

441.21 Actual, assessed, and taxable value.

1. a. All property subject to taxation shall be valued at its actual value which shall be entered opposite each item, and, except as otherwise provided in [this section](#), shall be assessed at one hundred percent of its actual value, and the value so assessed shall be taken and considered as the assessed value and taxable value of the property upon which the levy shall be made.

b. (1) The actual value of all property subject to assessment and taxation shall be the fair and reasonable market value of such property except as otherwise provided in [this section](#). “Market value” is defined as the fair and reasonable exchange in the year in which the property is listed and valued between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and each being familiar with all the facts relating to the particular property. Sale prices of the property or comparable property in normal transactions reflecting market value, and the probable availability or unavailability of persons interested in purchasing the property, shall be taken into consideration in arriving at its market value. In arriving at market value, sale prices of property in abnormal transactions not reflecting market value shall not be taken into account, or shall be adjusted to eliminate the effect of factors which distort market value, including but not limited to sales to immediate family of the seller, foreclosure or other forced sales, contract sales, discounted purchase transactions or purchase of adjoining land or other land to be operated as a unit.

(2) The actual value of special purpose tooling, which is subject to assessment and taxation as real property under [section 427A.1, subsection 1](#), paragraph “e”, but which can be used only to manufacture property which is protected by one or more United States or foreign patents, shall not exceed the fair and reasonable exchange value between a willing buyer and a willing seller, assuming that the willing buyer is purchasing only the special purpose tooling and not the patent covering the property which the special purpose tooling is designed to manufacture nor the rights to manufacture the patented property. For purposes of this subparagraph, special purpose tooling includes dies, jigs, fixtures, molds, patterns, and similar property. The assessor shall not take into consideration the special value or use value to the present owner of the special purpose tooling which is designed and intended solely for the manufacture of property protected by a patent in arriving at the actual value of the special purpose tooling.

c. In assessing and determining the actual value of special purpose industrial property having an actual value of five million dollars or more, the assessor shall equalize the values of such property with the actual values of other comparable special purpose industrial property in other counties of the state. Such special purpose industrial property includes, but is not limited to chemical plants. If a variation of ten percent or more exists between the actual values of comparable industrial property having an actual value of five million dollars or more located in separate counties, the assessors of the counties shall consult with each other and with the department of revenue to determine if adequate reasons exist for the variation. If no adequate reasons exist, the assessors shall make adjustments in the actual values to provide for a variation of ten percent or less. For the purposes of this paragraph, special purpose industrial property includes structures which are designed and erected for operation of a unique and special use, are not rentable in existing condition, and are incapable of conversion to ordinary commercial or industrial use except at a substantial cost.

d. Actual value of property in one assessing jurisdiction shall be equalized as compared with actual value of property in an adjoining assessing jurisdiction. If a variation of five percent or more exists between the actual values of similar, closely adjacent property in adjoining assessing jurisdictions in Iowa, the assessors thereof shall determine whether adequate reasons exist for such variation. If no such reasons exist, the assessors shall make adjustments in such actual values to reduce the variation to five percent or less.

e. The actual value of agricultural property shall be determined on the basis of productivity and net earning capacity of the property determined on the basis of its use for agricultural purposes capitalized at a rate of seven percent and applied uniformly among counties and among classes of property. Any formula or method employed to determine productivity and net earning capacity of property shall be adopted in full by rule.

f. In counties or townships in which field work on a modern soil survey has been completed since January 1, 1949, the assessor shall place emphasis upon the results of the survey in spreading the valuation among individual parcels of such agricultural property.

g. Notwithstanding any other provision of [this section](#), the actual value of any property shall not exceed its fair and reasonable market value, except agricultural property which shall be valued exclusively as provided in paragraph “e” of [this subsection](#).

h. The assessor shall determine the value of real property in accordance with rules adopted by the department of revenue and in accordance with forms and guidelines contained in the real property appraisal manual prepared by the department as updated from time to time. Such rules, forms, and guidelines shall not be inconsistent with or change the means, as provided in [this section](#), of determining the actual, market, taxable, and assessed values.

i. (1) If the department finds that a city or county assessor is not in compliance with the rules of the department relating to valuation of property or has disregarded the forms and guidelines contained in the real property appraisal manual, the department shall notify the assessor and each member of the conference board for the appropriate assessing jurisdiction. The notice shall be mailed by restricted certified mail. The notice shall specify the areas of noncompliance and the steps necessary to achieve compliance. The notice shall also inform the assessor and conference board that if compliance is not achieved, a penalty may be imposed.

(2) The conference board shall respond to the department within thirty days of receipt of the notice of noncompliance. The conference board may respond to the notice by asserting that the assessor is in compliance with the rules, guidelines, and forms of the department or by informing the department that the conference board intends to submit a plan of action to achieve compliance. If the conference board responds to the notification by asserting that the assessor is in compliance, a hearing before the director of revenue shall be scheduled on the matter. Judicial review of the decision of the director of revenue may be sought by the conference board in accordance with [chapter 17A](#).

