 change pursuant to an equalization order, the assessor shall  
35 note on said the roll, together with the original assessment,

1 the new assessment and the reason for the change, together  
2 with the assessor's signature and the date of the change.  
3 Provided, however, in the event the assessor increases any  
4 assessment the assessor shall give notice in writing thereof  
5 to the taxpayer by mail prior to the meeting of the board of  
6 review. No changes shall be made on the assessment rolls  
7 after April 15 except by order of the board of review or by  
8 decree of court.

9 Sec. 3. Section 441.33, unnumbered paragraph 1, Code 1999,  
10 is amended to read as follows:

11 The board of review shall be in session from May 1 through  
12 the period of time necessary to act on all protests filed  
13 under section sections 441.37 and 441.49 but not later than  
14 May 31 each year and for an additional period as required  
15 under section 441.37 and shall hold as many meetings as are  
16 necessary to discharge its duties. On or before May 31 in  
17 those years in which a session has not been extended as  
18 required under section 441.37, the board shall return all  
19 books, records and papers to the assessor except undisposed of  
20 protests and records pertaining to those protests. If it has  
21 not completed its work by May 31, in those years in which the  
22 session has not been extended under section 441.37, the  
23 director of revenue and finance may authorize the board of  
24 review to continue in session for a period necessary to  
25 complete its work, but the director of revenue and finance  
26 shall not approve a continuance extending beyond July 15. On  
27 or before May 31 or on the final day of any extended session  
28 required under section 441.37 or authorized by the director of  
29 revenue and finance, the board of review shall adjourn until  
30 May 1 of the following year. It shall adopt its own rules of  
31 procedure, elect its own chairperson from its membership, and  
32 keep minutes of its meetings. The board shall appoint a clerk  
33 who may be a member of the board or any other qualified  
34 person, except the assessor or any member of the assessor's  
35 staff. It may be reconvened by the director of revenue and

1 finance. All undisposed protests in its hands on July 15  
2 shall be automatically overruled and returned to the assessor  
3 together with its other records.

4 Sec. 4. Section 441.35, unnumbered paragraph 2, Code 1999,  
5 is amended to read as follows:

6 In any year after the year in which an assessment has been  
7 made of all of the real estate in any taxing district, it  
8 shall be the duty of the board of review to meet as provided  
9 in section 441.33, ~~and where it finds the same has changed in~~  
10 ~~value,~~ to revalue and reassess any part or all of the real  
11 estate contained in such taxing district, and in such case, it  
12 shall determine the actual value as of January 1 of the year  
13 of the revaluation and reassessment and compute the taxable  
14 value thereof, and any aggrieved taxpayer may petition for a  
15 revaluation of the taxpayer's property, but no reduction or  
16 increase shall be made for prior years. If the assessment of  
17 any such property is raised, or any property is added to the  
18 tax list by the board, the clerk shall give notice in the  
19 manner provided in section 441.36, provided, however, that if  
20 the assessment of all property in any taxing district is  
21 raised the board may instruct the clerk to give immediate  
22 notice by one publication in one of the official newspapers  
23 located in the taxing district, and such published notice  
24 shall take the place of the mailed notice provided for in  
25 section 441.36, but all other provisions of said section shall  
26 apply. The decision of the board as to the foregoing matters  
27 shall be subject to appeal to the district court within the  
28 same time and in the same manner as provided in section  
29 441.38.

30 Sec. 5. Section 441.49, unnumbered paragraphs 2, 3, 4, and  
31 5, Code 1999, are amended to read as follows:

32 However, an assessing jurisdiction may request the director  
33 to permit the use of an alternative method of applying the  
34 equalization order to the property values in the assessing  
35 jurisdiction, provided that the final valuation shall be

1 equivalent to the director's equalization order. The  
 2 assessing jurisdiction shall notify the county auditor of the  
 3 request for the use of an alternative method of applying the  
 4 equalization order and the director's disposition of the  
 5 request. The request to use an alternative method of applying  
 6 the equalization order, including procedures for notifying  
 7 affected property owners and appealing valuation adjustments,  
 8 shall be made within ten days from the date the county auditor  
 9 receives the equalization order and the valuation adjustments,  
 10 and appeal procedures shall be completed by ~~November-30~~ May 31  
 11 of the year ~~of following~~ the equalization order. Compliance  
 12 with the provisions of section 441.21 is sufficient grounds  
 13 for the director to permit the use of an alternative method of  
 14 applying the equalization order.

15 On or before October 15 of the year of the equalization  
 16 order the county auditor shall cause to be published in  
 17 official newspapers of general circulation the final  
 18 equalization order. Failure to publish the equalization order  
 19 has no effect upon the validity of the orders.

20 For all jurisdictions, the equalization percentage shall be  
 21 applied to the following year's values, and shall be  
 22 considered the equalized values for that year for purposes of  
 23 this chapter. The county auditor shall add to or deduct from  
 24 the valuation of each class of property in the county the  
 25 required percentage, rejecting all fractions of fifty cents or  
 26 less in the result, and counting all fractions over fifty  
 27 cents as one dollar. ~~For any special charter city that levies~~  
 28 ~~and collects its own tax based on current year assessed~~  
 29 ~~values, the equalization percentage shall be applied to the~~  
 30 ~~following year's values, and shall be considered the equalized~~  
 31 ~~values for that year for purposes of this chapter.~~

32 The local board of review shall ~~reconvene in special~~  
 33 ~~session from October 15 to November 15 for the purpose of~~  
 34 hearing at its regular session hear the protests of affected  
 35 property owners or taxpayers within the jurisdiction of the

1 board whose valuation of property if adjusted pursuant to the  
2 equalization order issued by the director of revenue and  
3 finance will result in a greater value than permitted under  
4 section 441.21. ~~The board of review shall accept protests~~  
5 ~~only during the first ten days following the date the local~~  
6 ~~board of review reconvenes.~~ The board of review shall limit  
7 its review to only the timely filed protests. The board of  
8 review may adjust all or a part of the percentage increase  
9 ordered by the director of revenue and finance by adjusting  
10 the actual value of the property under protest to one hundred  
11 percent of actual value. Any adjustment so determined by the  
12 board of review shall not exceed the percentage increase  
13 provided for in the director's equalization order. The  
14 determination of the board of review on filed protests is  
15 final, subject to review by the director of revenue and  
16 finance for the purpose of determining whether the board's  
17 actions substantially altered the equalization order. In  
18 making the review, the director has all the powers provided in  
19 chapter 421, and in exercising the powers the director is not  
20 subject to chapter 17A. Not later than fifteen days following  
21 the adjournment of the board, the board of review shall submit  
22 to the director of revenue and finance, on forms prescribed by  
23 the director, a report of all actions taken by the board of  
24 review during this session.

25 EXPLANATION

26 This bill makes several changes to the process by which  
27 equalization orders of property tax assessments are  
28 implemented by county and city assessors. The bill provides  
29 that equalization orders received by the assessor shall be  
30 applied to the county's or city's assessments in the year  
31 following the equalization order. The bill provides that  
32 taxpayers may protest a change in assessment based on an  
33 equalization order to the board of review at the board's  
34 regular session in May. Currently, the board is required to  
35 go into special session in November in the year the order was

1 issued to hear such protests.

2 The bill requires that a change in assessment due to  
3 equalization be noted on the notice of assessment mailed to  
4 taxpayers by the assessor. The bill allows a taxpayer to  
5 protest the taxpayer's assessment to the board of review even  
6 if the assessment has not changed in value from the previous  
7 year.

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