

April 10, 1969
Place On Calendar

Reprinted 5/6
HOUSE FILE 784

By COMMITTEE ON WAYS AND MEANS

Passed House, Date 5-2-69 Passed Senate, Date.....

Vote: Ayes 15 Nays 43 Vote: Ayes Nays

Approved

Motion to reconsider filed 5-2, lost 5-5

A BILL FOR

1 An Act relating to the valuation and assessment of real and
2 personal property.

3 *Be It Enacted by the General Assembly of the State of Iowa:*

4 Section 1. Chapter three hundred fifty-four (354), sec-
5 tion one (1), Acts of the Sixty-second General Assembly,
6 amending section four hundred forty-one point twenty-one
7 (441.21), Code 1966, is hereby amended as follows:

8 1. By striking from lines eleven (11) and twelve (12)
9 the words " 'Market value' is" and inserting in lieu thereof
10 the following:

11 "The terms 'market value' and 'fair and reasonable market
12 value' are".

13 2. By striking lines nineteen (19) through twenty-six
14 (26), inclusive, and inserting in lieu thereof the following:
15 "be taken into consideration in arriving at its market
16 value. In arriving at market value, sale prices of property
17 in abnormal transactions not reflecting market value shall not
18 be taken into account; and such market value shall be adjusted
19 to eliminate the effect of factors which distort market value,
20 including but not limited to sales to immediate family of the
21 seller, foreclosure or other forced sales, contract sales, and
22 discounted purchase transactions.

23 However, in assessing and determining the actual value of
24 agricultural property, equal consideration shall be given to:

25 a. The crop suitability and productivity and earning

1 capacity capitalized at generally accepted interest rates to
2 be applied uniformly among counties and among classes of
3 property.

4 b. The fair and reasonable market value of such property
5 as defined herein, but such market value shall be based only
6 on its current use and not on its potential value for other
7 uses.

8 Notwithstanding any other provision of this section, the
9 actual value of any property shall not exceed its fair and
10 reasonable market value.

11 The actual value of an inventory of stocks of merchandise,
12 as adjusted to January one of the calendar year, shall be the
13 actual value based on cost to the taxpayer and not the resale
14 price. Proper allowance for depreciation and obsolescence, if
15 any, shall be determined by the assessor. Assessments shall
16 be made as provided by sections four hundred twenty-eight point
17 seventeen (428.17) and four hundred forty-one point nineteen
18 (441.19) of the Code.”

19 3. By inserting after the period in line forty-nine (49) the
20 following:

21 “The assessor shall disclose at the written request of the
22 taxpayer all information in any formula or method used to de-
23 termine the actual value of his property.”

24 Sec. 2. Chapter three hundred fifty-four (354), section
25 eight (8), Acts of the Sixty-second General Assembly, amending
26 section four hundred twenty-eight point four (428.4), Code 1966,
27 is hereby amended by striking from line three (3) the figures
28 “1968” and inserting in lieu thereof the figures “1973”.

EXPLANATION OF HOUSE FILE 784

This Act will limit the use of sales transactions in determining market value to those truly reflecting the value of the property as property. The Act also provides that in determining market value productivity and earning capacity, if any, industrial conditions, its cost, physical and functional depreciation and obsolescence, replacement costs and all other relevant factors shall be used in arriving at market value and market value shall not be determined by use of only one of said factors.

- 1 Amend House File 784 as follows:
- 2 1. Page 1, line twenty-four (24), by striking
- 3 the word "agricultural".
- 4 2. Page 1, line twenty-five (25), by striking
- 5 the words "crop suitability and".

Filed - *Withdrawn 5-2*
April 14, 1969

VAN NOSTRAND of Pottawattamie
RADL of Linn
SORG of Linn

- 1 Amend House File 784, page 2, by striking lines eleven (11)
- 2 through eighteen (18) and inserting in lieu thereof the fol-
- 3 lowing:
- 4 "The market value of an inventory or goods in bulk shall be
- 5 their market value as such inventory or goods in bulk, not their
- 6 retail or unit price. Such market value shall be fair and reason-
- 7 able based on market value of similar classes of property."

Filed - *Adopted 5-2*
April 14, 1969

KREAMER of Polk

- 1 Amend House File 784 as follows:
- 2 Page 2, line one (1), by inserting after the word
- 3 "capacity" the words " , when applicable,".
- 4 Page 2, line twelve (12), by striking the words
- 5 "as adjusted to January one of the calendar year,".
- 6 Page 2, line twenty-one (21), by inserting after
- 7 the word "assessor" the words "and department of
- 8 revenue".

