

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
REVENUE BILL)

**A BILL FOR**

1 An Act relating to the administration of the reimbursement for  
2 rent constituting property taxes paid and related matters  
3 and including effective date provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 331.559, subsection 12, Code 2021, is  
2 amended to read as follows:

3 12. Carry out duties relating to the administration of the  
4 homestead tax credit and other credits as provided in sections  
5 425.4, 425.5, 425.7, 425.9, 425.10, and 425.25.

6 Sec. 2. Section 425.1, subsections 1, 4, and 6, Code 2021,  
7 are amended to read as follows:

8 1. *a.* A homestead credit fund is created. There is  
9 appropriated annually from the general fund of the state to  
10 the department of revenue to be credited to the homestead  
11 credit fund, an amount sufficient to implement this ~~chapter~~  
12 subchapter.

13 *b.* The director of the department of administrative services  
14 shall issue warrants on the homestead credit fund payable to  
15 the county treasurers of the several counties of the state  
16 under this ~~chapter~~ subchapter.

17 4. Annually the department of revenue shall certify to  
18 the county auditor of each county the credit and its amount  
19 in dollars. Each county auditor shall then enter the credit  
20 against the tax levied on each eligible homestead in each  
21 county payable during the ensuing year, designating on the tax  
22 lists the credit as being from the homestead credit fund, and  
23 credit shall then be given to the several taxing districts in  
24 which eligible homesteads are located in an amount equal to the  
25 credits allowed on the taxes of the homesteads. The amount of  
26 credits shall be apportioned by each county treasurer to the  
27 several taxing districts as provided by law, in the same manner  
28 as though the amount of the credit had been paid by the owners  
29 of the homesteads. However, the several taxing districts shall  
30 not draw the funds so credited until after the semiannual  
31 allocations have been received by the county treasurer, as  
32 provided in this ~~chapter~~ subchapter. Each county treasurer  
33 shall show on each tax receipt the amount of credit received  
34 from the homestead credit fund.

35 6. The homestead tax credit allowed in this ~~chapter~~

1 subchapter shall not exceed the actual amount of taxes payable  
2 on the eligible homestead, exclusive of any special assessments  
3 levied against the homestead.

4 Sec. 3. Section 425.2, subsections 1 and 3, Code 2021, are  
5 amended to read as follows:

6 1. A person who wishes to qualify for the homestead  
7 credit allowed under this ~~chapter~~ subchapter shall obtain the  
8 appropriate forms for filing for the credit from the assessor.  
9 The person claiming the credit shall file a verified statement  
10 and designation of homestead with the assessor for the year for  
11 which the person is first claiming the credit. The claim shall  
12 be filed not later than July 1 of the year for which the person  
13 is claiming the credit. A claim filed after July 1 of the year  
14 for which the person is claiming the credit shall be considered  
15 as a claim filed for the following year.

16 3. In case the owner of the homestead is in active service  
17 in the armed forces of this state or of the United States, or is  
18 sixty-five years of age or older, or is disabled, the statement  
19 and designation may be signed and delivered by any member of  
20 the owner's family, by the owner's guardian or conservator, or  
21 by any other person who may represent the owner under power  
22 of attorney. If the owner of the homestead is married, the  
23 spouse may sign and deliver the statement and designation. The  
24 director of human services or the director's designee may make  
25 application for the benefits of this ~~chapter~~ subchapter as the  
26 agent for and on behalf of persons receiving assistance under  
27 chapter 249.

28 Sec. 4. Section 425.6, Code 2021, is amended to read as  
29 follows:

30 **425.6 Waiver by neglect.**

31 If a person fails to file a claim or to have a claim on file  
32 with the assessor for the credits provided in this ~~chapter~~  
33 subchapter, the person is deemed to have waived the homestead  
34 credit for the year in which the person failed to file the  
35 claim or to have a claim on file with the assessor.

1     Sec. 5. Section 425.7, subsections 1 and 2, Code 2021, are  
2 amended to read as follows:

3     1. Any person whose claim is denied under the provisions of  
4 this ~~chapter~~ subchapter may appeal from the action of the board  
5 of supervisors to the district court of the county in which  
6 said claimed homestead is situated by giving written notice of  
7 such appeal to the county auditor of said county within twenty  
8 days from the date of mailing of notice of such action by the  
9 board of supervisors.

10    2. In the event any claim under this ~~chapter~~ subchapter is  
11 allowed, any owner of an eligible homestead may appeal from the  
12 action of the board of supervisors to the district court of the  
13 county in which said claimed homestead is situated, by giving  
14 written notice of such appeal to the county auditor of said  
15 county and such notice to the owner of said claimed homestead  
16 as a judge of the district court shall direct.

