

CHAPTER 427

PROPERTY EXEMPT AND TAXABLE

Referred to in [§419.11](#), [§437A.16A](#), [§441.47](#), [§476.1D](#)

See chapter 437A for assessment and taxation of certain property associated with the production, generation, transmission, or delivery of electricity or natural gas
See chapter 437B for assessment and taxation of certain property associated with the production, delivery, service, or sale of water by a rate-regulated water utility

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427.1 Exemptions.

The following classes of property shall not be taxed:

1. *Federal and state property.*

a. The property of the United States and this state, including state university, university of science and technology, and school lands, except as otherwise provided in [this subsection](#). The exemption herein provided shall not include any real property subject to taxation under any federal statute applicable thereto, but such exemption shall extend to and include all machinery and equipment owned exclusively by the United States or any corporate agency or instrumentality thereof without regard to the manner of the affixation of such machinery and equipment to the land or building upon or in which such property is located, until such time as the Congress of the United States shall expressly authorize the taxation of such machinery and equipment.

b. Property of the state operated pursuant to [section 904.302](#), [904.705](#), or [904.706](#) that is leased to an entity other than an entity which is exempt from property taxation under [this section](#) shall be subject to property taxation for the term of the lease. Property taxes levied against such leased property shall be paid from the revolving farm fund created in [section 904.706](#). The lessor shall file a copy of the lease with the county assessor of the county where the property is located.

2. *Municipal and military property.* The property of a county, township, city, school corporation, levee district, drainage district, district organized under [chapter 357E](#), or the Iowa national guard, when devoted to public use and not held for pecuniary profit, except property of a municipally owned electric utility held under joint ownership and property of an electric power facility financed under [chapter 28F](#) or [476A](#) that shall be subject to taxation under [chapter 437A](#) and facilities of a municipal utility that are used for the provision of local exchange services pursuant to [chapter 476](#), but only to the extent such facilities are used to provide such services, which shall be subject to taxation under [chapter 433](#), except that [section 433.11](#) shall not apply. The exemption for property owned by a city or county also applies to property which is operated by a city or county as a library, art gallery or museum, conservatory, botanical garden or display, observatory or science museum, or as a location for holding athletic contests, sports or entertainment events, expositions, meetings or conventions, or leased from the city or county for any such purposes, or leased from the city or county by the Iowa national guard or by a federal agency for the benefit of the Iowa

national guard when devoted for public use and not for pecuniary profit. Food and beverages may be served at the events or locations without affecting the exemptions, provided the city has approved the serving of food and beverages on the property if the property is owned by the city or the county has approved the serving of food and beverages on the property if the property is owned by the county. The exemption for property owned by a city or county also applies to property which is located at an airport and leased to a fixed base operator providing aeronautical services to the public.

3. *Public grounds and cemeteries.* Public grounds, including all places for the burial of the dead; and crematoriums with the land, not exceeding one acre, on which they are built and appurtenant thereto, so long as no dividends or profits are derived therefrom.

4. *Fire company buildings and grounds.* The publicly owned buildings and grounds used exclusively for keeping fire engines and implements for extinguishing fires and for meetings of fire companies.

5. *Property of associations of war veterans.*

a. The property of any organization composed wholly of veterans of any war, when such property is, except as otherwise provided in [this subsection](#) or [subsection 14](#), devoted entirely to its own use and not held for pecuniary profit.

b. The operation of bingo games on property of such organization shall not adversely affect the exemption of that property under [this subsection](#) if all proceeds, in excess of expenses, are used for the legitimate purposes of the organization.

c. The occasional or irregular lease or rental of all or a portion of the property of such organization shall not adversely affect the exemption of that property under [this subsection](#) if the proceeds from such lease or rental do not exceed two hundred fifty dollars per lease or rental, and the proceeds, in excess of expenses, are used for the legitimate purposes of the organization. In addition, the occasional or irregular lease or rental shall be considered a use for the appropriate objects of the organization for purposes of [subsection 14](#).

6. *Property of cemetery associations.*

a. Burial grounds, mausoleums, buildings, and equipment owned and operated by cemetery associations and used exclusively for the maintenance and care of the cemeteries devoted to interment of human bodies and human remains. The exemption granted by [this subsection](#) shall not apply to any property used for the practice of mortuary science.

b. Agricultural land owned by a cemetery association and leased to another person for agricultural use if the revenues resulting from the lease are used by the cemetery association exclusively for the maintenance and care of cemeteries owned by the cemetery association and devoted to interment of human bodies and human remains.

7. *Libraries and art galleries.* All grounds and buildings used for public libraries, public art galleries, and libraries and art galleries owned and kept by private individuals, associations, or corporations, for public use and not for private profit. Claims for exemption for libraries and art galleries owned and kept by private individuals, associations, or corporations for public use and not for private profit must be filed with the local assessor by February 1 of the first year the exemption is requested. Once the exemption is granted, the exemption shall continue to be granted for subsequent assessment years without further filing of claims as long as the property continues to be used as a library or art gallery for public use and not for private profit.

8. *Property of religious, literary, and charitable societies.*

a. All grounds and buildings used or under construction by literary, scientific, charitable, benevolent, agricultural, and religious institutions and societies solely for their appropriate objects, not exceeding three hundred twenty acres in extent and not leased or otherwise used or under construction with a view to pecuniary profit. However, an organization mentioned in [this subsection](#) whose primary objective is to preserve land in its natural state may own or lease land not exceeding three hundred twenty acres in each county for its appropriate objects. For assessment years beginning on or after January 1, 2016, the exemption granted by [this subsection](#) shall also apply to grounds owned by a religious institution or society, not exceeding a total of fifty acres, if all monetary and in-kind profits of the religious institution or society resulting from use or lease of the grounds are used exclusively by the religious institution or society for the appropriate objects of the institution or society.

b. All deeds or leases by which such property is held shall be filed for record before the property herein described shall be omitted from the assessment. All such property shall be listed upon the tax rolls of the district or districts in which it is located and shall have ascribed to it an actual fair market value and an assessed or taxable value, as contemplated by [section 441.21](#), whether such property be subject to a levy or be exempted as herein provided and such information shall be open to public inspection.

9. *Property of educational institutions.* Real estate owned by any educational institution of this state as a part of its endowment fund, to the extent of one hundred sixty acres in any civil township except any real property acquired after January 1, 1965, by any educational institution as a part of its endowment fund or upon which any income is derived or used, directly or indirectly, for full or partial payment for services rendered, shall be taxed beginning with the levies applied for taxes payable in the year 1967, at the same rate as all other property of the same class in the taxing district in which the real property is located. The property acquired prior to January 1, 1965, and held or owned as part of the endowment fund of an educational institution shall be subject to assessment and levy in the assessment year 1974 for taxes payable in 1975. All the property shall be listed on the assessment rolls in the district in which the property is located and an actual fair market value and an assessed or taxable value be ascribed to it, as contemplated by [section 441.21](#), irrespective of whether an exemption under [this subsection](#) may be or is affirmed, and the information shall be open to public inspection; it being the intent of [this section](#) that the property be valued whether or not it be subject to a levy. Every educational institution claiming an exemption under [this subsection](#) shall file with the assessor not later than February 1 of the year for which the exemption is requested, a statement upon forms to be prescribed by the director of revenue, describing and locating the property upon which exemption is claimed. Property which is located on the campus grounds and used for student union purposes may serve food and beverages without affecting its exemption received pursuant to [subsection 8](#) or [this subsection](#).

10. *Homes for soldiers.* The buildings and grounds of homes owned and operated by organizations of soldiers, sailors, or marines of any of the wars of the United States when used for a home for disabled soldiers, sailors, or marines and not operated for pecuniary profit.

11. *Agricultural produce.* Growing agricultural and horticultural crops except commercial orchards and vineyards.

12. *Government lands.* Government lands entered and located, or lands purchased from this state, for the year in which the entry, location, or purchase is made.

13. *Public airports.* Any lands, the use of which (without charge by or compensation to the holder of the legal title thereto) has been granted to and accepted by the state or any political subdivision thereof for airport or aircraft landing area purposes.