Filed - *Adopted 5-2*
April 17, 1969

FISHER of Greene

- 1 Amend House File 784 by adding thereto the following ~~new~~
- 2 section:
- 3 Sec. 3. Section four hundred forty-one point forty-seven
- 4 (441.47), Code 1966, is hereby amended by adding thereto the
- 5 following:
- 6 "The director shall equalize the levels of assessment of
- 7 each class of property in the first and third year of the
- 8 quadrennial assessment period except that the first equal-
- 9 ization under this Act shall be on the 1971 assessment for
- 10 taxes payable in 1972. For purposes of such valuation adjust-
- 11 ments, the director, before such equalization, shall adopt
- 12 such rules under chapter seventeen A (17A) of the Code as
- 13 may be necessary to determine the level of assessment for each
- 14 class of property in each county. The rules shall cover:
- 15 (a) the proposed use of the assessment-sales ratio study set
- 16 out in subsection six (6) of section four hundred twenty-one
- 17 point seventeen (421.17) of the Code; (b) the purposed use
- 18 of any state-wide income capitalization studies; (c) the
- 19 proposed use of other methods that would assist the director
- 20 in arriving at the accurate level of assessment of each class
- 21 of property in each assessing jurisdiction."

Filed - *Amended and Adopted 5-2*
April 30, 1969

FISHER of Greene
DEN HERDER of Sioux

- 1 Amend the Kreamer amendment to House File 784, filed
- 2 April 14, 1969, as follows:
- 3 1. By adding to such amendment the following sentence:
- 4 "Assessments shall be made as provided by sections four
- 5 hundred twenty-eight point seventeen (428.17) and four
- 6 hundred forty-one point nineteen (441.19) of the Code."

Filed - *Withdrawn 5-2*
May 1, 1969

KREAMER of Polk

- 1 Amend House File 784 as follows:
- 2 1. Page 1, line twenty-four (24), by striking the
- 3 word "equal" and inserting in lieu thereof the words
- 4 "fifty percent".
- 5 2. Page 1, line twenty-four (24), by inserting
- 6 after the word "to" the following: "each of the
- 7 following factors".
- 8 3. Page 1, line twenty-five (25), by striking
- 9 the word "earning" and inserting in lieu thereof
- 10 the words "net earnings".
- 11 4. Page 2, line one (1), by striking the word
- 12 "capacity".

Filed - *Adopted 5-2*
May 1, 1969

FISHER of Greene

- 1 Amend House File 784, page 2, line one (1), by striking the words
- 2 "interest rates" and insert in lieu thereof the words "yields".

Filed and lost
May 2, 1969

VAN NOSTRAND of Pottawattamie

- 1 Amend the Fisher of Greene amendment of April 30 to House File
- 2 striking from lines 9 and 10 the words "for taxes payable
- 3 in 1972".

Filed - *Adopted 5-2*
May 1, 1969

HOLDEN of Scott

- 1 Amend House File 784 as follows:
- 2 Page 2, line twenty-one (21), by striking the word
- 3 "assessor" and inserting in lieu thereof the words
- 4 "assessing authority".

Filed - *Withdrawn 5-2*
April 11, 1969

FISHER of Greene

- 1 Amend House File 784, page one (1), by inserting after line
- 2 twenty-two (22) the following:
- 3 "The market value of property in a county shall be as
- 4 nearly equal as possible to the market value of adjacent like
- 5 property in an adjoining county, and in the event a variation
- 6 in market values of any such properties exceeds five percent
- 7 the director of revenue shall direct assessors to make adjustments
- 8 in such market values to reduce the variation to five percent
- 9 or less."

Filed - *Adopted 5-2*
April 11, 1969

NIELSEN of Shelby
MILLER of Jones

May 6, 1969

HOUSE FILE 784

By COMMITTEE ON WAYS AND MEANS
(AS AMENDED AND PASSED BY THE HOUSE)

Passed House, Date 5-2-69 Passed Senate, Date 5-12-69

Vote: Ayes 75 Nays 43 Vote: Ayes 26 Nays 18

Approved

*Passed per Conference
Committee Report
5-22; 73-34.*

*Passed Senate per Conference
Committee Report
5/23; 37-19
motion to reconsider tabled*

*Conference Committee
Shoff, Reichert,
Ollerberg, Van Driel,
Fisher, Ken Sherer,
Rodge, Rosada*

A BILL FOR

1 An Act relating to the valuation and assessment of real and
2 personal property.

3 *Be It Enacted by the General Assembly of the State of Iowa:*

4 Section 1. Chapter three hundred fifty-four (354), sec-
5 tion one (1), Acts of the Sixty-second General Assembly,
6 amending section four hundred forty-one point twenty-one
7 (441.21), Code 1966, is hereby amended as follows:

8 1. By striking from lines eleven (11) and twelve (12)
9 the words " 'Market value' is" and inserting in lieu thereof
10 the following:

11 "The terms 'market value' and 'fair and reasonable market
12 value' are".