17    Sec. 6. Section 425.8, Code 2021, is amended to read as  
18 follows:

19     **425.8 Forms — rules.**

20    1. The director of revenue shall prescribe the form  
21 for the making of a verified statement and designation of  
22 homestead, the form for the supporting affidavits required  
23 herein, and such other forms as may be necessary for the proper  
24 administration of this ~~chapter~~ subchapter. Whenever necessary,  
25 the department of revenue shall forward to the county auditors  
26 of the several counties in the state the prescribed sample  
27 forms, and the county auditors shall furnish blank forms  
28 prepared in accordance therewith with the assessment rolls,  
29 books, and supplies delivered to the assessors. The department  
30 of revenue shall prescribe and the county auditors shall  
31 provide on the forms for claiming the homestead credit a  
32 statement to the effect that the owner realizes that the owner  
33 must give written notice to the assessor when the owner changes  
34 the use of the property.

35    2. The director of revenue may prescribe rules, not

1 inconsistent with the provisions of this ~~chapter~~ subchapter,  
2 necessary to carry out and effectuate its purposes.

3 Sec. 7. Section 425.9, subsection 1, Code 2021, is amended  
4 to read as follows:

5 1. If the amount of credit apportioned to any homestead  
6 under the provisions of this ~~chapter~~ subchapter in any  
7 year shall exceed the total tax, exclusive of any special  
8 assessments levied against said homestead, then such excess  
9 shall be remitted by the county treasurer to the department of  
10 revenue to be redeposited in the homestead credit fund and be  
11 reallocated the following year by the department as provided in  
12 this ~~chapter~~ subchapter.

13 Sec. 8. Section 425.10, Code 2021, is amended to read as  
14 follows:

15 **425.10 Reversal of allowed claim.**

16 In the event any claim is allowed, and subsequently reversed  
17 on appeal, any credit made thereunder shall be void, and the  
18 amount of such credit shall be charged against the property in  
19 question, and the director of revenue, the county auditor, and  
20 the county treasurer are authorized and directed to correct  
21 their books and records accordingly. The amount of such  
22 erroneous credit, when collected, shall be returned by the  
23 county treasurer to the homestead credit fund to be reallocated  
24 the following year as provided in this ~~chapter~~ subchapter.

25 Sec. 9. Section 425.11, subsection 1, unnumbered paragraph  
26 1, Code 2021, is amended to read as follows:

27 For the purpose of this ~~chapter~~ subchapter and wherever used  
28 in this ~~chapter~~ subchapter:

29 Sec. 10. Section 425.11, subsection 1, paragraph d,  
30 subparagraph (3), Code 2021, is amended to read as follows:

31 (3) It must not embrace more than one dwelling house, but  
32 where a homestead has more than one dwelling house situated  
33 thereon, the credit provided for in this ~~chapter~~ subchapter  
34 shall apply to the home and buildings used by the owner, but  
35 shall not apply to any other dwelling house and buildings

1 appurtenant.

2 Sec. 11. Section 425.11, subsection 1, paragraph e, Code  
3 2021, is amended to read as follows:

4 e. "Owner" means the person who holds the fee simple  
5 title to the homestead, and in addition shall mean the person  
6 occupying as a surviving spouse or the person occupying under  
7 a contract of purchase which contract has been recorded in  
8 the office of the county recorder of the county in which the  
9 property is located; or the person occupying the homestead  
10 under devise or by operation of the inheritance laws where  
11 the whole interest passes or where the divided interest is  
12 shared only by persons related or formerly related to each  
13 other by blood, marriage or adoption; or the person occupying  
14 the homestead is a shareholder of a family farm corporation  
15 that owns the property; or the person occupying the homestead  
16 under a deed which conveys a divided interest where the divided  
17 interest is shared only by persons related or formerly related  
18 to each other by blood, marriage or adoption; or where the  
19 person occupying the homestead holds a life estate with the  
20 reversion interest held by a nonprofit corporation organized  
21 under chapter 504, provided that the holder of the life estate  
22 is liable for and pays property tax on the homestead; or where  
23 the person occupying the homestead holds an interest in a  
24 horizontal property regime under chapter 499B, regardless  
25 of whether the underlying land committed to the horizontal  
26 property regime is in fee or as a leasehold interest, provided  
27 that the holder of the interest in the horizontal property  
28 regime is liable for and pays property tax on the homestead;  
29 or where the person occupying the homestead is a member of a  
30 community land trust as defined in 42 U.S.C. §12773, regardless  
31 of whether the underlying land is in fee or as a leasehold  
32 interest, provided that the member of the community land  
33 trust is occupying the homestead and is liable for and pays  
34 property tax on the homestead. For the purpose of this ~~chapter~~  
35 subchapter the word "owner" shall be construed to mean a bona

1 fide owner and not one for the purpose only of availing the  
2 person of the benefits of this ~~chapter~~ subchapter. In order  
3 to qualify for the homestead tax credit, evidence of ownership  
4 shall be on file in the office of the clerk of the district  
5 court or recorded in the office of the county recorder at the  
6 time the owner files with the assessor a verified statement  
7 of the homestead claimed by the owner as provided in section  
8 425.2.

