

425.7 Appeals permitted — disallowed claims and penalty.

1. Any person whose claim is denied under the provisions of [this subchapter](#) may appeal from the action of the board of supervisors to the district court of the county in which said claimed homestead is situated by giving written notice of such appeal to the county auditor of said county within twenty days from the date of mailing of notice of such action by the board of supervisors.

2. In the event any claim under [this subchapter](#) is allowed, any owner of an eligible homestead may appeal from the action of the board of supervisors to the district court of the county in which said claimed homestead is situated, by giving written notice of such appeal to the county auditor of said county and such notice to the owner of said claimed homestead as a judge of the district court shall direct.

3. *a.* If the department of revenue determines that a claim for homestead exemption and credit has been allowed by the board of supervisors which is not justifiable under the law and not substantiated by proper facts, the department may, at any time within thirty-six months from July 1 of the year in which the claim is allowed, set aside the allowance. Notice of the disallowance shall be given to the county auditor of the county in which the claim has been improperly granted and a written notice of the disallowance shall also be addressed to the claimant at the claimant's last known address. The claimant or board of supervisors may appeal to the director of revenue within thirty days from the date of the notice of disallowance. The director shall grant a hearing and if, upon the hearing, the director determines that the disallowance was incorrect, the director shall set aside the disallowance. The director shall notify the claimant and the board of supervisors of the result of the hearing. The claimant or the board of supervisors may seek judicial review of the action of the director of revenue in accordance with [chapter 17A](#).

b. If a claim is disallowed by the department of revenue and not appealed to the director of revenue or appealed to the director of revenue and thereafter upheld upon final resolution, including any judicial review, any amounts of exemptions allowed and credits allowed and paid from the homestead credit fund including the penalty, if any, become a lien upon the property on which the exemption or credit was originally granted, if still in the hands of the claimant, and not in the hands of a bona fide purchaser, and any amount so erroneously paid including the penalty, if any, shall be collected by the county treasurer in the same manner as other taxes and the collections shall be returned to the department of revenue and credited to the homestead credit fund. The director of revenue may institute legal proceedings against a homestead credit claimant for the collection of payments made on disallowed credits and the penalty, if any. If a person makes a false claim or affidavit with fraudulent intent to obtain the homestead exemption or credit, the person is guilty of a fraudulent practice and the claim shall be disallowed in full. If the credit has been paid, the amount of the credit plus a penalty equal to twenty-five percent of the amount of credit plus interest, at the rate in effect under [section 421.7](#), from the time of payment shall be collected by the county treasurer in the same manner as other property taxes, penalty, and interest are collected and when collected shall be paid to the director of revenue. If a homestead exemption or credit is disallowed and the claimant failed to give written notice to the assessor as required by [section 425.2](#) when the property ceased to be used as a homestead by the claimant, a civil penalty equal to five percent of the amount of the disallowed exemption or credit is assessed against the claimant.

[C39, §6943.148; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §425.7; 82 Acts, ch 1246, §4, 11]

89 Acts, ch 251, §33; 97 Acts, ch 158, §26; 2001 Acts, ch 154, §1, 6; 2002 Acts, ch 1151, §15; 2003 Acts, ch 145, §286; 2006 Acts, ch 1010, §106; 2011 Acts, ch 25, §143; 2015 Acts, ch 109, §7, 75; 2021 Acts, ch 41, §5, 36; 2023 Acts, ch 71, §35, 48, 49

Referred to in §25B.7, 331.559

Fraudulent practices; §714.8 - 714.14

2023 amendment to subsection 3 applies retroactively to assessment years beginning on or after January 1, 2023; 2023 Acts, ch 71, §49