Senate File 295

H-1308

1 Amend Senate File 295, as passed by the Senate, as
2 follows:
3 1. By striking everything after the enacting clause
4 and inserting:
5 <DIVISION I
6 PROPERTY ASSESSMENT LIMITATION AND REPLACEMENT
7 Section 1. Section 257.3, subsection 1, Code 2013,
8 is amended by adding the following new paragraph:
9 NEW PARAGRAPH. *d.* The amount paid to each school
10 district for the commercial and industrial property
11 tax replacement claim under section 441.21A shall be
12 regarded as property tax. The portion of the payment
13 which is foundation property tax shall be determined by
14 applying the foundation property tax rate to the amount
15 computed under section 441.21A, subsection 4, paragraph
16 *"a"*, and such amount shall be prorated pursuant to
17 section 441.21A, subsection 2, if applicable.
18 Sec. 2. Section 331.512, Code 2013, is amended by
19 adding the following new subsection:
20 NEW SUBSECTION. 13A. Carry out duties relating
21 to the calculation and payment of commercial and
22 industrial property tax replacement claims under
23 section 441.21A.
24 Sec. 3. Section 331.559, Code 2013, is amended by
25 adding the following new subsection:
26 NEW SUBSECTION. 25A. Carry out duties relating
27 to the calculation and payment of commercial and
28 industrial property tax replacement claims under
29 section 441.21A.
30 Sec. 4. Section 441.21, subsection 4, Code 2013, is
31 amended to read as follows:
32 4. For valuations established as of January
33 1, 1979, the percentage of actual value at which
34 agricultural and residential property shall be assessed
35 shall be the quotient of the dividend and divisor as
36 defined in this section. The dividend for each class
37 of property shall be the dividend as determined for
38 each class of property for valuations established as
39 of January 1, 1978, adjusted by the product obtained
40 by multiplying the percentage determined for that year
41 by the amount of any additions or deletions to actual
42 value, excluding those resulting from the revaluation
43 of existing properties, as reported by the assessors
44 on the abstracts of assessment for 1978, plus six
45 percent of the amount so determined. However, if the
46 difference between the dividend so determined for
47 either class of property and the dividend for that
48 class of property for valuations established as of
49 January 1, 1978, adjusted by the product obtained by
50 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. 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. 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 herein 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. For valuations established as of January 1, 2013, and each assessment year thereafter, 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, except that any references to six percent in this subsection shall be two percent, and including, for assessment years beginning on or after January 1, 2013, but before January 1, 2017, 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, and including, for assessment years beginning on or after January 1, 2017, the limitation in subsection 5A.

Sec. 5. Section 441.21, subsection 5, Code 2013, is amended to read as follows:

5. *a.* For valuations established as of January 1, 1979, commercial property and industrial property, excluding properties referred to in section 427A.1, subsection 8, shall be assessed as a percentage of the actual value of each class of property. The percentage shall be determined for each class of property by the director of revenue for the state 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 for each class of property shall be the total actual valuation for each class of property established for 1978, plus six percent of the amount so determined. The divisor for each class of property shall be the valuation for each class of property established for 1978, as reported by the assessors on the abstracts of assessment for 1978, plus the amount of value added to the total actual value by the revaluation of existing properties in 1979 as equalized by the director of revenue pursuant to section 441.49. For valuations established as of January 1, 1979, property valued by the department of revenue pursuant to chapters 428, 433, 437, and 438 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.