9 Sec. 12. Section 425.12, Code 2021, is amended to read as  
10 follows:

11 **425.12 Indian land.**

12 Each forty acres of land, or fraction thereof, occupied by  
13 a member or members of the Sac and Fox Indians in Tama county,  
14 which land is held in trust by the secretary of the interior of  
15 the United States for said Indians, shall be given a homestead  
16 tax credit within the meaning and under the provisions of this  
17 ~~chapter~~ subchapter. Application for such homestead tax credit  
18 shall be made to the county auditor of Tama county and may be  
19 made by a representative of the tribal council.

20 Sec. 13. Section 425.13, Code 2021, is amended to read as  
21 follows:

22 **425.13 Conspiracy to defraud.**

23 If any two or more persons conspire and confederate together  
24 with fraudulent intent to obtain the credit provided for under  
25 the terms of this ~~chapter~~ subchapter by making a false deed, or  
26 a false contract of purchase, they are guilty of a fraudulent  
27 practice.

28 Sec. 14. Section 425.15, subsection 1, unnumbered paragraph  
29 1, Code 2021, is amended to read as follows:

30 If the owner of a homestead allowed a credit under this  
31 ~~chapter~~ subchapter is any of the following, the credit allowed  
32 on the homestead from the homestead credit fund shall be the  
33 entire amount of the tax levied on the homestead:

34 Sec. 15. Section 425.16, Code 2021, is amended to read as  
35 follows:

1     **425.16 Additional tax credit.**

2     1. In addition to the homestead tax credit allowed under  
3 section 425.1, subsections 1 through 4, persons who own or rent  
4 their homesteads and who meet the qualifications provided in  
5 this subchapter are eligible for ~~an extraordinary~~ a property  
6 tax credit or property taxes due or reimbursement of rent  
7 constituting property taxes paid.

8     2. a. The property tax credit for property taxes due under  
9 this subchapter shall be administered by the department of  
10 revenue, the assessor, and other county officials as provided  
11 in this subchapter.

12     b. The reimbursement of rent constituting property taxes  
13 paid under this subchapter shall be administered by the  
14 department of human services as provided in this subchapter.

15     Sec. 16. Section 425.17, subsection 3, Code 2021, is amended  
16 to read as follows:

17     3. "*Gross rent*" means rental paid at arm's length for the  
18 right of occupancy of a homestead or manufactured or mobile  
19 home, including rent for space occupied by a manufactured  
20 or mobile home not to exceed one acre. If the department  
21 of ~~revenue~~ human services determines that the landlord and  
22 tenant have not dealt with each other at arm's length, and  
23 the department of ~~revenue~~ human services is satisfied that  
24 the gross rent charged was excessive, the department of human  
25 services shall adjust the gross rent to a reasonable amount as  
26 determined by the department of human services.

27     Sec. 17. Section 425.18, Code 2021, is amended to read as  
28 follows:

29     **425.18 Right to file a claim.**

30     The right to file a claim for reimbursement or credit under  
31 this subchapter may be exercised by the claimant or on behalf  
32 of a claimant by the claimant's legal guardian, spouse, or  
33 attorney, or by the executor or administrator of the claimant's  
34 estate. If a claimant dies after having filed a claim for  
35 reimbursement for rent constituting property taxes paid, the



1 amount of the reimbursement may be paid to another member of  
2 the household as determined by the department of ~~revenue~~ of  
3 human services. If the claimant was the only member of the  
4 household, the reimbursement may be paid to the claimant's  
5 executor or administrator, but if neither is appointed and  
6 qualified within one year from the date of the filing of  
7 the claim, the reimbursement shall escheat to the state. If  
8 a claimant dies after having filed a claim for credit for  
9 property taxes due, the amount of credit shall be paid as if  
10 the claimant had not died.