14. *Statement of objects and uses filed.* A society or organization claiming an exemption under [subsection 5, 8, or 33](#) shall file with the assessor not later than February 1 a statement upon forms to be prescribed by the director of revenue, describing the nature of the property upon which the exemption is claimed and setting out in detail any uses and income from the property derived from the rentals, leases, or other uses of the property not solely for the appropriate objects of the society or organization. Upon the filing and allowance of the claim, the claim shall be allowed on the property for successive years without further filing as long as the property is used for the purposes specified in the original claim for exemption. When the property is sold or transferred, the county recorder shall provide notice of the transfer to the assessor. The notice shall describe the property transferred and the name of the person to whom title to the property is transferred.

a. The assessor, in arriving at the valuation of any property of the society or organization, shall take into consideration any uses of the property not for the appropriate objects of the organization and shall assess in the same manner as other property, all or any portion of the property involved which is leased or rented and is used regularly for commercial purposes for a profit to a party or individual. If a portion of the property is used regularly for commercial purposes, an exemption shall not be allowed upon property so used and the exemption granted shall be in the proportion of the value of the property used solely for the appropriate objects of the organization, to the entire value of the property. However,

the board of trustees or the board of directors of a hospital, as defined in [section 135B.1](#), may permit use of a portion of the hospital for commercial purposes, and the hospital is entitled to full exemption for that portion used for nonprofit health-related purposes, upon compliance with the filing requirements of [this subsection](#). The property of a nursing facility, as defined in [section 135C.1, subsection 14](#), which is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, and otherwise qualified, is entitled to the full exemption of the property regardless of the proportion of residents of the facility for whom the cost of care is privately paid or paid under Tit. XIX of the federal Social Security Act, upon compliance with the filing requirements of [this subsection](#).

b. An exemption shall not be granted upon property upon or in which persistent violations of the laws of the state are permitted. A claimant of an exemption shall, under oath, declare that no violations of law will be knowingly permitted or have been permitted on or after January 1 of the year in which a tax exemption is requested. Claims for exemption shall be verified under oath by the president or other responsible head of the organization. A society or organization which ceases to use the property for the purposes stated in the claim shall provide written notice to the assessor of the change in use.

15. *Mandatory denial.* No exemption shall be granted upon any property which is the location of federally licensed devices not lawfully permitted to operate under the laws of the state.

16. *Revoking or modifying exemption.* Any taxpayer or any taxing district may make application to the director of revenue for revocation or modification of any exemption, based upon alleged violations of [this chapter](#). The director of revenue may also on the director's own motion set aside or modify any exemption which has been granted upon property for which exemption is claimed under [this chapter](#). The director of revenue shall give notice by mail to the taxpayer or taxing district applicant and to the societies or organizations claiming an exemption upon property, exemption of which is questioned before or by the director of revenue, and shall hold a hearing prior to issuing any order for revocation or modification. An order made by the director of revenue revoking or modifying an exemption shall be applicable to the tax year commencing with the tax year in which the application is made to the director or the tax year commencing with the tax year in which the director's own motion is filed. An order made by the director of revenue revoking or modifying an exemption is subject to judicial review in accordance with [chapter 17A](#), the Iowa administrative procedure Act. Notwithstanding the terms of [chapter 17A](#), petitions for judicial review may be filed in the district court having jurisdiction in the county in which the property is located, and must be filed within thirty days after any order revoking or modifying an exemption is made by the director of revenue.

17. *Rural water sales.* The real property of a nonprofit corporation engaged in the distribution and sale of water to rural areas when devoted to public use and not held for pecuniary profit.

18. *Assessed value of exempt property.* Each county and city assessor shall determine the assessment value that would be assigned to the property if it were taxable and value all tax exempt property within the assessor's jurisdiction. A summary report of tax exempt property shall be filed with the director of revenue and the local board of review on or before April 16 of each year on forms prescribed by the director of revenue.

19. *Pollution control and recycling.* Pollution-control or recycling property as defined in [this subsection](#) shall be exempt from taxation to the extent provided in [this subsection](#), upon compliance with the provisions of [this subsection](#).

a. (1) This exemption shall apply to new installations of pollution-control or recycling property beginning on January 1 after the construction or installation of the property is completed. This exemption shall apply beginning on January 1, 1975, to existing pollution-control property if its construction or installation was completed after September 23, 1970, and this exemption shall apply beginning January 1, 1994, to recycling property.

(2) This exemption shall be limited to the market value, as defined in [section 441.21](#), of the pollution-control or recycling property. If the pollution-control or recycling property is assessed with other property as a unit, this exemption shall be limited to the net market value added by the pollution-control or recycling property, determined as of the assessment date.

b. (1) Application for this exemption shall be filed with the assessing authority not later than the first of February of the first year for which the exemption is requested, on forms provided by the department of revenue. The application shall describe and locate the specific pollution-control or recycling property to be exempted.

(2) The application for a specific pollution-control or recycling property shall be accompanied by a certificate of the department of natural resources certifying that the primary use of the pollution-control property is to control or abate pollution of any air or water of this state or to enhance the quality of any air or water of this state or, if the property is recycling property, that the primary use of the property is for recycling.

c. A taxpayer may seek judicial review of a determination of the department or, on appeal, of the environmental protection commission in accordance with the provisions of [chapter 17A](#).

d. The environmental protection commission of the department of natural resources shall adopt rules relating to certification under [this subsection](#) and information to be submitted for evaluating pollution-control or recycling property for which a certificate is requested. The department of revenue shall adopt any rules necessary to implement [this subsection](#), including rules on identification and valuation of pollution-control or recycling property. All rules adopted shall be subject to the provisions of [chapter 17A](#).

e. (1) For the purposes of [this subsection](#), “*pollution-control property*” means personal property or improvements to real property, or any portion thereof, used primarily to control or abate pollution of any air or water of this state or used primarily to enhance the quality of any air or water of this state and “*recycling property*” means personal property or improvements to real property or any portion of the property, used primarily in the manufacturing process and resulting directly in the conversion of waste glass, waste plastic, wastepaper products, waste paperboard, or waste wood products into new raw materials or products composed primarily of recycled material. In the event such property shall also serve other purposes or uses of productive benefit to the owner of the property, only such portion of the assessed valuation thereof as may reasonably be calculated to be necessary for and devoted to the control or abatement of pollution, to the enhancement of the quality of the air or water of this state, or for recycling shall be exempt from taxation under [this subsection](#).

(2) For the purposes of [this subsection](#), “*pollution*” means air pollution as defined in [section 455B.131](#) or water pollution as defined in [section 455B.171](#). “*Water of the state*” means the water of the state as defined in [section 455B.171](#). “*Enhance the quality*” means to diminish the level of pollutants below the air or water quality standards established by the environmental protection commission of the department of natural resources.

20. *Impoundment structures.*

a. The impoundment structure and any land underlying an impoundment located outside an incorporated city, which are not developed or used directly or indirectly for nonagricultural income-producing purposes and which are maintained in a condition satisfactory to the soil and water conservation district commissioners of the county in which the impoundment structure and the impoundment are located. A person owning land which qualifies for a property tax exemption under [this subsection](#) shall apply to the county assessor each year not later than February 1 for the exemption. The application shall be made on forms prescribed by the department of revenue. The first application shall be accompanied by a copy of the water storage permit approved by the director of the department of natural resources or the director’s designee, and a copy of the plan for the construction of the impoundment structure and the impoundment. The construction plan shall be used to determine the total acre-feet of the impoundment and the amount of land which is eligible for the property tax exemption. The county assessor shall annually review each application for the property tax exemption under [this subsection](#) and submit it, with the recommendation of the soil and water conservation district commissioners, to the board of supervisors for approval or denial. An applicant for a property tax exemption under [this subsection](#) may appeal the decision of the board of supervisors to the district court.

b. As used in [this subsection](#), “*impoundment*” means a reservoir or pond which has a storage capacity of at least eighteen acre-feet of water or sediment at the time of construction; “*storage capacity*” means the total area below the crest elevation of the principal spillway

including the volume of any excavation in the area; and “*impoundment structure*” means a dam, earthfill, or other structure used to create an impoundment.

21. *Low-rent housing.* The property owned and operated or controlled by a nonprofit organization, as recognized by the internal revenue service, providing low-rent housing for persons who are elderly and persons with physical and mental disabilities. For the purposes of this subsection, the controlling nonprofit entity may serve as a general partner or managing member of a limited liability company or limited liability partnership which owns the property. The exemption granted under the provisions of [this subsection](#) shall apply only until the final payment due date of the borrower’s original low-rent housing development mortgage or until the borrower’s original low-rent housing development mortgage is paid in full or expires, whichever is sooner, subject to the provisions of [subsection 14](#). However, if the borrower’s original low-rent housing development mortgage is refinanced, the exemption shall apply only until the date that would have been the final payment due date under the terms of the borrower’s original low-rent housing development mortgage or until the refinanced mortgage is paid in full or expires, whichever is sooner, subject to the provisions of [subsection 14](#).

21A. *Dwelling unit property owned by community housing development organization.* Dwelling unit property owned and managed by a community housing development organization, as recognized by the state of Iowa and the federal government pursuant to criteria for community housing development organization designation contained in the HOME program of the federal National Affordable Housing Act of 1990, if the organization is also a nonprofit organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code and owns and manages more than one hundred fifty dwelling units that are located in a city with a population of more than one hundred ten thousand. For the 2005 and 2006 assessment years, an application is not required to be filed to receive the exemption. For the 2007 and subsequent assessment years, an application for exemption must be filed with the assessing authority not later than February 1 of the assessment year for which the exemption is sought. Upon the filing and allowance of the claim, the claim shall be allowed on the property for successive years without further filing as long as the property continues to qualify for the exemption.