1 The divisor for property valued by the department of
2 revenue pursuant to chapters 428, 433, 437, and 438
3 shall be the valuation established for 1978, plus
4 the amount of value added to the total actual value
5 by the revaluation of the property by the department
6 of revenue as of January 1, 1979. For valuations
7 established as of January 1, 1980, commercial property
8 and industrial property, excluding properties referred
9 to in section 427A.1, subsection 8, shall be assessed
10 at a percentage of the actual value of each class of
11 property. The percentage shall be determined for
12 each class of property by the director of revenue for
13 the state in accordance with the provisions of this
14 section. For valuations established as of January
15 1, 1980, the percentage shall be the quotient of
16 the dividend and divisor as defined in this section.
17 The dividend for each class of property shall be the
18 dividend as determined for each class of property for
19 valuations established as of January 1, 1979, adjusted
20 by the product obtained by multiplying the percentage
21 determined for that year by the amount of any
22 additions or deletions to actual value, excluding those
23 resulting from the revaluation of existing properties,
24 as reported by the assessors on the abstracts of
25 assessment for 1979, plus four percent of the amount
26 so determined. The divisor for each class of property
27 shall be the total actual value of all such property in
28 1979, as equalized by the director of revenue pursuant
29 to section 441.49, plus the amount of value added to
30 the total actual value by the revaluation of existing
31 properties in 1980. The director shall utilize
32 information reported on the abstracts of assessment
33 submitted pursuant to section 441.45 in determining
34 such percentage. For valuations established as of
35 January 1, 1980, property valued by the department
36 of revenue pursuant to chapters 428, 433, 437, and
37 438 shall be assessed at a percentage of its actual
38 value. The percentage shall be determined by the
39 director of revenue in accordance with the provisions
40 of this section. For valuations established as of
41 January 1, 1980, the percentage shall be the quotient
42 of the dividend and divisor as defined in this section.
43 The dividend shall be the total actual valuation
44 established for 1979 by the department of revenue,
45 plus eight percent of the amount so determined. The
46 divisor for property valued by the department of
47 revenue pursuant to chapters 428, 433, 437, and 438
48 shall be the valuation established for 1979, plus
49 the amount of value added to the total actual value
50 by the revaluation of the property by the department

1 of revenue as of January 1, 1980. For valuations
2 established as of January 1, 1981, and each assessment
3 year thereafter beginning before January 1, 2013, the
4 percentage of actual value as equalized by the director
5 of revenue as provided in section 441.49 at which
6 commercial property and industrial property, excluding
7 properties referred to in section 427A.1, subsection
8 8, shall be assessed shall be calculated in accordance
9 with the methods provided herein, except that any
10 references to six percent in this subsection shall be
11 four percent. For valuations established as of January
12 1, 1981, and each year thereafter, the percentage of
13 actual value at which property valued by the department
14 of revenue pursuant to chapters 428, 433, 437, and 438
15 shall be assessed shall be calculated in accordance
16 with the methods provided herein, except that any
17 references to ten percent in this subsection shall be
18 eight percent. Beginning with valuations established
19 as of January 1, 1979, and each assessment year
20 thereafter beginning before January 1, 2013, property
21 valued by the department of revenue pursuant to chapter
22 434 shall also be assessed at a percentage of its
23 actual value which percentage shall be equal to the
24 percentage determined by the director of revenue for
25 commercial property, industrial property, or property
26 valued by the department of revenue pursuant to
27 chapters 428, 433, 437, and 438, whichever is lowest.
28 For valuations established on or after January 1, 2013,
29 but before January 1, 2017, commercial property and
30 industrial property shall be assessed as provided in
31 paragraphs *"b"* and *"c"*, as applicable. For valuations
32 established as of January 1, 2017, and each assessment
33 year thereafter, the percentage of actual value as
34 equalized by the director of revenue as provided in
35 section 441.49 at which commercial property, excluding
36 properties referred to in section 427A.1, subsection
37 8, shall be assessed shall be calculated in accordance
38 with the methods provided in this subsection, including
39 the limitation in subsection 5A, except that any
40 references to six percent in this subsection shall be
41 two percent. For valuations established on or after
42 January 1, 2017, industrial property shall be assessed
43 at a percentage of its actual value equal to the
44 percentage of actual value at which property assessed
45 as commercial property is assessed for the same
46 assessment year following application of the limitation
47 in subsection 5A, if applicable. For valuations
48 established on or after January 1, 2013, property
49 valued by the department of revenue pursuant to chapter
50 434 shall be assessed at a percentage of its actual

value equal to the percentage of actual value at which property assessed as commercial property is assessed for the same assessment year following application of the limitation in subsection 5A, if applicable.