11 Sec. 18. Section 425.19, Code 2021, is amended to read as  
12 follows:

13 **425.19 Claim and credit or reimbursement.**

14 Subject to the limitations provided in this subchapter, a  
15 claimant may annually claim a credit for property taxes due  
16 during the fiscal year next following the base year or claim  
17 a reimbursement for rent constituting property taxes paid in  
18 the base year. The amount of the credit for property taxes due  
19 for a homestead shall be paid on June 15 of each year from the  
20 elderly and disabled property tax credit fund under section  
21 425.39, subsection 1, by the director of revenue to the county  
22 treasurer who shall credit the money received against the  
23 amount of the property taxes due and payable on the homestead  
24 of the claimant and the amount of the reimbursement for rent  
25 constituting property taxes paid shall be paid by the director  
26 of human services to the claimant from the ~~state general~~  
27 reimbursement fund under section 425.39, subsection 2, on or  
28 before December 31 of each year.

29 Sec. 19. Section 425.20, subsections 1 and 3, Code 2021, are  
30 amended to read as follows:

31 1. A claim for reimbursement for rent constituting property  
32 taxes paid shall not be paid or allowed, unless the claim is  
33 filed with and in the possession of the department of ~~revenue~~  
34 human services on or before June 1 of the year following the  
35 base year.

1 3. In case of sickness, absence, or other disability of  
2 the claimant or if, in the judgment of the director of revenue  
3 or the director of human services, as applicable, good cause  
4 exists and the claimant requests an extension, the director  
5 of human services may extend the time for filing a claim for  
6 reimbursement ~~or~~ and the director of revenue may extend the  
7 time for filing a claim for credit. However, any further  
8 time granted shall not extend beyond December 31 of the year  
9 following the year in which the claim was required to be filed.  
10 Claims filed as a result of this subsection shall be filed with  
11 the director of human services or the director of revenue, as  
12 applicable, who shall provide for the reimbursement of the  
13 claim to the claimant.

14 Sec. 20. Section 425.23, subsection 3, paragraph a, Code  
15 2021, is amended to read as follows:

16 a. A person who is eligible to file a claim for credit  
17 for property taxes due and who has a household income of  
18 eight thousand five hundred dollars or less and who has  
19 an unpaid special assessment levied against the homestead  
20 may file a claim for a special assessment credit with the  
21 county treasurer. The department of revenue shall provide  
22 to the respective treasurers the forms necessary for the  
23 administration of this subsection. The claim shall be filed  
24 not later than September 30 of each year. Upon the filing of  
25 the claim, interest for late payment shall not accrue against  
26 the amount of the unpaid special assessment due and payable.  
27 The claim filed by the claimant constitutes a claim for credit  
28 of an amount equal to the actual amount due upon the unpaid  
29 special assessment, plus interest, payable during the fiscal  
30 year for which the claim is filed against the homestead of  
31 the claimant. However, where the claimant is an individual  
32 described in section 425.17, subsection 2, paragraph "a",  
33 subparagraph (2), and the tentative credit is determined  
34 according to the schedule in subsection 1, paragraph "b",  
35 subparagraph (2), of this section, the claim filed constitutes

1 a claim for credit of an amount equal to one-half of the actual  
2 amount due and payable during the fiscal year. The treasurer  
3 shall certify to the director of revenue not later than October  
4 15 of each year the total amount of dollars due for claims  
5 allowed. The amount of reimbursement due each county shall be  
6 certified by the director of revenue and paid by the director  
7 of the department of administrative services by November 15  
8 of each year, drawn upon warrants payable to the respective  
9 treasurer. There is appropriated annually from the general  
10 fund of the state to the department of revenue an amount  
11 sufficient to carry out the provisions of this subsection. The  
12 treasurer shall credit any moneys received from the department  
13 of revenue against the amount of the unpaid special assessment  
14 due and payable on the homestead of the claimant.

15 Sec. 21. Section 425.23, subsection 4, Code 2021, is amended  
16 by adding the following new paragraph:

17 NEW PARAGRAPH. c. The cumulative adjustment factor shall be  
18 determined annually by the department of revenue.

19 Sec. 22. Section 425.25, Code 2021, is amended to read as  
20 follows:

21 **425.25 Administration — claim forms.**

22 1. The director of revenue shall make available suitable  
23 forms with instructions for claimants of the credit for  
24 property taxes due. Each assessor and county treasurer shall  
25 make available the forms and instructions. The claim shall  
26 be in a form as the director of revenue may prescribe. The  
27 director ~~may~~ shall also devise a tax credit ~~or reimbursement~~  
28 table, with amounts rounded to the nearest even whole dollar.  
29 ~~Reimbursements or credits~~ Credits in the amount of less than  
30 one dollar shall not be paid.