(3) A plan of action shall be submitted within sixty days of receipt of the notice of noncompliance. The plan shall contain a time frame under which compliance shall be achieved which shall be no later than January 1 of the following assessment year. The plan of action shall contain the signature of the assessor and of the chairperson of the conference board. The department shall review the plan to determine whether the plan is sufficient to achieve compliance. Within thirty days of receipt of the plan, the department shall notify the assessor and the chairperson of the conference board that it has accepted the plan or that it is necessary to submit an amended plan of action.

(4) By January 1 of the assessment year following the calendar year in which the plan was submitted to the department, the conference board shall submit a report to the department indicating that the plan of action was followed and compliance has been achieved. The department may conduct a field inspection to ensure that the assessor is in compliance. By January 31, the department shall notify the assessor and the conference board, by restricted certified mail, either that compliance has been achieved or that the assessor remains in noncompliance. If the department determines that the assessor remains in noncompliance, the department shall take steps to withhold up to five percent of the reimbursement payment authorized in [section 425.1](#) until the department of revenue determines that the assessor is in compliance.

(5) If the conference board disputes the determination of the department, the chairperson of the conference board may appeal the determination to the director of revenue within thirty days from the date of the notice that the assessor remains in noncompliance. The director of revenue shall grant a hearing, and upon hearing shall determine the correctness of the department’s determination of noncompliance. The director of revenue shall notify the conference board of the decision by mail. Judicial review of the decision of the director of revenue may be sought by the chairperson of the conference board in accordance with [chapter 17A](#).

(6) The department shall adopt rules relating to the administration of this paragraph “i”.

2. In the event market value of the property being assessed cannot be readily established in the foregoing manner, then the assessor may determine the value of the property

using the other uniform and recognized appraisal methods including its productive and earning capacity, if any, industrial conditions, its cost, physical and functional depreciation and obsolescence and replacement cost, and all other factors which would assist in determining the fair and reasonable market value of the property but the actual value shall not be determined by use of only one such factor. The following shall not be taken into consideration: Special value or use value of the property to its present owner, and the goodwill or value of a business which uses the property as distinguished from the value of the property as property. In addition, for assessment years beginning on or after January 1, 2018, and unless otherwise required for property valued by the department of revenue pursuant to [chapters 428, 437, and 438](#), the assessor shall not take into consideration and shall not request from any person sales or receipts data, expense data, balance sheets, bank account information, or other data related to the financial condition of a business operating in whole or in part on the property if the property is both classified as commercial or industrial property and owned and used by the owner of the business. However, in assessing property that is rented or leased to low-income individuals and families as authorized by section 42 of the Internal Revenue Code, as amended, and which section limits the amount that the individual or family pays for the rental or lease of units in the property, the assessor shall, unless the owner elects to withdraw the property from the assessment procedures for section 42 property, use the productive and earning capacity from the actual rents received as a method of appraisal and shall take into account the extent to which that use and limitation reduces the market value of the property. The assessor shall not consider any tax credit equity or other subsidized financing as income provided to the property in determining the assessed value. The property owner shall notify the assessor when property is withdrawn from section 42 eligibility under the Internal Revenue Code or if the owner elects to withdraw the property from the assessment procedures for section 42 property under [this subsection](#). The property shall not be subject to section 42 assessment procedures for the assessment year for which section 42 eligibility is withdrawn or an election is made. This notification must be provided to the assessor no later than March 1 of the assessment year or the owner will be subject to a penalty of five hundred dollars for that assessment year. The penalty shall be collected at the same time and in the same manner as regular property taxes. An election to withdraw from the assessment procedures for section 42 property is irrevocable. Property that is withdrawn from the assessment procedures for section 42 property shall be classified and assessed as residential property unless the property otherwise fails to meet the requirements of [subsection 14](#). Upon adoption of uniform rules by the department of revenue or succeeding authority covering assessments and valuations of such properties, the valuation on such properties shall be determined in accordance with such rules and in accordance with forms and guidelines contained in the real property appraisal manual prepared by the department as updated from time to time for assessment purposes to assure uniformity, but such rules, forms, and guidelines shall not be inconsistent with or change the foregoing means of determining the actual, market, taxable, and assessed values.

3. a. “Actual value”, “taxable value”, or “assessed value” as used in other sections of the Code in relation to assessment of property for taxation shall mean the valuations as determined by [this section](#); however, other provisions of the Code providing special methods or formulas for assessing or valuing specified property shall remain in effect, but [this section](#) shall be applicable to the extent consistent with such provisions. The assessor and department of revenue shall disclose at the written request of the taxpayer all information in any formula or method used to determine the actual value of the taxpayer’s property.

b. (1) For assessment years beginning before January 1, 2018, the burden of proof shall be upon any complainant attacking such valuation as excessive, inadequate, inequitable, or capricious. However, in protest or appeal proceedings when the complainant offers competent evidence by at least two disinterested witnesses that the market value of the property is less than the market value determined by the assessor, the burden of proof thereafter shall be upon the officials or persons seeking to uphold such valuation to be assessed.