b. For valuations established on or after January 1, 2013, but before January 1, 2017, commercial property, excluding properties referred to in section 427A.1, subsection 8, shall be assessed at a percentage of its actual value, as determined in this paragraph *"b"*. For valuations established for the assessment year beginning January 1, 2013, the percentage of actual value as equalized by the director 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, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which commercial property shall be assessed shall be ninety percent. For valuations established for the assessment year beginning January 1, 2015, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which commercial property shall be assessed shall be eighty-five percent. For valuations established for the assessment year beginning January 1, 2016, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which commercial property shall be assessed shall be eighty percent.

c. For valuations established on or after January 1, 2013, but before January 1, 2017, industrial property, excluding properties referred to in section 427A.1, subsection 8, shall be assessed at a percentage of its actual value, as determined in this paragraph *"c"*. For valuations established for the assessment year beginning January 1, 2013, the percentage of actual value as equalized by the director 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, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which industrial property shall be assessed shall be ninety percent. For valuations established for the assessment year beginning January 1, 2015, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which industrial property shall be assessed shall be eighty-five percent. For valuations established for the assessment year

beginning January 1, 2016, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which industrial property shall be assessed shall be eighty percent.

Sec. 6. Section 441.21, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 5A. In addition to the limitation of increases for agricultural and residential property applicable under subsection 4 and the limitation of increase for commercial property applicable under subsection 5, for valuations established for the assessment year beginning January 1, 2017, and each assessment year thereafter, for residential, agricultural, and commercial property, the assessed value of each of these three classes of property shall be limited to the percentage increase of that class of property that is the lowest percentage increase under the allowable limit adjusted to include the applicable and current values as equalized by the director of revenue.

Sec. 7. NEW SECTION. **441.21A Commercial and industrial property tax replacement —— replacement claims.**

1. *a.* For each fiscal year beginning on or after July 1, 2014, there is appropriated from the general fund of the state to the department of revenue an amount necessary for the payment of all commercial and industrial property tax replacement claims under this section for the fiscal year. However, for a fiscal year beginning on or after July 1, 2018, the total amount of moneys appropriated from the general fund of the state to the department of revenue for the payment of commercial and industrial property tax replacement claims in that fiscal year shall not exceed the total amount of money that was necessary to pay all commercial and industrial property tax replacement claims for the fiscal year beginning July 1, 2017.

b. Moneys appropriated by the general assembly to the department under this subsection for the payment of commercial and industrial property tax replacement claims are not subject to a uniform reduction in appropriations in accordance with section 8.31.

2. Beginning with the fiscal year beginning July 1, 2014, each county treasurer shall be paid by the department of revenue an amount equal to the amount of the commercial and industrial property tax replacement claims in the county, as calculated in subsection 4. For fiscal years beginning on or after July 1, 2018, if an amount appropriated for a fiscal year is insufficient to pay all replacement claims,

the director of revenue shall prorate the payment of replacement claims 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 beginning on or after July 1, 2014, the assessor shall report to the county auditor the total actual value of all commercial property and industrial property in the county for the assessment year used to calculate the taxes due and payable in that fiscal year.

4. On or before a date established by rule of the department of revenue of each fiscal year beginning on or after July 1, 2014, the county auditor shall prepare a statement, based upon the report received pursuant to subsection 3, listing for each taxing district in the county:

a. The difference between the assessed valuation of all commercial property and industrial property for the assessment year used to calculate taxes which are due and payable in the applicable fiscal year and the actual value of all commercial property and industrial property for the same assessment year. If the difference between the assessed value of all commercial property and industrial property and the actual valuation of all commercial property and industrial property is zero, there is no tax replacement for that taxing district for the fiscal year.

b. The tax levy rate per one thousand dollars of assessed value for each taxing district for that fiscal year.

c. The commercial and industrial property tax replacement claim for each taxing district. The replacement claim is equal to the amount determined pursuant to paragraph *"a"*, multiplied by the tax rate specified in paragraph *"b"*, and then divided by one thousand dollars.

