

House File 665

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HOUSE FILE 665

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1 3 AN ACT
1 4 RELATING TO PROPERTY TAXATION OF CERTAIN LANDS LEASED TO OTHERS
1 5 BY THE DEPARTMENT OF CORRECTIONS OR DEPARTMENT OF HUMAN
1 6 SERVICES AND PROVIDING FOR THE ACT'S APPLICABILITY.
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1 8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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1 10 Section 1. Section 427.1, subsection 1, Code 2003, is
1 11 amended to read as follows:

1 12 1. FEDERAL AND STATE PROPERTY. The property of the United
1 13 States and this state, including state university, university
1 14 of science and technology, and school lands, except as
1 15 otherwise provided in this subsection. The exemption herein
1 16 provided shall not include any real property subject to
1 17 taxation under any federal statute applicable thereto, but
1 18 such exemption shall extend to and include all machinery and
1 19 equipment owned exclusively by the United States or any
1 20 corporate agency or instrumentality thereof without regard to
1 21 the manner of the affixation of such machinery and equipment
1 22 to the land or building upon or in which such property is
1 23 located, until such time as the Congress of the United States
1 24 shall expressly authorize the taxation of such machinery and
1 25 equipment.

1 26 Sec. 2. Section 427.1, subsection 1, Code 2003, is amended
1 27 by adding the following new unnumbered paragraph:

1 28 NEW UNNUMBERED PARAGRAPH. Property of the state operated
1 29 pursuant to section 904.302, 904.705, or 904.706 that is
1 30 leased to an entity other than an entity which is exempt from
1 31 property taxation under this section shall be subject to
1 32 property taxation for the term of the lease. Property taxes
1 33 levied against such leased property shall be paid from the
1 34 revolving farm fund created in section 904.706. The lessor
1 35 shall file a copy of the lease with the county assessor of the
2 1 county where the property is located.

2 2 Sec. 3. Section 904.302, Code 2003, is amended by adding
2 3 the following new subsection:

2 4 NEW SUBSECTION. 7A. Pay property taxes levied against
2 5 land leased by the department of corrections or department of
2 6 human services as provided in section 427.1, subsection 1.

2 7 Sec. 4. Section 904.705, unnumbered paragraph 2, Code
2 8 2003, is amended to read as follows:

2 9 The director may with the assistance of the department of
2 10 natural resources establish and operate forestry nurseries on
2 11 state-owned land under the control of the department.
2 12 Residents of the adult correctional institutions shall provide
2 13 the labor for the operation. Nursery stock shall be sold in
2 14 accordance with the rules of the natural resource commission.
2 15 The department shall pay the costs of establishing and
2 16 operating the forestry nurseries out of the revolving farm
2 17 fund created in section 904.706. The department of natural
2 18 resources shall pay the costs of transporting, sorting, and
2 19 distributing nursery stock to and from or on state-owned land
2 20 under the control of the department of natural resources.
2 21 Receipts from the sale of nursery stock produced under this
2 22 section shall be divided between the department and the
2 23 department of natural resources in direct proportion to their
2 24 respective costs as a percentage of the total costs. However,
2 25 property taxes due and payable on the land shall be deducted
2 26 before receipts of sale are divided between the two
2 27 departments if land subject to this section is leased to an
2 28 entity other than an entity which is exempt from property
2 29 taxation under section 427.1. The department shall deposit
2 30 its receipts in the revolving farm fund created in section
2 31 904.706.

2 32 Sec. 5. APPLICABILITY. This Act applies to leases entered
2 33 into on or after the effective date of this Act.
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CHRISTOPHER C. RANTS
Speaker of the House

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MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and
is known as House File 665, Eightieth General Assembly.

MARGARET THOMSON
Chief Clerk of the House

Approved _____, 2003

THOMAS J. VILSACK
Governor