(2) For assessment years beginning on or after January 1, 2018, the burden of proof shall be upon any complainant attacking such valuation as excessive, inadequate, inequitable,

or capricious. However, in protest or appeal proceedings when the complainant offers competent evidence that the market value of the property is different than the market value determined by the assessor, the burden of proof thereafter shall be upon the officials or persons seeking to uphold such valuation to be assessed.

(3) If the classification of a property has been previously adjudicated by the property assessment appeal board or a court as part of an appeal under [this chapter](#), there is a presumption that the classification of the property has not changed for each of the four subsequent assessment years, unless a subsequent such adjudication of the classification of the property has occurred, and the burden of demonstrating a change in use shall be upon the person asserting a change to the property's classification.

4. For valuations established as of January 1, 1979, the percentage of actual value at which agricultural and residential property shall be assessed shall be the quotient of the dividend and divisor as defined in [this section](#).

a. (1) The dividend for each class of property shall be the dividend as determined for each class of property for valuations established as of January 1, 1978, adjusted by the product obtained by multiplying the percentage determined for that year by the amount of any additions or deletions to actual value, excluding those resulting from the revaluation of existing properties, as reported by the assessors on the abstracts of assessment for 1978, plus six percent of the amount so determined.

(2) However, if the difference between the dividend so determined for either class of property and the dividend for that class of property for valuations established as of January 1, 1978, adjusted by the product obtained by multiplying the percentage determined for that year by the amount of any additions or deletions to actual value, excluding those resulting from the revaluation of existing properties, as reported by the assessors on the abstracts of assessment for 1978, is less than six percent, the 1979 dividend for the other class of property shall be the dividend as determined for that class of property for valuations established as of January 1, 1978, adjusted by the product obtained by multiplying the percentage determined for that year by the amount of any additions or deletions to actual value, excluding those resulting from the revaluation of existing properties, as reported by the assessors on the abstracts of assessment for 1978, plus a percentage of the amount so determined which is equal to the percentage by which the dividend as determined for the other class of property for valuations established as of January 1, 1978, adjusted by the product obtained by multiplying the percentage determined for that year by the amount of any additions or deletions to actual value, excluding those resulting from the revaluation of existing properties, as reported by the assessors on the abstracts of assessment for 1978, is increased in arriving at the 1979 dividend for the other class of property.

(3) For valuations established for assessment years beginning on or after January 1, 2022, the calculation of the dividend for residential property under [this subsection](#) shall exclude the value of all property described in [subsection 14](#), paragraph "a", subparagraphs (2), (3), (4), (5), and (6), and the property described in [subsection 14](#), paragraph "a", subparagraph (7), that contains three or more separate dwelling units.

b. (1) The divisor for each class of property shall be the total actual value of all such property in the state in the preceding year, as reported by the assessors on the abstracts of assessment submitted for 1978, plus the amount of value added to said total actual value by the revaluation of existing properties in 1979 as equalized by the director of revenue pursuant to [section 441.49](#). The director shall utilize information reported on abstracts of assessment submitted pursuant to [section 441.45](#) in determining such percentage.

(2) For valuations established for assessment years beginning on or after January 1, 2022, the calculation of the divisor for residential property under [this subsection](#) shall exclude the value of all property described in [subsection 14](#), paragraph "a", subparagraphs (2), (3), (4), (5), and (6), and the property described in [subsection 14](#), paragraph "a", subparagraph (7), that contains three or more separate dwelling units.

c. (1) For valuations established as of January 1, 1980, and each assessment year thereafter beginning before January 1, 2013, the percentage of actual value as equalized by the director of revenue as provided in [section 441.49](#) at which agricultural and residential property shall be assessed shall be calculated in accordance with the methods provided

in [this subsection](#), including the limitation of increases in agricultural and residential assessed values to the percentage increase of the other class of property if the other class increases less than the allowable limit adjusted to include the applicable and current values as equalized by the director of revenue, except that any references to six percent in [this subsection](#) shall be four percent.

(2) For valuations established as of January 1, 2013, and each assessment year thereafter, the percentage of actual value as equalized by the department of revenue as provided in [section 441.49](#) at which agricultural and residential property shall be assessed shall be calculated in accordance with the methods provided in [this subsection](#), including the limitation of increases in agricultural and residential assessed values to the percentage increase of the other class of property if the other class increases less than the allowable limit adjusted to include the applicable and current values as equalized by the department of revenue, except that any references to six percent in [this subsection](#) shall be three percent.

