

## F I N A L R E P O R T

### PROPERTY TAX REDUCTION STUDY COMMITTEE

January 1990

#### AUTHORIZATION AND APPOINTMENT

The Property Tax Reduction Study Committee was established by the Legislative Council to "study property taxes paid in Iowa, including application of property tax exemptions and collection of mobile home taxes, and develop plan to provide \$30 million in property tax relief commencing July 1, 1991. Final meeting date no later than November 1, 1989."

Members serving on the Study Committee were:

Senator William Dieleman, Co-chairperson  
Representative David Tabor, Co-chairperson  
Senator Richard Drake  
Senator Julia Gentleman  
Senator Wally Horn  
Senator Emil Husak  
Senator Berl Priebe  
Senator Elaine Szymoniak  
Senator Ray Taylor  
Representative William Brand  
Representative Russell Eddie  
Representative David Hibbard  
Representative Dan Jay  
Representative Ruhl Maulsby  
Representative Hugo Schnekloth  
Representative Philip Wise

#### COMMITTEE PROCEEDINGS

The Study Committee was authorized three meeting days which were held at the State Capitol Building in Des Moines on August 21, 1989, September 27, 1989, and October 26, 1989.

At the first meeting, Gary Meyer of the Department of Management provided the Study Committee with data relating to property taxes listed by taxing authority and classes of property within each taxing authority. The data covered the fiscal years 1975/76 through 1988/89. The Study Committee also heard from representatives of various interest groups who expressed, in general terms, how property tax relief could be provided to property owners. These suggestions involved relief to owners as a

to an additional \$30 million in property tax relief for each year of the five-year period. This would mean that \$150 million in relief would be provided in the fifth and subsequent years. The relief would be designed to also provide relief to renters of their homesteads.

#### RECOMMENDATIONS

The Study Committee discussed and voted on the three bill proposals and the undrafted fourth proposal. None of the four received sufficient affirmative votes to enable any of them to be a recommendation of the Study Committee. However, the Study Committee did recommend before completing its business to direct the Legislative Fiscal Bureau and Legislative Service Bureau to collect and disseminate to interested members of the Senate and House Standing Committees on Ways and Means information and data relating to tax exempt real property in the state. A copy of the directive is attached and by this reference made a part of this final report.

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The Property Tax Reduction Study Committee recommends that:

The Legislative Fiscal Bureau be directed to gather information from the Department of Revenue and Finance and any other appropriate source, listing all of the tax exempt real property in the State of Iowa by category of Charitable and Non-Charitable. Further, that the Charitable category be broken down into Income Producing and Non-Income Producing Property. This would not require a specific listing of each property, but could be listed in aggregate numbers under each category by property owner.

Further, that the Legislative Fiscal Bureau and Legislative Service Bureau be directed to supply this information to the respective Ways and Means Committee Chairs of each chamber, and any other interested Senator or Representative serving on the Ways and Means Committees.