22. *Natural conservation or wildlife areas.* Recreational lakes, forest covers, rivers and streams, river and stream banks, and open prairies as designated by the board of supervisors of the county in which located. The board of supervisors shall annually designate the real property, not to exceed in the aggregate for the fiscal year beginning July 1, 1983, the greater of one percent of the acres assessed as agricultural land or three thousand acres in each county, for which this exemption shall apply. For subsequent fiscal years, the limitation on the maximum acreage of real property that may be granted exemptions shall be the limitation for the previous fiscal year, unless the amount of acreage granted exemptions for the previous fiscal year equaled the limitation for that year, then the limitation for the subsequent fiscal year is the limitation for the previous fiscal year plus an increase, not to exceed three hundred acres, of ten percent of that limitation. The procedures of [this subsection](#) shall be followed for each assessment year to procure an exemption for the fiscal year beginning in the assessment year. The exemption shall be only for the fiscal year for which it is granted. A parcel of property may be granted subsequent exemptions. The exemption shall only be granted for parcels of property of two acres or more.

a. Application for this exemption shall be filed with the commissioners of the soil and water conservation district in which the property is located, not later than February 1 of the assessment year, on forms provided by the department of revenue. The application shall describe and locate the property to be exempted and have attached to it an aerial photograph of that property on which is outlined the boundaries of the property to be exempted. In the case of an open prairie that has been restored or reestablished, the property shall be inspected and certified as provided by the county board of supervisors as having adequate ground cover consisting of native species and that all primary and secondary noxious weeds present are being controlled to prevent the spread of seeds by either wind or water. In the case of an open prairie which is or includes a gully area susceptible to severe erosion, an approved erosion control plan must accompany the application.

b. Upon receipt of the application, the commissioners shall certify whether the property is eligible to receive the exemption. The commissioners shall not withhold certification of the eligibility of property because of the existence upon the property of an abandoned building or structure which is not used for economic gain. If the commissioners certify that the property is eligible, the application shall be forwarded to the board of supervisors by May 1 of that assessment year with the certification of the eligible acreage. An application must be accompanied by an affidavit signed by the applicant that if an exemption is granted, the property will not be used for economic gain during the assessment year in which the exemption is granted.

c. In the case of an open prairie that has been restored or reestablished and that does not receive the certification as provided by the county board of supervisors as it relates to the ground cover, the applicant shall be notified of the availability of resource enhancement and protection fund cost-share moneys and soil and conservation technological assistance for reestablishing native vegetation.

d. Before the board of supervisors may designate real property for the exemption, it shall establish priorities for the types of real property for which an exemption may be granted and the amount of acreage. These priorities may be the same as or different than those for previous years. The board of supervisors shall get the approval of the governing body of the city before an exemption may be granted to real property located within the corporate limits of that city. A public hearing shall be held with notice given as provided in [section 73A.2](#) at which the proposed priority list shall be presented. However, no public hearing is required if the proposed priorities are the same as those for the previous year. After the public hearing, the board of supervisors shall adopt by resolution the proposed priority list or another priority list. Property upon which are located abandoned buildings or structures shall have the lowest priority on the list adopted, except where the board of supervisors determines that a structure has historic significance. The board of supervisors shall also provide for a procedure where the amount of acres for which exemptions are sought exceeds the amount the priority list provides for that type or in the aggregate for all types.

e. After receipt of an application with its accompanying certification and affidavit and the establishment of the priority list, the board of supervisors may grant a tax exemption under [this subsection](#) using the established priority list as a mandate. Real property designated for the tax exemption shall be designated by May 15 of the assessment year in which begins the fiscal year for which the exemption is granted. Notification shall be sent to the county auditor and the applicant.

f. The board of supervisors does not have to grant tax exemptions under [this subsection](#), grant tax exemptions in the aggregate of the maximum acreage which may be granted exemptions, or grant a tax exemption for the total acreage for which the applicant requested the exemption. Only real property in parcels of two acres or more which is recreational lakes, forest cover, river and stream, river and stream banks, or open prairie and which is utilized for the purposes of providing soil erosion control or wildlife habitat or both, and which is subject to property tax for the fiscal year for which the tax exemption is requested, is eligible for the exemption under [this subsection](#). However, in addition to the above, in order for a gully area which is susceptible to severe erosion to be eligible, there must be an erosion control plan for it approved by the commissioners of the soil and water conservation district in which it is located. In the case of an open prairie that has been restored or reestablished, the property shall be inspected and certified as provided by the county board of supervisors as having adequate ground cover consisting of native species and that all primary and secondary noxious weeds present are being controlled to prevent the spread of seeds by either wind or water. In the case of an exemption for river and stream or river and stream banks, the exemption shall not be granted unless there is included in the exemption land located at least thirty-three feet from the ordinary high water mark of the river and stream or river and stream banks. Property shall not be denied an exemption because of the existence upon the property of an abandoned building or structure which is not used for economic gain. If the real property is located within a city, the approval of the governing body must be obtained before the real property is eligible for an exemption. For purposes of [this subsection](#):

(1) “*Open prairies*” includes hillsides and gully areas which have a permanent grass cover but does not include native prairies meeting the criteria of the natural resource commission.

(2) “*Forest cover*” means land which is predominantly wooded.

(3) “*Recreational lake*” means a body of water, which is not a river or stream, owned solely by a nonprofit organization and primarily used for boating, fishing, swimming, and other recreational purposes.

(4) “*Used for economic gain*” includes, but is not limited to, using property for the storage of equipment, machinery, or crops.

g. Notwithstanding other requirements under [this subsection](#), the owner of any property lying between a river or stream and a dike which is required to be set back three hundred feet or less from the river or stream shall automatically be granted an exemption for that property upon submission of an application accompanied by an affidavit signed by the applicant that if the exemption is granted the property will not be used for economic gain during the period of exemption. The exemption shall continue from year to year for as long as the property qualifies and is not used for economic gain, without need for filing additional applications or affidavits. Property exempted pursuant to this paragraph is in addition to the maximum acreage applicable to other exemptions under [this subsection](#).

23. *Native prairie and wetland.* Land designated as native prairie or land designated as a protected wetland by the department of natural resources pursuant to [section 456B.12](#).

a. Application for the exemption shall be made on forms provided by the department of revenue. Land designated as a protected wetland shall be assessed at a value equal to the average value of the land where the wetland is located and which is owned by the person granted the exemption. The application forms shall be filed with the assessing authority not later than the first of February of the year for which the exemption is requested. The application must be accompanied by an affidavit signed by the applicant that if the exemption is granted, the property will not be used for economic gain during the assessment year in which the exemption is granted. If the property is used for economic gain during the assessment year in which the exemption is granted, the property shall lose its tax exemption and shall be taxed at the rate levied by the county for the fiscal year beginning in that assessment year. The first annual application shall be accompanied by a certificate from the department of natural resources stating that the land is native prairie or protected wetland. The department of natural resources shall issue a certificate for the native prairie exemption if the department finds that the land has never been cultivated, is unimproved, is primarily a mixture of warm season grasses interspersed with flowering plants, and meets the other criteria established by the natural resource commission for native prairie. The department of natural resources shall issue a certificate for the wetland exemption if the department finds the land is a protected wetland, as defined under [section 456B.1](#), or if the wetland was previously drained and cropped but has been restored under a nonpermanent restoration agreement with the department or other county, state, or federal agency or private conservation group. A taxpayer may seek judicial review of a decision of the department according to [chapter 17A](#). The natural resource commission shall adopt rules to implement [this subsection](#).

b. The assessing authority each year may submit to the department a claim for reimbursement of tax revenue lost from the exemption. Upon receipt of the claim, the department shall reimburse the assessing authority an amount equal to the lost tax revenue based on the value of the protected wetland as assessed by the authority, unless the department reimburses the authority based upon a departmental assessment of the protected wetland. The authority may contest the department’s assessment as provided in [chapter 17A](#). The department is not required to honor a claim submitted more than sixty days after the authority has assessed land where the protected wetland is located and which is owned by the person granted the exemption.

24. *Land certified as a wildlife habitat.*

a. The owner of agricultural land may designate not more than two acres of the land for use as a wildlife habitat. After inspection, if the land meets the standards established by the natural resource commission for a wildlife habitat under [section 483A.3](#), and, in the case of a wildlife habitat that has been restored or reestablished, is inspected and certified as provided

by the county board of supervisors as having adequate ground cover consisting of native species and that all primary and secondary noxious weeds present are being controlled to prevent the spread of seeds by either wind or water, the department of natural resources shall certify the designated land as a wildlife habitat and shall send a copy of the certification to the appropriate assessor not later than February 1 of the assessment year for which the exemption is requested. The department of natural resources may subsequently withdraw certification of the designated land if it fails to meet the established standards for a wildlife habitat and the ground cover requirement and the assessor shall be given written notice of the decertification.

b. In the case where the property is a restored or reestablished wildlife habitat and does not receive the certification as provided by the county board of supervisors as it relates to the ground cover, the owner shall be notified of the availability of resource enhancement and protection fund cost-share moneys and soil and conservation technological assistance for reestablishing native vegetation.