31 2. The director of human services shall make available  
32 suitable forms with instructions for claimants of the  
33 reimbursement for rent constituting property taxes paid. The  
34 claim shall be in a form as the director of human services  
35 may prescribe. The director of revenue shall devise a

1 reimbursement table with amounts rounded to the nearest even  
2 whole dollar and provide such table to the director of human  
3 services. Reimbursements in the amount of less than one dollar  
4 shall not be paid.

5 Sec. 23. Section 425.26, Code 2021, is amended to read as  
6 follows:

7 **425.26 Proof of claim.**

8 1. Every claimant for the credit for property taxes due  
9 shall give the department of revenue, in support of the claim,  
10 reasonable proof of:

11 a. Age and total disability, if any.

12 b. ~~Property taxes due or rent constituting property taxes~~  
13 ~~paid, including the name and address of the owner or manager~~  
14 ~~of the property rented and a statement whether the claimant is~~  
15 ~~related by blood, marriage, or adoption to the owner or manager~~  
16 ~~of the property rented.~~

17 c. Homestead credit allowed against property taxes due.

18 d. Changes of homestead.

19 e. Household membership.

20 f. Household income.

21 g. Size and nature of property claimed as the homestead.

22 2. Every claimant for reimbursement of rent constituting

23 property taxes paid shall give the department of human

24 services, in support of the claim, reasonable proof of:

25 a. Age and total disability, if any.

26 b. Rent constituting property taxes paid, including the name  
27 and address of the owner or manager of the property rented and  
28 a statement whether the claimant is related by blood, marriage,  
29 or adoption to the owner or manager of the property rented.

30 c. Changes of homestead.

31 d. Household membership.

32 e. Household income.

33 f. Size and nature of property claimed as the homestead.

34 ~~2.~~ 3. The department of revenue or the department of human  
35 services may require any additional proof necessary to support

1 a claim.

2 Sec. 24. Section 425.27, Code 2021, is amended to read as  
3 follows:

4 **425.27 Audit — recalculation or denial — appeals.**

5 1. a. The department of revenue is responsible for the  
6 audit of claims for credit of property taxes due under this  
7 subchapter.

8 b. The department of human services is responsible for  
9 the audit of claims for reimbursement for rent constituting  
10 property taxes paid under this subchapter.

11 2. If on the audit of a claim for credit ~~or reimbursement~~  
12 under this subchapter, the department of revenue determines  
13 the amount of the claim to have been incorrectly calculated  
14 or that the claim is not allowable, the department of revenue  
15 shall recalculate the claim and notify the claimant of  
16 the recalculation or denial and the reasons for it. The  
17 recalculation of the claim shall be final unless appealed to  
18 the director of revenue within thirty days from the date of  
19 notice of recalculation or denial. The director of revenue  
20 shall grant a hearing, and upon hearing determine the correct  
21 claim, if any, and notify the claimant of the decision by mail.  
22 The department of revenue shall not adjust a claim after three  
23 years from October 31 of the year in which the claim was filed.  
24 ~~If the claim for reimbursement has been paid, the amount may be~~  
25 ~~recovered by assessment in the same manner that income taxes~~  
26 ~~are assessed under sections 422.26 and 422.30. If the claim~~  
27 ~~for credit has been paid, the department of revenue shall give~~  
28 ~~notification to the claimant and the county treasurer of the~~  
29 ~~recalculation or denial of the claim and the county treasurer~~  
30 ~~shall proceed to collect the tax owed in the same manner as~~  
31 ~~other property taxes due and payable are collected, if the~~  
32 ~~property on which the credit was granted is still owned by the~~  
33 ~~claimant, and repay the amount to the director upon collection.~~  
34 ~~If the property on which the credit was granted is not owned by~~  
35 ~~the claimant, the amount may be recovered from the claimant by~~

1 assessment in the same manner that income taxes are assessed  
2 under sections 422.26 and 422.30. The decision of the director  
3 of revenue shall be final unless appealed as provided in  
4 section 425.31.

5 3. If on the audit of a claim for reimbursement for rent  
6 constituting property taxes paid under this subchapter, the  
7 department of human services determines the amount of the claim  
8 to have been incorrectly calculated or that the claim is not  
9 allowable, the department of human services shall recalculate  
10 the claim and notify the claimant of the recalculation or  
11 denial and the reasons for it. The recalculation of the  
12 claim shall be final unless appealed to the director of  
13 human services within thirty days from the date of notice of  
14 recalculation or denial. The director of human services shall  
15 grant a hearing, and upon hearing determine the correct claim,  
16 if any, and notify the claimant of the decision by mail. The  
17 department of human services shall not adjust a claim after  
18 three years from October 31 of the year in which the claim  
19 was filed. If the claim for reimbursement has been paid, the  
20 amount may be recovered by the department of human services.  
21 The decision of the director of human services shall be final  
22 unless appealed as provided in section 425.31.