5. a. (1) For valuations established as of January 1, 1979, property valued by the department of revenue pursuant to [chapter 437](#) shall be considered as one class of property and shall be assessed as a percentage of its actual value. The percentage shall be determined by the director of revenue in accordance with the provisions of [this section](#). For valuations established as of January 1, 1979, the percentage shall be the quotient of the dividend and divisor as defined in [this section](#). The dividend shall be the total actual valuation established for 1978 by the department of revenue, plus ten percent of the amount so determined. The divisor for property valued by the department of revenue pursuant to [chapter 437](#) shall be the valuation established for 1978, plus the amount of value added to the total actual value by the revaluation of the property by the department of revenue as of January 1, 1979. For valuations established as of January 1, 1980, property valued by the department of revenue pursuant to [chapter 437](#) shall be assessed at a percentage of its actual value. The percentage shall be determined by the director of revenue in accordance with the provisions of [this section](#). For valuations established as of January 1, 1980, the percentage shall be the quotient of the dividend and divisor as defined in [this section](#). The dividend shall be the total actual valuation established for 1979 by the department of revenue, plus eight percent of the amount so determined. The divisor for property valued by the department of revenue pursuant to [chapter 437](#) shall be the valuation established for 1979, plus the amount of value added to the total actual value by the revaluation of the property by the department of revenue as of January 1, 1980. For valuations established as of January 1, 1981, and each year thereafter, the percentage of actual value at which property valued by the department of revenue pursuant to [chapter 437](#) shall be assessed shall be calculated in accordance with the methods provided herein, except that any references to ten percent in [this subsection](#) shall be eight percent.

(2) For valuations established on or after January 1, 2013, property valued by the department of revenue pursuant to [chapter 434](#) shall be assessed at a portion of its actual value determined in the same manner at which property assessed as commercial property is assessed under paragraph “b” for the same assessment year.

(3) For valuations established for the assessment year beginning January 1, 2025, the percentage of actual value at which property valued by the department of revenue pursuant to [chapters 428](#) and [438](#) shall be assessed shall be ninety-eight percent.

(4) For valuations established for the assessment year beginning January 1, 2026, the percentage of actual value at which property valued by the department of revenue pursuant to [chapters 428](#) and [438](#) shall be assessed shall be ninety-six percent.

(5) For valuations established for the assessment year beginning January 1, 2027, the percentage of actual value at which property valued by the department of revenue pursuant to [chapters 428](#) and [438](#) shall be assessed shall be ninety-four percent.

(6) For valuations established for the assessment year beginning January 1, 2028, the percentage of actual value at which property valued by the department of revenue pursuant to [chapters 428](#) and [438](#) shall be assessed shall be ninety-two percent.

(7) For valuations established on or after January 1, 2029, the percentage of actual value at which property valued by the department of revenue pursuant to [chapters 428](#) and [438](#) shall be assessed shall be ninety percent.

b. For valuations established on or after January 1, 2013, commercial property, excluding properties referred to in [section 427A.1, subsection 9](#), shall be assessed at a portion of its actual value, as determined in this paragraph “b”.

(1) For valuations established for the assessment year beginning January 1, 2013, the percentage of actual value as equalized by the department of revenue as provided in [section 441.49](#) at which commercial property shall be assessed shall be ninety-five percent. For valuations established for the assessment year beginning January 1, 2014, and each assessment year thereafter beginning before January 1, 2022, the percentage of actual value as equalized by the department of revenue as provided in [section 441.49](#) at which commercial property shall be assessed shall be ninety percent.

(2) For valuations established for the assessment year beginning January 1, 2022, and each assessment year thereafter, the portion of actual value at which each property unit of commercial property shall be assessed shall be the sum of the following:

(a) An amount equal to the product of the assessment limitation percentage applicable to residential property under [subsection 4](#) for that assessment year multiplied by the actual value of the property that exceeds zero dollars but does not exceed one hundred fifty thousand dollars.

(b) An amount equal to ninety percent of the actual value of the property for that assessment year that exceeds one hundred fifty thousand dollars.

c. For valuations established on or after January 1, 2013, industrial property, excluding properties referred to in [section 427A.1, subsection 9](#), shall be assessed at a portion of its actual value, as determined in this paragraph “c”.

(1) For valuations established for the assessment year beginning January 1, 2013, the percentage of actual value as equalized by the department of revenue as provided in [section 441.49](#) at which industrial property shall be assessed shall be ninety-five percent. For valuations established for the assessment year beginning January 1, 2014, and each assessment year thereafter beginning before January 1, 2022, the percentage of actual value as equalized by the department of revenue as provided in [section 441.49](#) at which industrial property shall be assessed shall be ninety percent.

(2) For valuations established for the assessment year beginning January 1, 2022, and each assessment year thereafter, the portion of actual value at which each property unit of industrial property shall be assessed shall be the sum of the following:

(a) An amount equal to the product of the assessment limitation percentage applicable to residential property under [subsection 4](#) for that assessment year multiplied by the actual value of the property that exceeds zero dollars but does not exceed one hundred fifty thousand dollars.