25. Reserved.

26. *Public television station.* All grounds and buildings used or under construction for a public television station and not leased or otherwise used or under construction for pecuniary profit.

27. *Speculative shell buildings of certain organizations.*

a. New construction of shell buildings by community development organizations, not-for-profit cooperative associations under [chapter 499](#), or for-profit entities for speculative purposes as provided in [this subsection](#).

b. The exemption shall be for one of the following:

(1) The value added by new construction of a shell building or addition to an existing building or structure by a community development organization, not-for-profit cooperative association under [chapter 499](#), or for-profit entity.

(2) The value of an existing building being reconstructed or renovated, and the value of the land on which the building is located, if the reconstruction or renovation constitutes complete replacement or refitting of the existing building or structure, by a community development organization, not-for-profit cooperative association under [chapter 499](#), or for-profit entity.

c. The exemption or partial exemption shall be allowed only pursuant to ordinance of a city council or board of supervisors, which ordinance shall specify if the exemption will be available for community development organizations, not-for-profit cooperative associations under [chapter 499](#), or for-profit entities. If the exemption is for a project described in paragraph “b”, subparagraph (1), the exemption shall be effective for the assessment year in which the building is first assessed for property taxation or the assessment year in which the addition to an existing building first adds value. If the exemption is for a project described in paragraph “b”, subparagraph (2), the exemption shall be effective for the assessment year following the assessment year in which the project commences. An exemption allowed under [this subsection](#) shall be allowed for all subsequent years until the property is leased or sold or for a specific time period stated in the ordinance or until the exemption is terminated by ordinance of the city council or board of supervisors which approved the exemption. Eligibility for an exemption as a speculative shell building shall be determined as of January 1 of the assessment year. However, an exemption shall not be granted a speculative shell building of a not-for-profit cooperative association under [chapter 499](#) or a for-profit entity if the building is used by the cooperative association or for-profit entity, or a subsidiary or majority owners thereof for other than as a speculative shell building. If the shell building or any portion of the shell building is leased or sold, the portion of the shell building which is leased or sold, and a proportionate share of the land on which it is located if applicable, shall not be entitled to an exemption under [this subsection](#) for subsequent years. Upon the sale of the shell building, the shell building shall be considered new construction for purposes of [section 427B.1](#) if used for purposes set forth in [section 427B.1](#).

d. (1) If the speculative shell building project is a speculative shell building project described in paragraph “b”, subparagraph (1), an application shall be filed pursuant to [section 427B.4](#) for each such project for which an exemption is claimed.

(2) If the speculative shell building project is a speculative shell building project described

in paragraph “b”, subparagraph (2), an application shall be filed by the owner of the property with the local assessor by February 1 of the assessment year in which the project commences. Applications for exemption shall be made on forms prescribed by the director of revenue and shall contain information pertaining to the nature of the improvement, its cost, and other information deemed necessary by the director of revenue. The city council or the board of supervisors, by ordinance, shall give its approval of a tax exemption for the project if the project is in conformance with the zoning plans for the city or county. The approval shall also be subject to the hearing requirements of [section 427B.1](#). Approval under this subparagraph (2) entitles the owner to exemption from taxation beginning in the assessment year following the assessment year in which the project commences. However, if the tax exemption for the building and land is not approved, the person may submit an amended proposal to the city council or board of supervisors to approve or reject.

e. For purposes of [this subsection](#) the following definitions apply:

(1) (a) “*Community development organization*” means an organization, which meets the membership requirements of subparagraph division (b), formed within a city or county or multicomunity group for one or more of the following purposes:

(i) To promote, stimulate, develop, and advance the business prosperity and economic welfare of the community, area, or region and its citizens.

(ii) To encourage and assist the location of new business and industry.

(iii) To rehabilitate and assist existing business and industry.

(iv) To stimulate and assist in the expansion of business activity.

(b) For purposes of this definition, a community development organization must have at least fifteen members with representation from the following:

(i) A representative from government at the level or levels corresponding to the community development organization’s area of operation.

(ii) A representative from a private sector lending institution.

(iii) A representative of a community organization in the area.

(iv) A representative of business in the area.

(v) A representative of private citizens in the community, area, or region.

(2) “*New construction*” means new buildings or structures and includes new buildings or structures which are constructed as additions to existing buildings or structures. “*New construction*” also includes reconstruction or renovation of an existing building or structure which constitutes complete replacement of an existing building or structure or refitting of an existing building or structure, if the reconstruction or renovation of the existing building or structure is required due to economic obsolescence, if the reconstruction or renovation is necessary to implement recognized industry standards for the manufacturing or processing of products, and the reconstruction or renovation is required in order to competitively manufacture or process products or for community development organizations, not-for-profit cooperative associations under [chapter 499](#), or for-profit entities to market a building or structure as a speculative shell building, which determination must receive prior approval from the city council of the city or county board of supervisors of the county.

(3) “*Speculative shell building*” means a building or structure owned and constructed or reconstructed by a community development organization, a not-for-profit cooperative association under [chapter 499](#), or a for-profit entity without a tenant or buyer for the purpose of attracting an employer or user which will complete the building to the employer’s or user’s specification for manufacturing, processing, or warehousing the employer’s or user’s product line.

28. *Joint water utilities*. The property of a joint water utility established under [chapter 389](#), when devoted to public use and not held for pecuniary profit.

29. *Methane gas conversion*. Methane gas conversion property shall be exempt from taxation.

a. For purposes of [this subsection](#), “*methane gas conversion property*” means personal property, real property, and improvements to real property, and machinery, equipment, and computers assessed as real property pursuant to [section 427A.1, subsection 1](#), paragraphs “e” and “j”, used in an operation to decompose waste and convert the waste to gas, to collect methane gas or other gases produced as a by-product of waste decomposition and to convert

the gas to energy, or to collect waste in order to decompose the waste to produce methane gas or other gases and to convert the gas to energy.

b. If the property used to convert the gas to energy also burns another fuel, the exemption shall apply to that portion of the value of such property which equals the ratio that its use of methane gas bears to total fuel consumed.

c. Application for this exemption shall be filed with the assessing authority not later than February 1 of each year for which the exemption is requested on forms provided by the department of revenue. The application shall describe and locate the specific methane gas conversion property to be exempted. If the property consuming methane gas also consumes another fuel, the first year application shall contain a statement to that effect and shall identify the other fuel and estimate the ratio that the methane gas consumed bears to the total fuel consumed. Subsequent year applications shall identify the actual ratio for the previous year which ratio shall be used to calculate the exemption for that assessment year.

d. With respect to methane gas conversion property other than that used in an operation connected with, or in conjunction with, a publicly owned sanitary landfill, the exemption pursuant to [this subsection](#) shall be limited to property originally placed in operation on or after January 1, 2008, and on or before December 31, 2012, and shall be available for the ten-year period following the date the property was originally placed in operation.

30. *Manufactured home community or mobile home park storm shelter.* A structure constructed as a storm shelter at a manufactured home community or mobile home park as defined in [section 435.1](#). An application for this exemption shall be filed with the assessing authority not later than February 1 of the first year for which the exemption is requested, on forms provided by the department of revenue. The application shall describe and locate the storm shelter to be exempted. If the storm shelter structure is used exclusively as a storm shelter, all of the structure's assessed value shall be exempt from taxation. If the storm shelter structure is not used exclusively as a storm shelter, the storm shelter structure shall be assessed for taxation at fifty percent of its value as commercial property.

31. *Barn preservation.* The increase in assessed value added to a farm structure constructed prior to 1937 as a result of improvements made to the farm structure for purposes of preserving the integrity of the internal and external features of the structure as a barn is exempt from taxation. To be eligible for the exemption, the structure must have been first placed in service as a barn prior to 1937. The exemption shall apply to the assessment year beginning after the completion of the improvements to preserve the structure as a barn.

a. For purposes of [this subsection](#), "barn" means an agricultural structure, in whatever shape or design, which is used for the storage of farm products or feed or for the housing of farm animals, poultry, or farm equipment.

b. Application for this exemption shall be filed with the assessing authority not later than February 1 of the first year for which the exemption is requested, on forms provided by the department of revenue. The application shall describe and locate the specific structure for which the added value is requested to be exempt.

c. Once the exemption is granted, the exemption shall continue to be granted for subsequent assessment years without further filing of applications as long as the structure continues to be used as a barn. The taxpayer shall notify the assessing authority when the structure ceases to be used as a barn.