23 4. a. Section For the purpose of administering the credit  
24 for property taxes due, including the duties of the director  
25 of revenue and the department of revenue, section 422.70 is  
26 applicable with respect to this subchapter.

27 b. For the purpose of administering the reimbursement for  
28 rent constituting property taxes paid, including the duties  
29 of the director of human services and the department of human  
30 services under this subchapter, the director of human services  
31 shall have the same powers as those described in section  
32 422.70.

33 Sec. 25. Section 425.28, Code 2021, is amended to read as  
34 follows:

35 **425.28 Waiver of confidentiality.**

1 1. A claimant for the credit for property taxes due shall  
2 expressly waive any right to confidentiality relating to all  
3 income tax information obtainable through the department of  
4 revenue, including all information covered by sections 422.20  
5 and 422.72. This waiver shall apply to information available  
6 to the county treasurer who shall hold the information  
7 confidential except that it may be used as evidence to disallow  
8 the credit.

9 2. A claimant for reimbursement of rent constituting  
10 property taxes paid shall expressly waive any right to  
11 confidentiality relating to all income tax information  
12 obtainable by the department of human services.

13 3. For the effective administration of this subchapter,  
14 the department of revenue and the department of human services  
15 shall share information obtained by each department from  
16 claimants under this subchapter.

17 2. 4. The In addition to the sharing of information under  
18 subsection 3, the department of ~~revenue~~ human services may  
19 release information pertaining to a person's eligibility or  
20 claim for or receipt of rent reimbursement to an employee of  
21 the department of inspections and appeals in the employee's  
22 official conduct of an audit or investigation.

23 Sec. 26. Section 425.29, Code 2021, is amended to read as  
24 follows:

25 **425.29 False claim — penalty.**

26 1. A person who makes a false affidavit for the purpose  
27 of obtaining credit or reimbursement provided for in  
28 this subchapter or who knowingly receives the credit or  
29 reimbursement without being legally entitled to it or makes  
30 claim for the credit or reimbursement in more than one county  
31 in the state without being legally entitled to it is guilty of  
32 a fraudulent practice. The claim for credit or reimbursement  
33 shall be disallowed in full and if the claim has been paid the  
34 amount shall be recovered in the manner provided in section  
35 425.27.

1     2. The In the case of a claim for credit disallowed by the  
2 department of revenue, the department of revenue may impose  
3 penalties under section 421.27. The department of revenue  
4 shall send a notice of disallowance of the claim.

5     3. In the case of a claim for reimbursement disallowed  
6 by the department of human services, the department of human  
7 services may impose penalties described in section 421.27.  
8 The department of human services shall send a notice of  
9 disallowance of the claim.

10     Sec. 27. Section 425.30, Code 2021, is amended by striking  
11 the section and inserting in lieu thereof the following:

12     **425.30 Notices.**

13     1. A notice authorized or required under this subchapter  
14 related to a credit for property taxes due may be given by  
15 mailing the notice to the person for whom it is intended,  
16 addressed to that person at the address given in the last  
17 credit claim form filed by the person pursuant to this  
18 subchapter, or if no return has been filed, then to any address  
19 obtainable.

20     2. A notice authorized or required under this subchapter  
21 related to a reimbursement for rent constituting property taxes  
22 paid may be given by mailing the notice to the person for whom  
23 it is intended, addressed to that person at the address given  
24 in the reimbursement claim form filed by the person pursuant  
25 to this subchapter, or if no return has been filed, then to any  
26 address obtainable.

27     3. The mailing of the notice is presumptive evidence of the  
28 receipt of the notice by the person to whom addressed. Any  
29 period of time which is determined according to this subchapter  
30 by the giving of notice commences to run from the date of  
31 mailing of the notice.

32     Sec. 28. Section 425.31, Code 2021, is amended by striking  
33 the section and inserting in lieu thereof the following:

34     **425.31 Appeals.**

35     1. Judicial review of the actions of the director of revenue



1 or the department of revenue under this subchapter may be  
2 sought in accordance with the terms of chapter 17A and the  
3 rules of the department of revenue.

4 2. Judicial review of the actions of the director of  
5 human services or the department of human services under this  
6 subchapter may be sought in accordance with the terms of  
7 chapter 17A and the rules of the department of human services.

8 3. For cause and upon a showing by the director of revenue  
9 or the director of human services, as applicable, that  
10 collection of the amount in dispute is in doubt, the court may  
11 order the petitioner to file with the clerk a bond for the use  
12 of the respondent, with sureties approved by the clerk, equal  
13 to the amount appealed from, conditioned that the petitioner  
14 shall perform the orders of the court.