(b) An amount equal to ninety percent of the actual value of the property for that assessment year that exceeds one hundred fifty thousand dollars.

d. For valuations established for the assessment year beginning January 1, 2019, and each assessment year thereafter, the percentages or portions of actual value at which property is assessed, as determined under [this subsection](#), shall not be applied to the value of wind energy conversion property valued under [section 427B.26](#) the construction of which is approved by the Iowa utilities commission on or after July 1, 2018.

e. (1) For the fiscal year beginning July 1, 2023, there is appropriated from the general fund of the state to the department of revenue the sum of one hundred twenty-two million three hundred fifty thousand dollars to be used for payments under this paragraph calculated as a result of the assessment limitations imposed under paragraph “b”, subparagraph (2), subparagraph division (a), and paragraph “c”, subparagraph (2), subparagraph division (a). For each fiscal year beginning on or after July 1, 2024, there is appropriated from the general fund of the state to the department of revenue the sum of one hundred twenty-five million dollars to be used for payments under this paragraph calculated as a result of the assessment limitations imposed under paragraph “b”, subparagraph (2), subparagraph division (a), and paragraph “c”, subparagraph (2), subparagraph division (a).

(2) For fiscal years beginning on or after July 1, 2023, each county treasurer shall be paid by the department of revenue an amount calculated under subparagraph (4). If an amount appropriated for the fiscal year is insufficient to make all payments as calculated under

subparagraph (4), the director of revenue shall prorate the payments to the county treasurers and shall notify the county auditors of the pro rata percentage on or before September 30.

(3) On or before July 1 of each fiscal year, the assessor shall report to the county auditor that portion of the total actual value of all commercial property and industrial property in the county that is subject to the assessment limitations imposed under paragraph “b”, subparagraph (2), subparagraph division (a), and paragraph “c”, subparagraph (2), subparagraph division (a), for the assessment year used to calculate the taxes due and payable in that fiscal year.

(4) On or before September 1 of each fiscal year, the county auditor shall prepare a statement, based on the report received in subparagraph (3) and information transmitted to the county auditor under [chapter 434](#), listing for each taxing district in the county:

(a) The product of the portion of the total actual value of all commercial property, industrial property, and property valued by the department under [chapter 434](#) in the county that is subject to the assessment limitations imposed under paragraph “b”, subparagraph (2), subparagraph division (a), and paragraph “c”, subparagraph (2), subparagraph division (a), for the applicable assessment year used to calculate taxes which are due and payable in the applicable fiscal year multiplied by the difference, stated as a percentage, between ninety percent and the assessment limitation percentage applicable to residential property under [subsection 4](#) for the applicable assessment year.

(b) The tax levy rate per one thousand dollars of assessed value for each taxing district for the applicable fiscal year.

(c) The amount of the payment for each county is equal to the amount determined pursuant to subparagraph division (a), multiplied by the tax rate specified in subparagraph division (b), and then divided by one thousand dollars.

(5) The county auditor shall certify and forward one copy of the statement described in subparagraph (4) to the department of revenue not later than September 1 of each fiscal year.

(6) The amounts determined under this paragraph shall be paid by the department to the county treasurers in equal installments in September and March of each year. The county treasurer shall apportion the payments among the eligible taxing districts in the county and the amounts received by each taxing authority shall be treated the same as property taxes paid.

f. For the purposes of [this subsection](#), unless the context otherwise requires:

(1) “*Contiguous parcels*” means any of the following:

(a) Parcels that share a common boundary.

(b) Parcels within the same building or structure regardless of whether the parcels share a common boundary.

(c) Permanent improvements to the land that are situated on one or more parcels of land that are assessed and taxed separately from the permanent improvements if the parcels of land upon which the permanent improvements are situated share a common boundary.

(2) “*Parcel*” means the same as defined in [section 445.1](#). “*Parcel*” also means that portion of a parcel assigned a classification of commercial property or industrial property pursuant to [section 441.21, subsection 14](#), paragraph “b”.

(3) “*Property unit*” means a parcel or contiguous parcels all of which are located within the same county, with the same property tax classification, are owned by the same person, and are operated by that person for a common use and purpose.

6. Beginning with valuations established as of January 1, 1978, the assessors shall report the aggregate taxable values and the number of dwellings located on agricultural land and the aggregate taxable value of all other structures on agricultural land. Beginning with valuations established as of January 1, 1981, the agricultural dwellings located on agricultural land shall be valued at their market value as defined in [this section](#) and agricultural dwellings shall be valued as rural residential property and shall be assessed at the same percentage of actual value as is all other residential property.

7. a. For the purpose of computing the debt limitations for municipalities, political subdivisions, and school districts, the term “*actual value*” means the “*actual value*” as determined by [subsections 1 through 3](#) without application of any percentage reduction

and entered opposite each item, and as listed on the tax list as provided in [section 443.2](#) as “actual value”.

b. Whenever any board of review or other tribunal changes the assessed value of property, all applicable records of assessment shall be adjusted to reflect such change in both assessed value and actual value of such property.