13 2. By striking lines nineteen (19) through twenty-six
14 (26), inclusive, and inserting in lieu thereof the following:

15 "be taken into consideration in arriving at its market
16 value. In arriving at market value, sale prices of property
17 in abnormal transactions not reflecting market value shall not
18 be taken into account; and such market value shall be adjusted
19 to eliminate the effect of factors which distort market value,
20 including but not limited to sales to immediate family of the
21 seller, foreclosure or other forced sales, contract sales, and
22 discounted purchase transactions.

23 The market value of property in a county shall be as
24 nearly equal as possible to the market value of adjacent
25 like property in an adjoining county, and in the event a

1 variation in market values of any such properties exceeds
2 five percent the director of revenue shall direct assessors
3 to make adjustments in such market values to reduce the
4 variation to five percent or less.

5 However, in assessing and determining the actual value of
6 agricultural property, fifty percent consideration shall be given to
7 each of the following factors:

8 a. The crop suitability and productivity and net earnings,
9 when applicable, capitalized at generally accepted interest rates to
10 be applied uniformly among counties and among classes of
11 property.

12 b. The fair and reasonable market value of such property
13 as defined herein, but such market value shall be based only
14 on its current use and not on its potential value for other
15 uses.

16 Notwithstanding any other provision of this section, the
17 actual value of any property shall not exceed its fair and
18 reasonable market value.

19 The market value of an inventory or goods in bulk shall
20 be their market value as such inventory or goods in bulk,
21 not their retail or unit price. Such market value shall
22 be fair and reasonable based on market value of similar
23 classes of property.

24 3. By inserting after the period in line forty-nine (49) the
25 following:

26 "The assessor and department of revenue
27 shall disclose at the written request of the
28 taxpayer all information in any formula or method used to de-
29 termine the actual value of his property."

30 Sec. 2. Chapter three hundred fifty-four (354), section
31 eight (8), Acts of the Sixty-second General Assembly, amending
32 section four hundred twenty-eight point four (428.4), Code 1966,
33 is hereby amended by striking from line three (3) the figures
34 "1968" and inserting in lieu thereof the figures "1973".

35 Sec. 3. Section four hundred forty-one point forty-seven

1 (441.47), Code 1966, is hereby amended by adding thereto the
2 following:
3 "The director shall equalize the levels of assessment of
4 each class of property in the first and third year of the
5 quadrennial assessment period except that the first equalization
6 under this Act shall be on the 1971 assessment. For purposes
7 of such valuation adjustments, the director, before such
8 equalization, shall adopt such rules under chapter
9 seventeen A (17A) of the Code as may be necessary to determine
10 the level of assessment for each class of property in each
11 county. The rules shall cover: (a) the proposed use of
12 the assessment-sales ratio study set out in subsection six
13 (6) of section four hundred twenty-one point seventeen
14 (421.17) of the Code; (b) the proposed use of any state-wide
15 income capitalization studies; (c) the proposed use of
16 other methods that would assist the director in arriving at
17 the accurate level of assessment of each class of property
18 in each assessing jurisdiction."

EXPLANATION OF HOUSE FILE 784

This Act will limit the use of sales transactions in determining market value to those truly reflecting the value of the property as property. The Act also provides that in determining market value productivity and earning capacity, if any, industrial conditions, its cost, physical and functional depreciation and obsolescence, replacement costs and all other relevant factors shall be used in arriving at market value and market value shall not be determined by use of only one of said factors.