15 4. An appeal may be taken by the claimant or the director  
16 of revenue or the director of human services, as applicable,  
17 to the supreme court of this state irrespective of the amount  
18 involved.

19 Sec. 29. Section 425.32, Code 2021, is amended to read as  
20 follows:

21 **425.32 Disallowance of certain claims for credit.**

22 A claim for credit for property taxes due shall be disallowed  
23 if the department of revenue finds that the claimant or a  
24 person of the claimant's household received title to the  
25 homestead primarily for the purpose of receiving benefits under  
26 this subchapter.

27 Sec. 30. Section 425.33, Code 2021, is amended to read as  
28 follows:

29 **425.33 Rent increase — request and order for reduction.**

30 1. If upon petition by a claimant the department of ~~revenue~~  
31 human services determines that a landlord has increased the  
32 claimant's rent primarily because the claimant is eligible for  
33 reimbursement under this subchapter, the department of ~~revenue~~  
34 human services shall request the landlord by mail to reduce the  
35 rent appropriately.

1 2. In determining whether a landlord has increased a  
2 claimant's rent primarily because the claimant is eligible for  
3 reimbursement under this subchapter, the department of ~~revenue~~  
4 human services shall consider the following factors:

5 a. The amount of the increase in rent.

6 b. If the landlord operates other rental property, whether a  
7 similar increase was imposed on the other rental property.

8 c. Increased or decreased costs of materials, supplies,  
9 services, and taxes in the area.

10 d. The time the rent was increased.

11 e. Other relevant factors in each particular case.

12 3. If the landlord fails to comply with the request of  
13 the department of ~~revenue~~ human services within fifteen days  
14 after the request is mailed ~~by the department~~, the department  
15 of ~~revenue~~ human services shall order the rent reduced by an  
16 appropriate amount.

17 Sec. 31. Section 425.34, Code 2021, is amended to read as  
18 follows:

19 **425.34 Hearings Rent increase hearings and appeals.**

20 1. If the department of ~~revenue~~ human services orders a  
21 landlord to reduce rent to a claimant, then upon the request  
22 of the landlord the department of ~~revenue~~ human services  
23 shall hold a prompt hearing of the matter, to be conducted in  
24 accordance with the rules of the department. The department  
25 of ~~revenue~~ human services shall give notice of the decision by  
26 mail to the claimant and to the landlord.

27 2. The claimant and the landlord shall have the rights of  
28 appeal and review as provided in section 425.31.

29 Sec. 32. Section 425.37, Code 2021, is amended to read as  
30 follows:

31 **425.37 Rules.**

32 The director of revenue and the director of human services  
33 shall each adopt rules in accordance with chapter 17A for the  
34 interpretation and proper administration of this subchapter  
35 and each department's applicable powers and duties under this

1 subchapter, including rules to prevent and disallow duplication  
2 of benefits and to prevent any unreasonable hardship or  
3 advantage to any person.

4 Sec. 33. Section 425.39, Code 2021, is amended to read as  
5 follows:

6 **425.39 Fund Funds created — appropriation appropriations —**  
7 **priority.**

8 1. The elderly and disabled property tax credit and  
9 reimbursement fund is created. There is appropriated annually  
10 from the general fund of the state to the department of revenue  
11 to be credited to the elderly and disabled property tax credit  
12 and reimbursement fund, from funds not otherwise appropriated,  
13 an amount sufficient to implement this subchapter for credits  
14 for property taxes due for claimants described in section  
15 425.17, subsection 2, paragraph "a", subparagraph (1).

16 2. The elderly and disabled rent reimbursement fund is  
17 created. There is appropriated annually from the general fund  
18 of the state to the department of human services to be credited  
19 to the elderly and disabled rent reimbursement fund, from funds  
20 not otherwise appropriated, an amount sufficient to implement  
21 this subchapter for reimbursement for rent constituting  
22 property taxes paid for claimants described in section 425.17,  
23 subsection 2, paragraph "a", subparagraph (1).

24 Sec. 34. Section 425.40, Code 2021, is amended to read as  
25 follows:

26 **425.40 Low-income fund created.**

27 1. A low-income tax credit and reimbursement fund is  
28 created. Within the low-income tax credit and reimbursement  
29 fund, a rent reimbursement account is created under the control  
30 of the department of human services and a tax credit account  
31 is created under the control of the department of revenue.  
32 Amounts appropriated to the fund shall first be credited to the  
33 reimbursement account.