32. *One-room schoolhouse preservation.* The increase in assessed value added to a one-room schoolhouse as a result of improvements made to the structure for purposes of preserving the integrity of the internal and external features of the structure as a one-room schoolhouse is exempt from taxation. The exemption shall apply to the assessment year beginning after the completion of the improvements to preserve the structure as a one-room schoolhouse.

a. Application for this exemption shall be filed with the assessing authority not later than February 1 of the first year for which the exemption is requested, on forms provided by the department of revenue. The application shall describe and locate the specific one-room schoolhouse for which the added value is requested to be exempt.

b. Once the exemption is granted, the exemption shall continue to be granted for subsequent assessment years without further filing of applications as long as the structure is

not used for dwelling purposes and the structure is preserved as a one-room schoolhouse. The taxpayer shall notify the assessing authority when the structure ceases to be eligible. The exemption in [this subsection](#) applies even though the one-room schoolhouse is no longer used for instructional purposes.

33. *Indian housing authority property.*

a. Property owned and operated by an Indian housing authority, as defined in [24 C.F.R. §950.102](#), created under Indian law, if a cooperative agreement has been made with the local governing body agreeing to the exemption. The exemption in [this subsection](#) is subject to the provisions of [subsection 14](#).

b. For purposes of [this subsection](#):

(1) “*Indian law*” means the code of an Indian tribe recognized as eligible for services provided to Indians by the United States secretary of the interior.

(2) “*Local governing body*” means the county board of supervisors if the property is located outside an incorporated city or the governing body of the city in which the property is located.

34. *Port authority property.* The property of a port authority created pursuant to [section 28J.2](#), when devoted to public use and not held for pecuniary profit.

35. *Web search portal business property.*

a. Property, other than land and buildings and other improvements, that is utilized by a web search portal business as defined in and meeting the requirements of [section 423.3, subsection 92](#), including computers and equipment that are necessary for the maintenance and operation of a web search portal and other property whether directly or indirectly connected to the computers, including but not limited to cooling systems, cooling towers, and other temperature control infrastructure; power infrastructure for transformation, distribution, or management of electricity, including but not limited to exterior dedicated business-owned substations, and power distribution systems which are not subject to assessment under [chapter 437A](#); racking systems, cabling, and trays; and backup power generation systems, battery systems, and related infrastructure all of which are necessary for the maintenance and operation of the web search portal site.

b. This exemption applies beginning with the assessment year the investment in or construction of the facility utilizing the materials, equipment, and systems set forth in paragraph “a” are first assessed. For purposes of claiming this exemption, the requirements may be met by aggregating the various Iowa investments and other requirements of the web search portal business’s affiliates as allowed under [section 423.3, subsection 92](#). This exemption applies to affiliates of the web search portal business.

36. *Web search property.*

a. Property, other than land and buildings and other improvements, that is utilized by a web search portal business as defined in and meeting the requirements of [section 423.3, subsection 93](#), including computers and equipment that are necessary for the maintenance and operation of a web search portal business and other property whether directly or indirectly connected to the computers, including but not limited to cooling systems, cooling towers, and other temperature control infrastructure; power infrastructure for transformation, distribution, or management of electricity, including but not limited to exterior dedicated business-owned substations, and power distribution systems which are not subject to assessment under [chapter 437A](#); racking systems, cabling, and trays; and backup power generation systems, battery systems, and related infrastructure all of which are necessary for the maintenance and operation of the web search portal business.

b. This web search portal business exemption applies beginning with the assessment year the investment in or construction of the facility utilizing the materials, equipment, and systems set forth in paragraph “a” are first assessed. For purposes of claiming this web search portal business exemption, the requirements may be met by aggregating the various Iowa investments and other requirements of the web search portal business’s affiliates as allowed under [section 423.3, subsection 93](#). This exemption applies to affiliates of the web search portal business.

37. *Data center business property.*

a. Property, other than land and buildings and other improvements, that is utilized

by a data center business as defined in and meeting the requirements of [section 423.3, subsection 95](#), including computers and equipment that are necessary for the maintenance and operation of a data center business and other property whether directly or indirectly connected to the computers, including but not limited to cooling systems, cooling towers, and other temperature control infrastructure; power infrastructure for transformation, distribution, or management of electricity, including but not limited to exterior dedicated business-owned substations, and power distribution systems which are not subject to assessment under [chapter 437A](#); racking systems, cabling, and trays; and backup power generation systems, battery systems, and related infrastructure all of which are necessary for the maintenance and operation of the data center business.

b. This data center business exemption applies beginning with the assessment year the investment in or construction of the facility utilizing the materials, equipment, and systems set forth in paragraph “a” are first assessed.

38. *Geothermal heating and cooling system.*

a. The value added by any new or refitted construction or installation of a geothermal heating or cooling system on or after July 1, 2012, on property classified as residential. The exemption shall be allowed for ten consecutive years. The exemption shall apply to any value added by the addition of mechanical, electrical, plumbing, ductwork, or other equipment, labor, and expenses included in or required for the construction or installation of the geothermal system, as well as the proportionate value of any well field associated with the system and attributable to the owner.

b. A person claiming an exemption under [this subsection](#) shall obtain the appropriate forms from the assessor. The forms shall be prescribed by the director of revenue. The claim shall be filed no later than February 1 of the first assessment year the exemption is requested and shall contain information pertaining to all costs and other information associated with construction and installation of the system. Once the exemption is allowed, the exemption shall continue to be allowed for ten consecutive years without further filing as long as the property continues to be classified as residential property.

c. The director shall adopt rules to implement [this subsection](#).

39. *County fair property.* Fairgrounds, as defined in [section 174.1](#), that are owned by a county or a fair, as defined in [section 174.1](#). The use of such fairgrounds for purposes other than a fair event, as defined in [section 174.1](#), by the owner or by a lessee, including uses for pecuniary profit, shall not affect the exemption.

40. *Broadband infrastructure.*

a. The owner of broadband infrastructure shall be entitled to an exemption from taxation to the extent provided in [this subsection](#). For the purposes of [this subsection](#), “broadband infrastructure” and “targeted service area” mean the same as defined in [section 8B.1](#).

b. The exemption shall apply to the installation of broadband infrastructure that facilitates broadband service at or above twenty-five megabits per second of download speed and three megabits per second of upload speed commenced and completed on or after July 1, 2015, and before July 1, 2020, in a targeted service area, and used to deliver internet services to the public. A person claiming an exemption under [this subsection](#) shall certify to the local assessor prior to commencement of the installation that the broadband installation will take place within a targeted service area and shall specify the current number of homes, farms, schools, and businesses in the targeted service area that were offered broadband service and the download and upload speeds available prior to the broadband infrastructure installation for which the exemption is claimed and the number of homes, farms, schools, and businesses in the targeted service area that will be offered broadband service and the download and upload speeds that will be available as a result of installation of the broadband infrastructure for which the exemption is claimed.

c. The tax exemption shall be a one hundred percent exemption from taxation for a period of ten years in an amount equal to the actual value added by installation of the broadband infrastructure.

d. For companies assessed by the department of revenue pursuant to [chapter 433](#), the exemption shall be limited to an amount equal to the actual value added by installation of the broadband infrastructure as of the assessment date as determined by the department and the

exemption shall be applied to the unit value prior to any other exemption applicable to the unit value, as determined under that chapter.

e. (1) An application for an exemption shall be filed by the owner of the property with the department of revenue by February 1 of the year in which the broadband infrastructure is first assessed for taxation, or the following two assessment years, and in each case the exemption is allowed for ten years. Applications from applicants whose property is subject to assessment by the department pursuant to [chapter 433](#) shall be reviewed by the department. All other applications shall be reviewed by the applicable county board of supervisors. The department shall forward those applications for exemption that are subject to review by the county board of supervisors to the county board of supervisors of each county in which the property is located.

(2) In lieu of subparagraph (1), and notwithstanding any provision in [this subsection](#) to the contrary, an owner may at any time before completion of the project submit a proposal to the department requesting that the department or the board of supervisors, as applicable, allow the owner to file an application for exemption by February 1 of any other assessment year following completion of the project, which year shall be selected by the department or the board, as applicable. If the department approves or if the board, by resolution, approves the proposal, the exemption is allowed for ten years.

f. (1) The application shall be made on forms prescribed by the department. The application shall contain but not be limited to the following information:

(a) The nature of the broadband infrastructure installation.

(b) The percentage of the homes, farms, schools, and businesses in the targeted service area that will be provided access to broadband service.

(c) The actual cost of installing the broadband infrastructure under the project, if available. The application shall contain supporting documents demonstrating the actual cost.

(d) Certification from the office of the chief information officer pursuant to [section 8B.10](#) that the installation is being performed or was completed in a targeted service area. Certification from the office of the chief information officer that broadband infrastructure installed in a targeted service area facilitates broadband service at or above twenty-five megabits per second of download speed and three megabits per second of upload speed.