8. a. Any normal and necessary repairs to a building, not amounting to structural replacements or modification, shall not increase the taxable value of the building. This paragraph applies only to repairs of two thousand five hundred dollars or less per building per year.

b. Notwithstanding paragraph “a”, any construction or installation of a solar energy system on property classified as agricultural, residential, commercial, or industrial property shall not increase the actual, assessed, and taxable values of the property for five full assessment years.

c. As used in [this subsection](#), “solar energy system” means either of the following:

(1) A system of equipment capable of collecting and converting incident solar radiation or wind energy into thermal, mechanical or electrical energy and transforming these forms of energy by a separate apparatus to storage or to a point of use which is constructed or installed after January 1, 1978.

(2) A system that uses the basic design of the building to maximize solar heat gain during the cold season and to minimize solar heat gain in the hot season and that uses natural means to collect, store, and distribute solar energy which is constructed or installed after January 1, 1981.

d. In assessing and valuing the property for tax purposes, the assessor shall disregard any market value added by a solar energy system to a building. The director of revenue shall adopt rules, after consultation with the economic development authority, specifying the types of equipment and structural components to be included under the guidelines provided in [this subsection](#).

9. Not later than November 1, 1979, and November 1 of each subsequent year, the director shall certify to the county auditor of each county the percentages of actual value at which residential property, agricultural property, commercial property, industrial property, property valued by the department of revenue pursuant to [chapters 428 and 438](#), property valued by the department of revenue pursuant to [chapter 434](#), and property valued by the department of revenue pursuant to [chapter 437](#) in each assessing jurisdiction in the county shall be assessed for taxation, including for assessment years beginning on or after January 1, 2022, the percentages used to apply the assessment limitations under [subsection 5](#), paragraphs “b” and “c”. The county auditor shall proceed to determine the assessed values of agricultural property, residential property, commercial property, industrial property, property valued by the department of revenue pursuant to [chapters 428 and 438](#), property valued by the department of revenue pursuant to [chapter 434](#), and property valued by the department of revenue pursuant to [chapter 437](#) by applying such percentages to the current actual value of such property, as reported to the county auditor by the assessor, and the assessed values so determined shall be the taxable values of such properties upon which the levy shall be made.

10. The percentages of actual value computed by the department of revenue for agricultural property, residential property, commercial property, industrial property, property valued by the department of revenue pursuant to [chapters 428 and 438](#), property valued by the department of revenue pursuant to [chapter 434](#), and property valued by the department of revenue pursuant to [chapter 437](#), including for assessment years beginning on or after January 1, 2022, the percentages used to apply the assessment limitations under [subsection 5](#), paragraphs “b” and “c”, and used to determine assessed values of those classes of property do not constitute a rule as defined in [section 17A.2, subsection 11](#).

11. Beginning with valuations established on or after January 1, 1995, as used in [this section](#), “residential property” includes all land and buildings of multiple housing cooperatives organized under [chapter 499A](#) and includes land and buildings used primarily for human habitation which land and buildings are owned and operated by organizations that have received tax-exempt status under section 501(c)(3) of the Internal Revenue Code

and rental income from the property is not taxed as unrelated business income under [section 422.33, subsection 1A](#).

12. As used in [this section](#), unless the context otherwise requires, “*agricultural property*” includes all of the following:

a. Beginning with valuations established on or after January 1, 2002, the real estate of a vineyard and buildings used in connection with the vineyard, including any building used for processing wine if such building is located on the same parcel as the vineyard.

b. Beginning with valuations established on or after January 1, 2013, real estate used directly in the cultivation and production of algae for harvesting as a crop for animal feed, food, nutritionals, or biofuel production. The real estate must be an enclosed pond or land containing a photobioreactor.

13. a. Beginning with valuations established on or after January 1, 2016, but before January 1, 2022, all of the following shall be valued as a separate class of property known as multiresidential property and, excluding properties referred to in [section 427A.1, subsection 9](#), shall be assessed at a percentage of its actual value, as determined in [this subsection](#):

(1) Mobile home parks.

(2) Manufactured home communities.

(3) Land-leased communities.

(4) Assisted living facilities.

(5) A parcel primarily used or intended for human habitation containing three or more separate dwelling units. If a portion of such a parcel is used or intended for a purpose that, if the primary use, would be classified as commercial property or industrial property, each such portion, including a proportionate share of the land included in the parcel, if applicable, shall be assigned the appropriate classification pursuant to paragraph “c”.

(6) For a parcel that is primarily used or intended for use as commercial property or industrial property, that portion of the parcel that is used or intended for human habitation, regardless of the number of dwelling units contained on the parcel, including a proportionate share of the land included in the parcel, if applicable, shall be assigned the appropriate classification pursuant to paragraph “c”.