5. For purposes of computing replacement amounts under this section, that portion of an urban renewal area defined as the sum of the assessed valuations defined in section 403.19, subsections 1 and 2, shall be considered a taxing district.

6. *a.* The county auditor shall certify and forward one copy of the statement to the department of revenue not later than a date of each year established by the department of revenue by rule.

b. The replacement claims shall be paid to each county treasurer in equal installments in September and March of each year. The county treasurer shall apportion the replacement claim payments among the eligible taxing districts in the county.

c. If the taxing district is an urban renewal area, the amount of the replacement claim shall be apportioned and credited to those portions of the assessed value defined in section 403.19, subsections 1 and 2, as follows:

(1) To that portion defined in section 403.19, subsection 1, an amount of the replacement claim that is proportionate to the amount of actual value of the commercial and industrial property in the urban renewal area as determined in section 403.19, subsection 1, that was subtracted pursuant to section 403.20, as it bears to the total amount of actual value of the commercial and industrial property in the urban renewal area that was subtracted pursuant to section 403.20 for the assessment year for property taxes due and payable in the fiscal year for which the replacement claim is computed.

(2) To that portion defined in section 403.19, subsection 2, the remaining amount, if any.

d. Notwithstanding the allocation provisions of paragraph *"c"*, the amount of the tax replacement amount that shall be allocated to that portion of the assessed value defined in section 403.19, subsection 2, shall not exceed the amount equal to the amount certified to the county auditor under section 403.19 for the fiscal year in which the claim is paid, after deduction of the amount of other revenues committed for payment on that amount for the fiscal year. The amount not allocated to that portion of the assessed value defined in section 403.19, subsection 2, as a result of the operation of this paragraph, shall be allocated to that portion of assessed value defined in section 403.19, subsection 1.

e. The amount of the replacement claim amount credited to the portion of the assessed value defined in section 403.19, subsection 1, shall be allocated to and when received be paid into the fund for the respective taxing district as taxes by or for the taxing district into which all other property taxes are paid. The amount of the replacement claim amount credited to the portion of the assessed value defined in section 403.19, subsection 2, shall be allocated to and when collected be paid into the special fund of the municipality under section 403.19, subsection 2.

Sec. 8. SAVINGS PROVISION. This division of this Act, pursuant to section 4.13, does not affect the operation of, or prohibit the application of, prior provisions of section 441.21, or rules adopted under chapter 17A to administer prior provisions of section 441.21, for assessment years beginning before January

1 1, 2013, and for duties, powers, protests, appeals,
2 proceedings, actions, or remedies attributable to an
3 assessment year beginning before January 1, 2013.
4 Sec. 9. EFFECTIVE UPON ENACTMENT. This division of
5 this Act, being deemed of immediate importance, takes
6 effect upon enactment.
7 Sec. 10. RETROACTIVE APPLICABILITY. This division
8 of this Act applies retroactively to January 1, 2013,
9 for assessment years beginning on or after that date.
10 DIVISION II
11 SCHOOL DISTRICT FUNDING
12 Sec. 11. Section 257.1, subsection 2, paragraph b,
13 Code 2013, is amended by striking the paragraph and
14 inserting in lieu thereof the following:
15 *b.* (1) The regular program foundation base per
16 pupil is the following:
17 (a) For the budget year commencing July 1,
18 2012, and the budget year commencing July 1, 2013,
19 the regular program foundation base per pupil is
20 eighty-seven and five-tenths percent of the regular
21 program state cost per pupil.
22 (b) For the budget year commencing July 1, 2014,
23 the regular program foundation base per pupil is
24 eighty-nine and three hundred seventy-five thousandths
25 percent of the regular program state cost per pupil.
26 (c) For the budget year commencing July 1, 2015,
27 the regular program foundation base per pupil is
28 ninety-one and twenty-five hundredths percent of the
29 regular program state cost per pupil.
30 (d) For the budget year commencing July 1, 2016,
31 the regular program foundation base per pupil is
32 ninety-three and one hundred twenty-five thousandths
33 percent of the regular program state cost per pupil.
34 (e) For the budget year commencing July 1, 2017,
35 and succeeding budget years, the regular program
36 foundation base per pupil is ninety-five percent of the
37 regular program state cost per pupil.
38 (2) For each budget year, the special education
39 support services foundation base is seventy-nine
40 percent of the special education support services state
41 cost per pupil. The combined foundation base is the
42 sum of the regular program foundation base, the special
43 education support services foundation base, the total
44 teacher salary supplement district cost, the total
45 professional development supplement district cost, the
46 total early intervention supplement district cost, the
47 total area education agency teacher salary supplement
48 district cost, and the total area education agency
49 professional development supplement district cost.
50 DIVISION III