(e) Certification of the date of commencement and actual or estimated date of completion.

(f) A copy of any nonwireless broadband-related permit issued by a political subdivision.

(g) If applying pursuant to paragraph “e”, subparagraph (2), the actual cost already incurred for installation of broadband infrastructure, if any, the estimated costs for project completion, and the estimated date of project completion. The application shall contain supporting documents demonstrating the actual cost.

(2) The department and the board of supervisors shall not approve applications that are missing any of the information or documentation required in subparagraph (1). The department or the board of supervisors may consult with the office of the chief information officer to access additional information needed to review an application.

(3) The department or the board of supervisors, as applicable, shall, by March 1, notify an applicant of approval or denial of an application for an exemption under [this subsection](#) and shall also notify the applicant of the applicant’s right to an appeal.

(4) The board of supervisors shall forward all approved applications and any necessary information regarding the applications to the appropriate local assessor by March 1 annually. After the tax exemption is granted, the department or the local assessor, as applicable, shall continue to grant the tax exemption for ten years, and applications for exemption for succeeding years shall not be required.

(5) An applicant for a property tax exemption whose application was reviewed by the board of supervisors may appeal denial of the application to the property assessment appeal board within thirty days of the issuance of the denial.

(6) An applicant for a property tax exemption whose application was reviewed by the department may appeal denial of the application to the director of revenue within thirty days of the issuance of the denial.

(7) At any time after the exemption is granted and the broadband service is available in a targeted service area, the department or the board of supervisors, as applicable, under

the direction of the office of the chief information officer, may require the property owner receiving the exemption to substantiate that the owner continues to provide the service described in paragraph “b”. If the department or the board of supervisors determines that the property owner no longer provides the service described in paragraph “b”, the department or the board of supervisors shall revoke the exemption. An owner may appeal the decision to revoke the exemption in the same manner as provided in subparagraphs (5) and (6), as applicable.

g. (1) If a company whose property in the county is not assessed by the department of revenue is approved to receive a property tax exemption pursuant to [this subsection](#), the actual value added by installation of the broadband infrastructure shall be determined by the local assessor who shall certify the amount of exemption determined to the county auditor at the time of transmitting the assessment rolls.

(2) Notwithstanding any other provision of law to the contrary, if a company in which all or a portion of the company’s property in the county is assessed by the department pursuant to [chapter 433](#) and the company’s property in the county is approved to receive a property tax exemption pursuant to [this subsection](#), the department shall assess all the company’s property in the county used for operating telegraph and telephone lines, broadband, or cable systems for each assessment year the company receives the exemption, for purposes of determining the actual value added by installation of the broadband infrastructure.

h. The director of revenue shall adopt rules pursuant to [chapter 17A](#) for the interpretation and proper administration of the exemption provided in [this subsection](#).

41. *Out-of-state business property used in disaster or emergency-related work.* Property described in and meeting the requirements of [section 29C.24, subsection 3](#), paragraph “a”, subparagraph (6).

1. [C51, §455; R60, §711; C73, §797; C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §6944; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

2. [C51, §455; R60, §711; C73, §797; C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §6944; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1; [81 Acts, ch 31, §8](#)]

3, 4. [C51, §455; R60, §711; C73, §797; C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §6944; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

5. [SS15, §1304; C24, 27, 31, 35, 39, §6944; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

6. [C24, 27, 31, 35, 39, §6944; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

7, 8, 9, 10. [C51, §455; R60, §711; C73, §797; C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §6944; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1; [82 Acts, ch 1247, §1](#)]

11. [C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §6944; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

12. [C24, 27, 31, 35, 39, §6944; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

13. [C51, §455; R60, §711; C73, §797; C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §6944; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

14. [C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §6944; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

15. [C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §6944; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

16. [C51, §455; R60, §711; C73, §797; C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §6944; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

17. [R60, §711; C73, §797; C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §6944; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

18. [SS15, §1304; C24, 27, 31, 35, 39, §6944; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

19. [C51, §468, 469; R60, §723, 724; C73, §815, 816; C97, §1318, 1319, 1323; S13, §1330-g, 1342-g, 1346-g; SS15, §1346-s; C24, 27, 31, 35, 39, §6944; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

20. [C35, 39, §6944; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

21. [C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]

22. [C62, 66, 71, 73, 75, 77, 79, 81, §427.1]

- 23. [C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]
- 24, 25. [C50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]
- 26. [C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]
- 27. [C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.1]
- 28. [C62, 66, 71, 73, 75, 77, 79, 81, §427.1]
- 29. [C66, 71, 73, 75, 77, 79, 81, §427.1]
- 30. [C71, 73, 75, 77, 79, 81, §427.1]
- 31. [C73, 75, 77, 79, 81, §427.1; 82 Acts, ch 1034, §1]
- 32. [C75, 77, 79, 81, §427.1; 82 Acts, ch 1199, §92, 93, 96]
- 33. [C75, 77, 79, 81, §427.1; 82 Acts, ch 1199, §69, 96]
- 34. [C77, 79, 81, §427.1]
- 35. [C79, 81, §427.1]
- 36. [82 Acts, ch 1247, §2]
- 37. [82 Acts, ch 1247, §2]
- 38. [82 Acts, ch 1247, §2]

83 Acts, ch 121, §8; 83 Acts, ch 133, §1, 2; 83 Acts, ch 178, §1; 84 Acts, ch 1222, §5, 6, 7; 85 Acts, ch 32, §102; 86 Acts, ch 1113, §1, 2; 86 Acts, ch 1200, §8; 86 Acts, ch 1241, §35; 87 Acts, ch 23, §12 – 14; 87 Acts, ch 233, §495; 88 Acts, ch 1134, §81; 89 Acts, ch 296, §43, 44; 90 Acts, ch 1006, §1; 90 Acts, ch 1199, §5 – 8; 91 Acts, ch 97, §52, 53; 91 Acts, ch 168, §8; 92 Acts, ch 1073, §10, 11; 92 Acts, ch 1225, §3, 4; 93 Acts, ch 121, §1; 93 Acts, ch 159, §1; 95 Acts, ch 83, §19; 95 Acts, ch 84, §1 – 3; 96 Acts, ch 1034, §39; 96 Acts, ch 1129, §94; 96 Acts, ch 1167, §5; 97 Acts, ch 158, §30; 98 Acts, ch 1194, §28, 40; 99 Acts, ch 63, §5, 8; 99 Acts, ch 151, §41, 42, 89; 99 Acts, ch 152, §17, 40; 99 Acts, ch 186, §3 – 5; 99 Acts, ch 208, §56; 2000 Acts, ch 1058, §39; 2000 Acts, ch 1194, §15, 17; 2000 Acts, ch 1205, §1; 2001 Acts, ch 59, §1, 3; 2001 Acts, ch 116, §20; 2001 Acts, ch 139, §1, 2, 4; 2001 Acts, ch 150, §11 – 14, 26; 2001 Acts, ch 153, §16; 2001 Acts, 1st Ex, ch 4, §4, 36; 2002 Acts, ch 1119, §55, 56; 2002 Acts, ch 1151, §19; 2002 Acts, ch 1162, §39, 40; 2003 Acts, ch 121, §1 – 3; 2003 Acts, ch 130, §1, 2, 5; 2003 Acts, ch 136, §1, 3; 2003 Acts, ch 145, §286; 2005 Acts, ch 122, §1, 2; 2005 Acts, ch 150, §118; 2005 Acts, ch 179, §67 – 69, 84, 86, 87; 2006 Acts, ch 1125, §1, 2; 2006 Acts, ch 1158, §57; 2006 Acts, ch 1182, §62; 2006 Acts, ch 1185, §84, 89; 2007 Acts, ch 199, §3; 2008 Acts, ch 1006, §2, 3; 2008 Acts, ch 1143, §1, 2; 2008 Acts, ch 1184, §61; 2009 Acts, ch 41, §263; 2009 Acts, ch 97, §13; 2009 Acts, ch 179, §200, 223, 224, 227; 2011 Acts, ch 25, §44, 45; 2011 Acts, ch 130, §31, 71; 2012 Acts, ch 1121, §2, 4, 6; 2013 Acts, ch 109, §1, 3; 2014 Acts, ch 1116, §6, 8, 9; 2014 Acts, ch 1139, §31, 33 – 35; 2015 Acts, ch 29, §58; 2015 Acts, ch 116, §24; 2015 Acts, ch 120, §41, 45; 2016 Acts, ch 1095, §13, 14

Referred to in 88B.25, 828J.19, §331.301, §331.401, §347.32, §364.4, §364.19, §420.207, §421.1A, §421.17, §422.7, §422.35, §423A.5, §427.3, §427.13, §433.8, §437A.4, §437A.6, §456A.16, §461A.79, §463B.2, §465A.4, §483A.3, §904.302, §904.705

Federally owned lands, §1.4 et seq.