34 2. a. If The director of human services shall use amounts  
35 credited to the rent reimbursement account for a fiscal year

1 to pay all claims for reimbursement of rent constituting  
2 property taxes paid for claimants described in section 425.17,  
3 subsection 2, paragraph "a", subparagraph (2). If the amount  
4 appropriated for purposes of this section for a fiscal year and  
5 credited to the rent reimbursement account is insufficient to  
6 pay all claims in full, the director of human services shall  
7 pay, in full, all claims to be paid during the fiscal year  
8 for reimbursement of rent constituting property taxes paid or  
9 if moneys are insufficient to pay all such claims on a pro  
10 rata basis. If the amount of claims for credit for property  
11 taxes due to be paid during the fiscal year exceed the amount  
12 remaining after payment to renters, the director of revenue  
13 shall prorate the payments to the counties for the property tax  
14 credit.

15 b. If the amount appropriated for purposes of this section  
16 for a fiscal year and credited to the rent reimbursement  
17 account exceeds the amount necessary to pay in full all  
18 reimbursement claims for the fiscal year, the department  
19 of human services shall transfer such excess amount to the  
20 department of revenue for deposit in the tax credit account.  
21 The department of revenue shall use any amounts credited to the  
22 tax credit account for a fiscal year to pay to the counties all  
23 claims for credit for property taxes due for the fiscal year,  
24 or if such amount is insufficient, to pay to the counties all  
25 such claims on a pro rata basis.

26 3. In order for the director of revenue or the director of  
27 human services to carry out the requirements of this subsection  
28 2, notwithstanding any provision to the contrary in this  
29 subchapter, claims for reimbursement for rent constituting  
30 property taxes paid filed before May 1 of the fiscal year  
31 shall be eligible to be paid in full during the fiscal year  
32 and those claims filed on or after May 1 of the fiscal year  
33 shall be eligible to be paid during the following fiscal year  
34 and the director of revenue is not required to make payments  
35 to counties for the property tax credit before June 15 of the

1 fiscal year.

2 Sec. 35. TRANSITION PROVISION — ADMINISTRATIVE RULES. The  
3 department of revenue shall continue to administer that  
4 portion of chapter 425, subchapter II, relating to claims for  
5 reimbursement of rent constituting property taxes paid until  
6 the department of human services has adopted rules to assume  
7 such administration as provided in this Act, but not later than  
8 January 1, 2022.

9 Sec. 36. EFFECTIVE DATE. This Act, being deemed of  
10 immediate importance, takes effect upon enactment.

11 EXPLANATION

12 The inclusion of this explanation does not constitute agreement with  
13 the explanation's substance by the members of the general assembly.

14 Current Code chapter 425, subchapter II, provides a  
15 property tax credit or rent reimbursement for certain elderly  
16 and disabled persons in addition to the homestead property  
17 tax credit. Current Code chapter 425, subchapter II, also  
18 establishes a similar property tax credit or reimbursement  
19 for rent constituting property taxes paid for persons who are  
20 23 years of age or older or who are a head of household, but  
21 who have not attained the age of 65 or incurred the requisite  
22 disability status. The provision of these credits is triggered  
23 by an appropriation to and payment from the low-income tax  
24 credit and reimbursement fund established in Code section  
25 425.40. The department of revenue administers the property tax  
26 credit and rent reimbursement programs under Code chapter 425,  
27 subchapter II.

28 This bill transfers responsibility for administration of  
29 the claims for rent constituting property taxes paid to the  
30 department of revenue and modifies various provisions of Code  
31 chapter 425, subchapter II, and enacts several provisions  
32 applicable to the department of human services and the director  
33 of human services that are similar to those applicable to the  
34 department of revenue and the director of revenue regarding  
35 administration of the claims for property taxes due, over which

1 the department of revenue will retain administrative control.

2 The bill provides for the creation of two separate funds  
3 in lieu of the elderly and disabled property tax credit and  
4 reimbursement fund under current Code section 425.39 and  
5 modifies the structure of the low-income fund under Code  
6 section 425.40 to include a tax credit account under the  
7 control of the department of revenue and a rent reimbursement  
8 account under the control of the department of human services.

9 The bill also changes several references to "this chapter"  
10 within Code chapter 425, subchapter I, to reflect the  
11 provisions' applicability.

12 The bill takes effect upon enactment.

13 Under the bill, the department of revenue will continue  
14 to administer that portion of Code chapter 425, subchapter  
15 II, relating to claims for reimbursement of rent constituting  
16 property taxes paid until the department of human services has  
17 adopted rules to assume such administration as provided in the  
18 bill, but not later than January 1, 2022.