MULTIRESIDENTIAL PROPERTY CLASSIFICATION

Sec. 12. Section 404.2, subsection 2, paragraph f, Code 2013, is amended to read as follows:

f. A statement specifying whether the revitalization is applicable to none, some, or all of the property assessed as residential, multiresidential, agricultural, commercial, or industrial property within the designated area or a combination thereof and whether the revitalization is for rehabilitation and additions to existing buildings or new construction or both. If revitalization is made applicable only to some property within an assessment classification, the definition of that subset of eligible property must be by uniform criteria which further some planning objective identified in the plan. The city shall state how long it is estimated that the area shall remain a designated revitalization area which time shall be longer than one year from the date of designation and shall state any plan by the city to issue revenue bonds for revitalization projects within the area. For a county, a revitalization area shall include only property which will be used as industrial property, commercial property, ~~commercial property consisting of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes,~~ multiresidential property, or residential property. However, a county shall not provide a tax exemption under this chapter to commercial property, ~~commercial property consisting of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes~~ multiresidential property, or residential property which is located within the limits of a city.

Sec. 13. Section 404.3, subsection 4, Code 2013, is amended to read as follows:

4. All qualified real estate assessed as residential property ~~or assessed as commercial property, if the commercial property consists of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes,~~ or assessed as multiresidential property is eligible to receive a one hundred percent exemption from taxation on the actual value added by the improvements. The exemption is for a period of ten years.

Sec. 14. Section 441.21, subsection 8, paragraph b, Code 2013, is amended to read as follows:

b. Notwithstanding paragraph *"a"*, any construction or installation of a solar energy system on property classified as agricultural, residential, commercial,

multiresidential, or industrial property shall not increase the actual, assessed, and taxable values of the property for five full assessment years.

Sec. 15. Section 441.21, subsections 9 and 10, Code 2013, are amended to read as follows:

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, multiresidential property, and property valued by the department of revenue pursuant to chapters 428, 433, 434, 437, and 438 in each assessing jurisdiction in the county shall be assessed for taxation. The county auditor shall proceed to determine the assessed values of agricultural property, residential property, commercial property, industrial property, multiresidential property, and property valued by the department of revenue pursuant to chapters 428, 433, 434, 437, and 438 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 percentage of actual value computed by the director for agricultural property, residential property, commercial property, industrial property, multiresidential property, and property valued by the department of revenue pursuant to chapters 428, 433, 434, 437, and 438 and used to determine assessed values of those classes of property does not constitute a rule as defined in section 17A.2, subsection 11.