Leased church property, §565.1

Subsection 38 takes effect May 25, 2012, and applies to assessment years beginning on or after January 1, 2013; 2012 Acts, ch 1121, §4, 6

Subsection 39 applies to assessment years beginning on or after January 1, 2014; 2013 Acts, ch 109, §3

2014 amendment to subsection 2 takes effect May 30, 2014, and applies retroactively to January 1, 2014, for assessment years beginning on or after that date; 2014 Acts, ch 1139, §33, 34

2014 amendment to subsection 5 takes effect May 26, 2014, and applies retroactively to January 1, 2014, for assessment years beginning on or after that date; 2014 Acts, ch 1116, §8, 9

2015 amendment adding subsection 40 applies to assessment years beginning on or after January 1, 2016; 2015 Acts, ch 120, §45

NEW subsection 41

427.2 Taxable property acquired through eminent domain.

1. Real estate occupied as a public road, and rights-of-way for established public levees and rights-of-way for established, open, public drainage improvements shall not be taxed.

2. When land or rights in land are acquired in connection with or for public use or public purposes, the acquiring authority shall assist in the collection of property taxes and special assessments. However, assistance in the collection of the property taxes does not require the payment of property taxes on the property acquired which exceed the amount of just compensation offered as required by section 6B.45 for the acquisition of the property.

3. The property owner shall pay all property taxes which are due and payable when the property owner surrenders possession of the property acquired and also those which become due and payable for the fiscal year the property is acquired in an amount equal to one-twelfth of the taxes due and payable on the property acquired for the preceding fiscal

year multiplied by the number of months in the fiscal year in which the property was acquired which elapsed prior to the month in which the property owner surrenders possession, and including that month if the surrender of possession occurs after the fifteenth day of a month. For purposes of computing the payments, the property owner has surrendered possession of property acquired by eminent domain proceedings when the acquiring authority has the right to obtain possession of the acquired property as authorized by law. When all of the property is acquired for public use or public purposes, the property owner shall pay all special assessments in full which have been certified to the county treasurer for collection before the possession date of the acquiring authority. When part but not all of the property is acquired for public use or public purposes, taxing authorities may collect property taxes and special assessments which the property owner is obligated to pay, in accordance with [chapter 446](#), from that part of the property which is not acquired. The county treasurer shall collect and accept the payment received on property acquired for public use or public purposes as full and final payment of all property tax on the property.

4. For that portion of the prorated year for which the acquiring authority has possession of the property or part of the property acquired in connection with or for public use or public purposes, all taxes shall be canceled by the county treasurer.

5. From the date of possession by the acquiring authority for land or rights in land acquired in connection with or for public use or public purposes, and for as long as ownership is retained by the acquiring authority, a special assessment shall not be certified to the county treasurer for collection while under public ownership. However, the assessment may be certified for collection to the county treasurer upon the sale of the acquired property by the acquiring authority to a new owner on a prorated basis. Special assessments certified to a county treasurer for collection while under public ownership shall be canceled by the county treasurer.

6. Upon sale of the acquired property by the acquiring authority to a new owner, the new owner shall pay all property taxes which become due and payable or would have become due and payable but for the acquisition by the acquiring authority for the fiscal year the property is acquired by the new owner in an amount equal to one-twelfth of the taxes multiplied by the number of months in the fiscal year in which the new owner acquired the property which occurred after the month in which the new owner acquired the property.

[C73, §809; C97, §1344; C24, 27, 31, 35, 39, §6945; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.2; [82 Acts, ch 1183, §1](#)]

[86 Acts, ch 1153, §1](#); [87 Acts, ch 40, §1](#); [2016 Acts, ch 1011, §121](#)

Code editor directive applied

427.2A Taxation of life estate in property donated to public.

Real estate donated to the state or a political subdivision of the state or any agency of the state or political subdivision, for which the donor retains a life estate, or provides for another to possess a life estate shall continue to be subject to property taxation and special assessment to the same extent as the property was so subject during the fiscal year in which the donation was made. The real property shall continue to be taxed until the fiscal year following the fiscal year during which the life estate terminates. Upon termination of the life estate, the real estate shall be subject to taxation as otherwise provided by law.

[This section](#) applies to property donated on or after July 1, 1992, for purposes of property taxes or special assessments due and payable in fiscal years beginning on or after July 1, 1997.

[97 Acts, ch 146, §1](#); [2002 Acts, ch 1119, §168](#)

427.3 Abatement of taxes of certain exempt entities.

The board of supervisors may abate the taxes levied against property acquired by gift or purchase by a person or entity if the property acquired by gift or purchase was transferred to the person or entity after the deadline for filing for property tax exemption in the year in which the property was transferred and the property acquired by gift or purchase would have been exempt under [section 427.1, subsection 7, 8, or 9](#), if the person or entity had been able to file for exemption in a timely manner.

[2005 Acts, ch 140, §53](#); [2007 Acts, ch 186, §27, 30](#)

427.4 through 427.7 Reserved.

427.8 Petition for suspension or abatement of taxes, assessments, and rates or charges, including interest, fees, and costs.

If a person is unable to contribute to the public revenue, the person may file a petition, duly sworn to, with the board of supervisors, stating that fact and giving a statement of parcels, as defined in [section 445.1](#), owned or possessed by the petitioner, and other information as the board may require. The board of supervisors may order the county treasurer to suspend the collection of the taxes, special assessments, and rates or charges, including interest, fees, and costs, which are assessed against the petitioner or the petitioner's estate for the current year and those unpaid for prior years, or the board may abate the taxes, special assessments, and rates or charges, including interest, fees, and costs. The petition, when approved, shall be filed by March 1 of the current tax year with the treasurer.

[C51, §455; R60, §711; C73, §797; C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §6950; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.8]

[84 Acts, ch 1219, §33; 88 Acts, ch 1031, §1; 89 Acts, ch 296, §47; 91 Acts, ch 191, §20; 92 Acts, ch 1016, §14](#)

Referred to in [§331.402, §420.207, §425.17, §427.9, §427.10, §445.1, §447.9](#)

427.9 Suspension of taxes, assessments, and rates or charges, including interest, fees, and costs.

If a person is a recipient of federal supplementary security income or state supplementary assistance, as defined in [section 249.1](#), or is a resident of a health care facility, as defined by [section 135C.1](#), which is receiving payment from the department of human services for the person's care, the person shall be deemed to be unable to contribute to the public revenue. The director of human services shall notify a person receiving such assistance of the tax suspension provision and shall provide the person with evidence to present to the appropriate county board of supervisors which shows the person's eligibility for tax suspension on parcels owned, possessed, or upon which the person is paying taxes as a purchaser under contract. The board of supervisors so notified, without the filing of a petition and statement as specified in [section 427.8](#), shall order the county treasurer to suspend the collection of all the taxes, special assessments, and rates or charges, including interest, fees, and costs, assessed against the parcels and remaining unpaid by the person or contractually payable by the person, for such time as the person remains the owner or contractually prospective owner of the parcels, and during the period the person receives assistance as described in [this section](#). The county board of supervisors shall annually send to the department of human services the names and social security numbers of persons receiving a tax suspension pursuant to [this section](#). The department shall verify the continued eligibility for tax suspension of each name on the list and shall return the list to the board of supervisors. The director of human services shall advise the person that the person may apply for an additional property tax credit pursuant to [sections 425.16 to 425.39](#) which shall be credited against the amount of the taxes suspended.

[C35, §6950-g1; C39, §6950.1; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.9]

[83 Acts, ch 96, §157, 159; 88 Acts, ch 1031, §2; 91 Acts, ch 191, §21; 92 Acts, ch 1016, §15; 95 Acts, ch 151, §1; 97 Acts, ch 121, §14](#)

Referred to in [§331.401, §420.207, §425.17, §427.10, §427.11, §445.1, §447.9](#)

For definitions applicable to this section, see [§445.1](#)

427.10 Abatement.

The board of supervisors may, if in their judgment it is for the best interests of the public and the petitioner referred to in [section 427.8](#), or the public and the person referred to in [section 427.9](#), abate the taxes, special assessments, and rates or charges, including interest, fees, and costs, which have previously been suspended as provided in [section 427.8](#) or [427.9](#).

