



[SF 2375](#) – Volunteer Emergency Services Provider Property Tax Abatement (LSB5707SV)
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Fiscal Note Version – New

Description

[Senate File 2375](#) authorizes a volunteer emergency services provider, as defined in Iowa Code section [100B.14\(2\)](#), whose homestead is located in the local service area for which the provider is a volunteer and who has been a volunteer emergency services provider for five or more years, earns less than \$5,000 per year for service as a volunteer emergency services provider, and is in good standing with the provider’s volunteer agency or entity to file a petition with the county board of supervisors, requesting annual abatement of property taxes and special assessments applicable to the individual’s homestead.

The annual abatement is limited to the lesser of 10.0% of the specified property taxes owed on the homestead or \$500. The petition is subject to county board of supervisors’ approval, and there is a process established for local taxing entities to withhold their portion of the consolidated property tax liability from the distribution of the abatement’s impact on local governments. Specified property taxes exclude the levies from school districts and community colleges as well as any taxing authority that withholds their portion of the consolidated property tax levy from the abatement calculation.

The Bill also authorizes a permanent abatement, subject to the same annual limits, for a qualified volunteer if that person has been a qualified volunteer for at least 20 years. The changes apply retroactively to assessment year 2022 and apply to property taxes due in FY 2024.

Background

Under Iowa Code section 100B.14(2), a volunteer emergency services provider is any of the following:

- A volunteer fire fighter (see Iowa Code section [85.61\(10\)](#)) is an active member of an organized volunteer fire department and any other person performing volunteer fire fighter services for a municipality, township, or benefited fire district at the request of the person in command of the fire department and who is not a full-time member of a paid fire department.
- A reserve peace officer (see Iowa Code section [80D.1A\(5\)](#)) is a volunteer, nonregular, sworn member of a law enforcement agency who participates on a regular basis and has regular police powers when functioning as a law enforcement agency’s representative.
- An emergency medical care provider (see Iowa Code section [147A.1\(4\)](#)) is an individual trained to provide emergency and nonemergency medical care at various, enumerated certification levels, who has been issued a certificate by the Department of Public Health. An emergency medical care provider also includes a person practicing pursuant to Iowa Code chapter [147D](#) (Emergency Medical Services Personnel Licensure Interstate Compact).
- Other personnel having voluntary emergency service duties who are not paid full-time by the local service entity for which the services are performed, in a mutual aid agreement area, or in a Governor-declared state of disaster or emergency area.

In all qualified situations, active volunteers must hold part-time compensated or uncompensated positions. To qualify for the property tax abatement, the person must earn less than \$5,000 from services performed in a qualified volunteer position.

Assumptions

- The property tax abatement is available to qualified volunteer fire fighters, reserve peace officers, emergency medical care providers, and other personnel having volunteer emergency service duties who earn less than \$5,000 in a year as a volunteer emergency service provider.
- The Department of Revenue estimates that the number of volunteer emergency services providers in Iowa is 18,627, categorized as follows:
 - 14,500 fire fighters
 - 1,200 reserve police officers
 - 2,927 emergency medical services professionals
- Retirements of volunteers with 20 or more years served in a qualified position will add an estimated 10.0% (1,863) to the total number of qualified volunteers.
- Seventy percent of volunteers are assumed to have served in the volunteer role for five years or more.
- Sixty-five percent of qualified volunteers own a homestead that is subject to property tax.
- It is assumed that all qualified petitions for the tax abatement will apply for the abatement and be approved and no taxing authorities will request that their property tax levy be excluded from the abatement.
- The average assessed value of homestead property is assumed to be \$160,000.
- The assessment year 2021 residential rollback is 54.1302%, and the rollback is assumed to remain at that level.
- The existing homestead exemption is equal to \$4,850 of taxed value.
- The FY 2022 average residential tax rate, excluding community college and K-12 school levies, is \$18.52 per \$1,000 of taxed value, and that rate is assumed to remain constant.
- The abatement equals 10.0% of tax liability after application of the homestead exemption.
- The proposed property tax benefit is in the form of a property tax abatement. It is assumed that Iowa Code section [25B.7](#) (State funding of property tax credits and exemptions) does not apply to property tax abatements.

Fiscal Impact

The proposed abatement for volunteer emergency services providers is projected to reduce annual local government property tax revenue by \$1.5 million beginning with FY 2024.

Sources

Department of Revenue
Legislative Services Agency analysis

/s/ Holly M. Lyons

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