Sec. 16. Section 441.21, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 13. *a.* Beginning with valuations established on or after January 1, 2014, mobile home parks, manufactured home communities, land-leased communities, assisted living facilities, and that portion of a building that is used for human habitation and a proportionate share of the land upon which the building is situated, even if the use for human habitation is not the primary use of the building, and regardless of the number of dwelling units located in the building, and not otherwise classified as residential property, shall be valued as a separate class of property known as multiresidential property and, excluding properties referred to in section 427A.1, subsection 8, shall be assessed at a percentage of its actual value, as determined in this subsection.

1 For valuations established for the assessment year
2 beginning January 1, 2014, the percentage of actual
3 value as equalized by the director of revenue as
4 provided in section 441.49 at which multiresidential
5 property shall be assessed shall be ninety percent.
6 For valuations established for the assessment year
7 beginning January 1, 2015, the percentage of actual
8 value as equalized by the director of revenue as
9 provided in section 441.49 at which multiresidential
10 property shall be assessed shall be eighty percent.
11 For valuations established for the assessment year
12 beginning January 1, 2016, the percentage of actual
13 value as equalized by the director of revenue as
14 provided in section 441.49 at which multiresidential
15 property shall be assessed shall be seventy percent.
16 For valuations established for the assessment year
17 beginning January 1, 2017, the percentage of actual
18 value as equalized by the director of revenue as
19 provided in section 441.49 at which multiresidential
20 property shall be assessed shall be sixty percent.
21 For valuations established for the assessment year
22 beginning January 1, 2018, and each assessment year
23 thereafter, the percentage of actual value as equalized
24 by the director of revenue as provided in section
25 441.49 at which multiresidential property shall be
26 assessed shall be equal to the percentage of actual
27 value at which property assessed as residential
28 property is assessed under subsection 4 for the same
29 assessment year, after application of the limitations
30 on increases in residential property provided for in
31 this section.
32 *b.* Accordingly, the assessor may assign more than
33 one classification to a parcel of property that, in
34 part, satisfies the requirements of this subsection.
35 *c.* In no case, however, shall property that is
36 rented or leased to low-income individuals and families
37 as authorized by section 42 of the Internal Revenue
38 Code, and that is subject to assessment procedures
39 relating to section 42 property under section 441.21,
40 subsection 2, or a hotel, motel, inn, or other building
41 where rooms or dwelling units are usually rented for
42 less than one month be classified as multiresidential
43 property under this subsection.
44 *d.* As used in this subsection:
45 (1) *"Assisted living facility"* means property for
46 providing assisted living as defined in section 231C.2.
47 *"Assisted living facility"* also includes a health care
48 facility, as defined in section 135C.1, an elder group
49 home, as defined in section 231B.1, a child foster care
50 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.

Sec. 17. Section 558.46, subsection 5, Code 2013, is amended to read as follows:

5. For the purposes of this section, *"residential property"* includes ~~commercial~~ multiresidential property as defined in section 441.21, subsection 13, consisting of three or more separate living quarters with at least seventy-five percent of the space used for residential purposes.

Sec. 18. APPLICABILITY. This division of this Act applies to assessment years beginning on or after January 1, 2014.

DIVISION IV

TELECOMMUNICATIONS COMPANY PROPERTY TAXATION

Sec. 19. Section 427A.1, subsection 1, paragraph h, Code 2013, is amended to read as follows:

h. Property assessed by the department of revenue pursuant to sections 428.24 to 428.29, or chapters ~~433,~~ 434, 437, 437A, and 438.

Sec. 20. Section 427A.1, subsection 1, Code 2013, is amended by adding the following new paragraph:

NEW PARAGRAPH. *0i.* Qualified telephone company property that is used in the transaction of telegraph and telephone business by a company that is subject to assessment by the department of revenue pursuant to chapter 433. *"Qualified telephone company property"* means poles, aerial cable, underground cable, buried cable, submarine and deep sea cable, intrabuilding network cable, aerial wire, and conduit systems, all within the meaning of the telecommunications companies account provisions of 47 C.F.R. pt. 32, in effect on the effective date of this division of this Act.