[C51, §455; R60, §711; C73, §797; C97, §1304; SS15, §1304; C24, 27, 31, 35, 39, §6951; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.10]

[84 Acts, ch 1219, §34; 91 Acts, ch 191, §22; 92 Acts, ch 1016, §16](#)

Referred to in [§331.402, §420.207, §445.1, §447.9](#)

For definitions applicable to this section, see [§445.1](#)

427.11 Grantee or devisee to pay tax.

If the petitioner or person described in [section 427.9](#) sells any parcel upon which the taxes, special assessments, and rates or charges, including interest, fees, and costs, have been suspended, or if any parcel, or any part of the parcel, upon which the taxes, special assessments, and rates or charges, including interest, fees, and costs, have been suspended, passes by devise, bequest, or inheritance to any person other than the surviving spouse or minor child of the petitioner or other person, the total amount due that has been thus suspended shall all become due and payable with the next semiannual installment of taxes. Interest shall accrue on the total amount due at the rate of one and one-half percent per month from the next succeeding delinquency date to the month of payment unless payment is tendered in full before the delinquency date. Interest does not accrue during the suspension period on suspended parcels, including those parcels suspended prior to April 1, 1992. The petitioner, or any other person, may pay the suspended amounts at any time during the suspension period. Except in the case of manufactured or mobile home taxes, special assessments, or rates or charges, the treasurer may accept a partial payment during the suspension period with the partial payment first being applied to interest and costs.

[C24, 27, 31, 35, 39, §6952; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.11]

[91 Acts, ch 191, §23](#); [92 Acts, ch 1016, §17](#); [2001 Acts, ch 153, §15](#); [2001 Acts, ch 176, §80](#)

Referred to in [§420.207, §445.1, §447.9](#)

For definitions applicable to this section, see [§445.1](#)

427.12 Suspended tax record.

1. The county treasurer shall maintain within the county system, as defined in [section 445.1](#), the official record of suspended taxes, special assessments, and rates or charges, the collection of which has been suspended by order of the board of supervisors. The record shall include, but is not limited to, the following information:

- a. A governmental or platted description of the parcel on which the tax, special assessment, rate, or charge has been levied or on which it is a lien.
- b. The name of the owner of the parcel.
- c. The amount and year of the tax, special assessment, rate or charge.
- d. The date the suspension was ordered.

2. The county system, as defined in [section 445.1](#), shall be such that all entries of taxes, special assessments, rates, or charges against the parcel shall be separate from the entry of taxes, special assessments, rates, or charges against all other parcels.

3. If a suspended tax, special assessment, or rate or charge in the county system is paid, or subsequently abated, the treasurer shall enter in the county system a notification of payment or abatement.

4. When a suspension ordered by the board of supervisors for any reason provided by law, has been entered in the county system, the entry, on and after its date, is a lien and shall serve as notice of a lien in accordance with [section 445.10](#).

[C31, 35, §6952-d1; C39, §6952.1; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.12]

[84 Acts, ch 1219, §35](#); [91 Acts, ch 191, §24](#); [2011 Acts, ch 25, §143](#)

Referred to in [§331.559, §445.1, §447.9](#)

427.13 What taxable.

All other real property is subject to taxation in the manner prescribed, and [this section](#) is also intended to embrace ferry franchises and toll bridges, which, for the purpose of [this chapter](#) are considered real property.

However, [this section](#) is subject to [section 427.1](#).

[C51, §456; R60, §712; C73, §801; C97, §1308; C24, 27, 31, 35, 39, §6953; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.13]

[89 Acts, ch 296, §48](#)

Bridges taxed, [§434.20](#)

427.14 County lands.

All lands in this state which are owned or held by any other county or counties claiming title under locations with swampland indemnity scrip, or otherwise, shall be taxed the same as other real estate within the limits of the county.

[C51, §456; R60, §712; C73, §801; C97, §1308; C24, 27, 31, 35, 39, §6954; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.14]

427.15 Interest of lessee.

In all cases where land belonging to any state institution has been leased and the leases renewed, containing an option of purchase, the interest of the lessees therein shall be subject to assessment and taxation as real estate. The value of such interest shall be fixed by deducting from the value of the lands and improvements the amount required by the lease to acquire the title thereto, which leasehold interest so assessed and taxed may be sold for delinquent taxes and deeds issued thereunder as in other cases of tax sales, and the same rights shall accrue to the grantee therein as were held and owned by the tenant.

[C97, §1351; C24, 27, 31, 35, 39, §6955; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §427.15]

427.16 Historic property — rehabilitation tax exemption — application.

1. The board of supervisors shall annually designate real property in the county for a historic property tax exemption.

2. Application for the exemption shall be filed with the assessor, not later than February 1 of the assessment year, on forms provided by the department of revenue. The exemption application shall include an approved application for certified substantial rehabilitation from the state historic preservation officer and documentation of additional property tax relief or financial assistance currently allowed for the real property. Upon receipt of the application, the assessor shall certify whether or not the property is eligible to receive the exemption and shall forward the application to the board.

3. Before the board may designate real property for the exemption, the board shall establish priorities for which an exemption may be granted. The priorities shall be based upon financial assistance or property tax relief the owner is receiving for the property or for which the property is eligible. A public hearing shall be held with notice given as provided in [section 73A.2](#) at which the proposed priority list shall be presented. However, a public hearing is not required if the proposed priorities are the same as those established for the previous year. After the public hearing, the board shall adopt by resolution the proposed priority list or another priority list.

4. After receipt from the assessor of an exemption application with an accompanying approved application from the state historic preservation officer, and the establishment of a priority list, the board shall grant a tax exemption under [this section](#) using the adopted priority list. The board shall notify an owner in writing of a denial of the exemption under [this section](#) and an explanation of the denial.

5. Real property designated for the tax exemption shall be designated by April 15 of the assessment year in which the fiscal year begins for which the exemption is granted. Notification shall be sent to the county auditor and the applicant.

6. The owner shall apply for an exemption and the exemption may be approved for a period of not more than four years.

7. For purposes of [this section](#) “historic property” means any of the following:

- a. Property in Iowa listed on the national register of historic places.
- b. An historical site as defined in [section 303.2](#).
- c. Property located in an area of historical significance as defined in [section 303.20](#).
- d. Property located in an area designated as an area of historic significance under [section 303.34](#).

e. Property designated an historic building or site as approved by a county or municipal landmark ordinance.

8. For purposes of [this section](#), “substantial rehabilitation” means qualified expenditures which exceed the greater of the adjusted basis of the building or five thousand dollars.

9. For purposes of [this section](#), “adjusted basis” means the acquisition cost of the

property to the taxpayer; less the value of the land; less depreciation taken or one-half the current assessed valuation of the property, whichever is greater; plus the cost of additions or improvements to the property since its acquisition.

10. For purposes of [this section](#), “*qualified expenditures*” means costs incurred to preserve or to maintain a building as a historic property according to the secretary of the interior’s standards for rehabilitation and guidelines for rehabilitating historic buildings.

11. The assessor shall determine the base year valuation of the historic property upon receipt of the approved application and shall make a notation on each statement of assessment that the exemption of the historic property shall be based upon the certification from the state historic preservation officer. An assessor shall make an annual report to the county auditor of all substantial rehabilitations of historic property made in the county which receive a tax exemption under [this section](#) and shall submit a copy or summary of the record to the state historic preservation officer.

12. A tax exemption granted under [this section](#) is valid if the property continues to be certified by the state historic preservation officer. If the property is sold or transferred, the buyer or transferee is not required to refile for the tax exemption for the year in which the property is purchased or transferred.

13. The valuation for purposes of computing the assessed valuation of property under [this section](#) following the four-year exemption period is as follows:

a. For the first year after the expiration of the four-year exemption period, the valuation is the base year valuation plus twenty-five percent of the adjustment in value.

b. For the second year after the expiration of the four-year exemption period, the valuation is the base year valuation plus fifty percent of the adjustment in value.

c. For the third year after the expiration of the four-year exemption period, the valuation is the base year valuation plus seventy-five percent of the adjustment in value.

d. For the fourth year after the expiration of the four-year exemption period, the valuation is based upon the current fair cash value.

14. An additional application for a tax exemption under [this section](#) for substantial rehabilitation shall not affect [subsection 11](#) and under [subsection 13](#) the increase in assessed value of the historic property following a four-year tax exemption period.

15. The department of cultural affairs shall adopt rules pursuant to [chapter 17A](#) to administer [this section](#).

[90 Acts, ch 1160, §1; 2001 Acts, ch 150, §15, 26; 2003 Acts, ch 145, §286](#)

427.17 Reserved.

427.18 Token tax liability accrues.

If property which may be exempt from taxation is acquired after July 1 by a person or the state or any of its political subdivisions, the exemption shall not be allowed for that fiscal year and the person or the state or any of its political subdivisions shall pay the property taxes levied against the property for that fiscal year, and payable in the following fiscal year. However, the seller and the purchaser may designate, by written agreement, the party responsible for payment of the property taxes due.

[C81, §427.18]
Referred to in [§445.28](#)

427.19 Exemptions eligibility — prorating.

All credits for and exemptions from property taxes for which an application is required shall be granted on the basis of eligibility in the fiscal year for which the application is filed. If the property which has received a credit or exemption becomes ineligible for the credit or exemption during the fiscal year for which it was granted, the property is subject to the taxes in a prorated amount for that part of the fiscal year for which the property was ineligible for the credit or exemption.

[C81, §427.19]