b. For valuations established for the assessment year beginning January 1, 2015, the percentage of actual value as equalized by the department of revenue as provided in [section 441.49](#) at which multiresidential property shall be assessed shall be the greater of eighty-six and twenty-five hundredths percent or the percentage of actual value determined by the department of revenue at which property assessed as residential property is assessed for the same assessment year under [subsection 4](#). For valuations established for the assessment year beginning January 1, 2016, the percentage of actual value as equalized by the department of revenue as provided in [section 441.49](#) at which multiresidential property shall be assessed shall be the greater of eighty-two and five-tenths percent or the percentage of actual value determined by the department of revenue at which property assessed as residential property is assessed for the same assessment year under [subsection 4](#). For valuations established for the assessment year beginning January 1, 2017, the percentage of actual value as equalized by the department of revenue as provided in [section 441.49](#) at which multiresidential property shall be assessed shall be the greater of seventy-eight and seventy-five hundredths percent or the percentage of actual value determined by the department of revenue at which property assessed as residential property is assessed for the same assessment year under [subsection 4](#). For valuations established for the assessment year beginning January 1, 2018, the percentage of actual value as equalized by the department of revenue as provided in [section 441.49](#) at which multiresidential property shall be assessed shall be the greater of seventy-five percent or the percentage of actual value determined by the department of revenue at which property assessed as residential property is assessed for the same assessment year under [subsection 4](#). For valuations established for the assessment year beginning January 1, 2019, the percentage of actual value as equalized by the department of revenue as provided in [section 441.49](#) at which multiresidential property shall be assessed shall be the greater of seventy-one and twenty-five hundredths percent or the percentage

of actual value determined by the department of revenue at which property assessed as residential property is assessed for the same assessment year under [subsection 4](#). For valuations established for the assessment year beginning January 1, 2020, the percentage of actual value as equalized by the department of revenue as provided in [section 441.49](#) at which multiresidential property shall be assessed shall be the greater of sixty-seven and five-tenths percent or the percentage of actual value determined by the department of revenue at which property assessed as residential property is assessed for the same assessment year under [subsection 4](#). For valuations established for the assessment year beginning January 1, 2021, the percentage of actual value as equalized by the department of revenue as provided in [section 441.49](#) at which multiresidential property shall be assessed shall be the greater of sixty-three and seventy-five hundredths percent or the percentage of actual value determined by the department of revenue at which property assessed as residential property is assessed for the same assessment year under [subsection 4](#).

c. Beginning with valuations established on or after January 1, 2016, but before January 1, 2022, for parcels for which a portion of the parcel satisfies the requirements for classification as multiresidential property pursuant to paragraph “a”, subparagraph (5) or (6), the assessor shall assign to that portion of the parcel the classification of multiresidential property and to such other portions of the parcel the property classification for which such other portions qualify.

d. Property that is rented or leased to low-income individuals and families as authorized by section 42 of the Internal Revenue Code, and that has not been withdrawn from section 42 assessment procedures under [subsection 2](#) of [this section](#), or a hotel, motel, inn, or other building where rooms or dwelling units are usually rented for less than one month shall not be classified as multiresidential property under [this subsection](#).

e. As used in [this subsection](#):

(1) “Assisted living facility” means property for providing assisted living as defined in [section 231C.2](#). “Assisted living facility” also includes a health care facility, as defined in [section 135C.1](#), an elder group home, as defined in [section 231B.1](#), a child foster care facility under [chapter 237](#), or property used for a hospice program as defined in [section 135J.1](#).

(2) “Dwelling unit” means an apartment, group of rooms, or single room which is occupied as separate living quarters or, if vacant, is intended for occupancy as separate living quarters, in which a tenant can live and sleep separately from any other persons in the building.

(3) “Land-leased community” means the same as defined in [sections 335.30A](#) and [414.28A](#).

(4) “Manufactured home community” means the same as a land-leased community.

(5) “Mobile home park” means the same as defined in [section 435.1](#).

14. a. Beginning with valuations established on or after January 1, 2022, all of the following shall be classified and valued as residential property:

(1) Property primarily used or intended for human habitation containing two or fewer dwelling units.

(2) Mobile home parks.

(3) Manufactured home communities.

(4) Land-leased communities.

(5) Assisted living facilities.

(6) A parcel primarily used or intended for human habitation containing three or more separate dwelling units. If a portion of such a parcel is used or intended for a purpose that, if the primary use, would be classified as commercial property or industrial property, each such portion, including a proportionate share of the land included in the parcel, if applicable, shall be assigned the appropriate classification pursuant to paragraph “b”.

(7) For a parcel that is primarily used or intended for use as commercial property or industrial property, that portion of the parcel that is used or intended for human habitation, regardless of the number of dwelling units contained on the parcel, including a proportionate share of the land included in the parcel, if applicable. The portion of such a parcel used or intended for use as commercial property or industrial property, including a proportionate share of the land included in the parcel, if applicable, shall be assigned the appropriate classification pursuant to paragraph “b”.

b. Beginning with valuations established on or after January 1, 2022, for parcels for which

a portion of the parcel satisfies the requirements for classification as residential property pursuant to paragraph “a”, subparagraph (6) or (7), the assessor shall assign to that portion of the parcel the classification of residential property and to such other portions of the parcel the property classification for which such other portions qualify.

c. Property that is rented or leased to low-income individuals and families as authorized by section 42 of the Internal Revenue Code, and that has not been withdrawn from section 42 assessment procedures under [subsection 2 of this section](#), or a hotel, motel, inn, or other building where rooms or dwelling units are usually rented for less than one month shall not be classified as residential property under [this subsection](#).

d. As used in [this subsection](#):

(1) “Assisted living facility” means property for providing assisted living as defined in [section 231C.2](#). “Assisted living facility” also includes a health care facility, as defined in [section 135C.1](#), an elder group home, as defined in [section 231B.1](#), a child foster care facility under [chapter 237](#), or property used for a hospice program as defined in [section 135J.1](#).