Sec. 21. Section 433.1, subsection 4, Code 2013, is amended to read as follows:

4. The whole number of stations on each line, and the value of the same~~, including furniture~~.

Sec. 22. Section 433.4, Code 2013, is amended to read as follows:

433.4 Assessment.

The director of revenue shall on or before October 31 each year and in the same manner and subject to the provisions for the assessment of property assessed as commercial property by the local assessor under chapters 427, 427A, 427B, 428, and 441, proceed to find the actual value of the property of these companies in this state that is used by the companies in the transaction of telegraph and telephone business, taking into consideration the information obtained from the statements required, and any further information the director can obtain, using the same as a means for determining the actual ~~cash~~ value of the property of these companies within this state. The director shall also take into consideration the valuation of all property of these companies, including franchises and the use of the property in connection with lines outside the state, and making these deductions as may be necessary on account of extra value of property outside the state as compared with the value of property in the state, in order that the actual ~~cash~~ value of the property of the company within this state may be ascertained. ~~The assessment shall include all property of every kind and character whatsoever, real, personal, or mixed, used by the companies in the transaction of telegraph and telephone business; and the~~ The property so included in the assessment shall not be taxed in any other manner than as provided in this chapter.

Sec. 23. Section 441.21, subsection 5, Code 2013, is amended to read as follows:

5. For valuations established as of January 1, 1979, commercial property and industrial property, excluding properties referred to in section 427A.1, subsection 8, shall be assessed as a percentage of the actual value of each class of property. The percentage shall be determined for each class of property by the director of revenue for the state 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 for each class of property shall be the total actual valuation for each class of property established for 1978, plus six percent of the amount so determined. The divisor for each class of property shall be the valuation for each class of property established for 1978, as reported by the assessors on the abstracts of assessment for 1978, plus the amount of value added to the total actual value by the revaluation

1 of existing properties in 1979 as equalized by the
2 director of revenue pursuant to section 441.49. For
3 valuations established as of January 1, 1979, property
4 valued by the department of revenue pursuant to
5 chapters 428, ~~433,~~ 437, and 438 shall be considered
6 as one class of property and shall be assessed as a
7 percentage of its actual value. The percentage shall
8 be determined by the director of revenue in accordance
9 with the provisions of this section. For valuations
10 established as of January 1, 1979, the percentage
11 shall be the quotient of the dividend and divisor as
12 defined in this section. The dividend shall be the
13 total actual valuation established for 1978 by the
14 department of revenue, plus ten percent of the amount
15 so determined. The divisor for property valued by
16 the department of revenue pursuant to chapters 428,
17 ~~433,~~ 437, and 438 shall be the valuation established
18 for 1978, plus the amount of value added to the total
19 actual value by the revaluation of the property by
20 the department of revenue as of January 1, 1979.
21 For valuations established as of January 1, 1980,
22 commercial property and industrial property, excluding
23 properties referred to in section 427A.1, subsection
24 8, shall be assessed at a percentage of the actual
25 value of each class of property. The percentage
26 shall be determined for each class of property by
27 the director of revenue for the state in accordance
28 with the provisions of this section. For valuations
29 established as of January 1, 1980, the percentage
30 shall be the quotient of the dividend and divisor as
31 defined in this section. The dividend for each class
32 of property shall be the dividend as determined for
33 each class of property for valuations established as
34 of January 1, 1979, adjusted by the product obtained
35 by multiplying the percentage determined for that year
36 by the amount of any additions or deletions to actual
37 value, excluding those resulting from the revaluation
38 of existing properties, as reported by the assessors
39 on the abstracts of assessment for 1979, plus four
40 percent of the amount so determined. The divisor
41 for each class of property shall be the total actual
42 value of all such property in 1979, as equalized by
43 the director of revenue pursuant to section 441.49,
44 plus the amount of value added to the total actual
45 value by the revaluation of existing properties in
46 1980. The director shall utilize information reported
47 on the abstracts of assessment submitted pursuant
48 to section 441.45 in determining such percentage.
49 For valuations established as of January 1, 1980,
50 property valued by the department of revenue pursuant

to chapters 428, ~~433,~~ 437, and 438 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 chapters 428, ~~433,~~ 437, and 438 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 as equalized by the director of revenue as provided in section 441.49 at which commercial property and industrial property, excluding properties referred to in section 427A.1, subsection 8, shall be assessed shall be calculated in accordance with the methods provided herein, except that any references to six percent in this subsection shall be four percent. 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 chapters 428, ~~433,~~ 437, and 438 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. For valuations established on or after January 1, 2013, property valued by the department of revenue pursuant to chapter 433 shall be assessed at a percentage of its actual value. For valuations established for the assessment year beginning January 1, 2013, the percentage of actual value at which property valued by the department of revenue pursuant to chapter 433 shall be assessed shall be eighty percent. For valuations established for the assessment year beginning January 1, 2014, and each year thereafter, the percentage of actual value at which property valued by the department of revenue pursuant to chapter 433 shall be assessed shall be sixty percent. Beginning with valuations established as of January 1, 1979, and each year thereafter, property valued by the department of revenue pursuant to chapter 434 shall also be assessed at a percentage of its actual value which percentage shall be equal to the percentage determined by the director of revenue for commercial property, industrial

1 property, or property valued by the department of
2 revenue pursuant to chapters 428, ~~433,~~ 437, and 438,
3 whichever is lowest.
4 Sec. 24. Section 441.21, subsections 9 and 10, Code
5 2013, are amended to read as follows:
6 9. Not later than November 1, 1979, and November
7 1 of each subsequent year, the director shall certify
8 to the county auditor of each county the percentages
9 of actual value at which residential property,
10 agricultural property, commercial property, industrial
11 property, property valued by the department of
12 revenue under chapter 433, and property valued by
13 the department of revenue pursuant to chapters 428,
14 ~~433,~~ 434, 437, and 438 in each assessing jurisdiction
15 in the county shall be assessed for taxation. The
16 county auditor shall proceed to determine the assessed
17 values of agricultural property, residential property,
18 commercial property, industrial property, property
19 valued by the department of revenue under chapter
20 433, and property valued by the department of revenue
21 pursuant to chapters 428, ~~433,~~ 434, 437, and 438 by
22 applying such percentages to the current actual value
23 of such property, as reported to the county auditor by
24 the assessor, and the assessed values so determined
25 shall be the taxable values of such properties upon
26 which the levy shall be made.
27 10. The percentage of actual value computed by
28 the director for agricultural property, residential
29 property, commercial property, industrial property,
30 property valued by the department of revenue under
31 chapter 433, and property valued by the department of
32 revenue pursuant to chapters 428, ~~433,~~ 434, 437, and
33 438 and used to determine assessed values of those
34 classes of property does not constitute a rule as
35 defined in section 17A.2, subsection 11.
36 Sec. 25. Section 476.1D, subsection 10, Code 2013,
37 is amended by striking the subsection.
38 Sec. 26. EFFECTIVE DATE. The sections of this
39 division of this Act amending section 441.21, being
40 deemed of immediate importance, take effect upon
41 enactment.
42 Sec. 27. APPLICABILITY.
43 1. Except as provided in subsection 2, this
44 division of this Act applies to assessment years
45 beginning on or after January 1, 2014.
46 2. The sections of this division of this Act
47 amending section 441.21 apply retroactively to
48 assessment years beginning on or after January 1,
49 2013.>
50 2. Title page, by striking lines 1 through 4 and

1 inserting <An Act relating to state and local finances
2 by establishing and modifying property assessment
3 limitations, providing for commercial and industrial
4 property tax replacement payments, increasing
5 the regular program foundation base percentage,
6 providing for the taxation of multiresidential
7 property, modifying provisions for the taxation
8 of telecommunications company property, making
9 appropriations, and including effective date,
10 retroactive applicability, and other applicability
11 provisions.>

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