(2) “Dwelling unit” means an apartment, group of rooms, or single room which is occupied as separate living quarters or, if vacant, is intended for occupancy as separate living quarters, in which a tenant can live and sleep separately from any other persons in the building.

(3) “Land-leased community” means the same as defined in sections [335.30A](#) and [414.28A](#).

(4) “Manufactured home community” means the same as a land-leased community.

(5) “Mobile home park” means the same as defined in [section 435.1](#).

[C97, §1305; S13, §1305; C24, 27, 31, 35, 39, **§7109**; C46, §441.4; C50, 54, 58, §441.13; C62, 66, 71, 73, 75, 77, 79, 81, §441.21; **81 Acts, ch 144, §1**; **82 Acts, ch 1100, §22, ch 1159, §1 – 3, ch 1186, §4, 5**]

83 Acts, ch 202, §22, 23; **84 Acts, ch 1223, §1**; **88 Acts, ch 1116, §1**; **89 Acts, ch 176, §1**; **89 Acts, ch 296, §63**; **95 Acts, ch 83, §28**; **95 Acts, ch 157, §1**; **96 Acts, ch 1034, §40**; **97 Acts, ch 23, §51**; **99 Acts, ch 114, §28**; **2001 Acts, ch 119, §1**; **2002 Acts, ch 1150, §13**; **2002 Acts, ch 1153, §1, 2**; **2003 Acts, ch 145, §286**; **2004 Acts, ch 1073, §29**; **2005 Acts, ch 150, §124, 125**; **2009 Acts, ch 108, §16, 41**; **2011 Acts, ch 25, §97, 143**; **2011 Acts, ch 118, §50, 89**; **2013 Acts, ch 118, §2 – 4**; **2013 Acts, ch 123, §17 – 19, 22, 23, 26 – 28, 30, 50, 64, 65**; **2014 Acts, ch 1131, §2 – 4**; **2015 Acts, ch 109, §64 – 68, 75**; **2015 Acts, ch 116, §3, 13**; **2016 Acts, ch 1073, §121**; **2017 Acts, ch 151, §8, 9, 28, 29, 31**; **2018 Acts, ch 1158, §19 – 21, 28**; **2018 Acts, ch 1172, §94**; **2021 Acts, ch 20, §7 – 11, 14, 15**; **2022 Acts, ch 1061, §36 – 38**; **2023 Acts, ch 5, §1, 3, 4**; **2023 Acts, ch 119, §6**; **2024 Acts, ch 1094, §59 – 61**; **2024 Acts, ch 1170, §369**

Referred to in [§257.3](#), [331.512](#), [357H.9](#), [386.8](#), [386.9](#), [386.10](#), [403.20](#), [404.3A](#), [420.207](#), [422.7\(13\)\(a\)](#), [425.11](#), [427.1\(8\)\(b\)](#), [427.1\(9\)](#), [427.1\(19\)\(a\)](#), [427B.26](#), [428.29](#), [432.7](#), [434.15](#), [437.7](#), [438.13](#), [441.17](#), [441.37](#), [441.37A](#), [441.49](#), [443.2](#), [443.22](#)

2021 amendments to subsection 2, subsection 8, paragraph b, subsections 9 and 10, and subsection 13, paragraphs a – c, apply to assessment years beginning on or after January 1, 2022; 2021 Acts, ch 20, §15

Subsection 14 applies to assessment years beginning on or after January 1, 2022; 2021 Acts, ch 20, §15

2022 amendments to subsections 5, 9, and 10 apply retroactively to assessment years beginning on or after January 1, 2022; 2022 Acts, ch 1061, §38

2023 amendment to subsection 4 applies retroactively to assessment years beginning on or after January 1, 2022; 2023 Acts, ch 5, §4

2024 amendment to subsection 5, paragraph a applies to assessment years beginning on or after January 1, 2025; 2024 Acts, ch 1094, §61

2024 amendment to subsections 9 and 10 applies to assessment years beginning on or after January 1, 2025; 2024 Acts, ch 1094, §61

2018 amendment to subsection 2 effective July 1, 2024; **2018 Acts, ch 1158, §28**

2018 amendment to subsection 5, paragraph a, effective July 1, 2024; **2018 Acts, ch 1158, §28**

2018 amendments to subsections 9 and 10 effective July 1, 2024; **2018 Acts, ch 1158, §28**

See Code editor's note at the beginning of this Code volume

Code editor directive applied

Subsection 2 amended

Subsection 5, paragraph a amended

Subsections 9 and 10 amended