SENATE AMENDMENT TO HOUSE FILE 784

*House refused
to concur 5-20
Senate invited 5-21*

- 1 Amend House File 784 as follows:
- 2 1. Page 1 by striking lines 8 through 12, inclusive, and
renumbering
- 3 the remaining subsections.
- 4 2. Page 1 lines 13 and 14, by striking the word and figure
"twenty-six
- 5 (26)" and inserting in lieu thereof the word and figure "twenty-
two (22)".
- 6 3. Page 1, line 18, by striking the words "and such market value"
and
- 7 inserting in lieu thereof the word "or".
- 8 4. Page 1, line 21, by striking the word "and".
- 9 5. Page 1, line 22, by inserting after the word "transactions" the
10 words "or purchase of adjoining land or other land to be operated as
11 a unit".
- 12 6. Page 1 by striking lines 23 through 25, inclusive, and page 2,
13 by striking lines 1 through 4, inclusive, and inserting in lieu thereof
14 the following:
15 "Actual value of property in one county shall be equalized as
16 compared with actual value of property in an adjoining county. If
17 a variation of five percent or more exists between the actual values
18 of similar, closely adjacent property in adjoining counties in Iowa,
19 the director of revenue shall determine whether adequate reasons
20 exist for such variation. If no such reasons exist, the director of
21 revenue shall direct assessors to make adjustments in such actual
22 values to reduce the variation to five percent or less."
- 23 7. Page 2 by striking lines 5 through 11, inclusive, and inserting
24 in lieu thereof the following:
25 "In assessing and determining the actual value of agricultural
26 property fifty percent consideration shall be given to each of the
27 following factors:
28 a. The productivity and earning capacity determined on the
29 basis of the use for agricultural purposes capitalized at generally
30 accepted interest rates to be applied uniformly among counties and
31 among classes of property."
- 32 8. Page 2 by adding the following paragraphs after line 15.
33 "In counties or townships in which field work on a modern soil
34 survey has been completed since January 1, 1949, the assessor and the
35 department of revenue shall place emphasis upon the results of such
36 survey in determining the productive and earning capacity of such
37 agricultural property.
38 "Only the current use and not potential value shall be considered
39 in determining the market value of any property."
- 40 9. Page 1 by striking lines 19 through 23, inclusive.
- 41 10. Page 2 by adding after line 29 the following new subsections:
42 "By striking lines twenty-seven (27) and twenty-eight (28),
43 and inserting in lieu thereof the words 'In determining the fair and
44 reasonable market value of property, the assessor may'."
45 "By striking lines thirty-seven (37) through forty-three (43),
46 inclusive, and inserting in lieu thereof the words 'value of the

REPORT OF CONFERENCE COMMITTEE
(House File 784)

To the President of the Senate and the Speaker of the House of Representatives:

We, the undersigned members of the conference committee appointed to consider the difference between the Senate and the House of Representatives on House File 784, a bill for an act relating to the valuation and assessment of real and personal property, respectfully submit the following recommendations:

That the Senate recede from its amendment.

That House File 784 as reprinted after amendment and passage by the House of Representatives be amended as follows:

1. By striking from page one (1) all of lines eight (8) through twelve (12), inclusive, and renumbering the remaining subsections of section one (1) accordingly.

2. By striking from page one (1), line eighteen (18), the words "and such market value" and inserting in lieu thereof the word "or".

3. By striking from page one (1), line twenty-one (21), the word "and".

4. By inserting in page one (1), line twenty-two (22), after the word "transactions", the words "or purchase of adjoining land or other land to be operated as a unit".

5. By striking from page one (1), lines twenty-three (23), twenty-four (24), and twenty-five (25), and from page two (2) all of lines one (1) through four (4), inclusive, and inserting in lieu thereof the following:

"Actual value of property in one county shall be equalized as compared with actual value of property in an adjoining county. If a variation of five percent or more exists between the actual values of similar, closely adjacent property in adjoining counties in Iowa, the director of revenue shall determine whether adequate reasons exist for such variation. If no such reasons exist, the director of revenue shall direct assessors to make adjustments in such actual values to reduce the variation to five percent or less."

6. By striking from page two (2) all of lines five (5) through eleven (11), inclusive, and inserting in lieu thereof the following:

"In assessing and determining the actual value of agricultural property fifty percent consideration shall be given to each of the following factors:

a. The productivity and net earning capacity determined on the basis of the use for agricultural purposes capitalized at a rate representing a fair return on the investment, such rate to be established by the state board of tax review and applied uniformly among counties and among classes of property."

7. By inserting in page two (2), after line fifteen (15), the following:

"In counties or townships in which field work on a modern soil survey has been completed since January 1, 1949, the assessor and the department of revenue shall place emphasis upon the results of such survey in determining the productive and earning capacity of such agricultural property."

8. By striking from page two (2), line thirty-four (34), the figure "1973", and inserting in lieu thereof the figure "1971".

9. By striking from page three (3), line three (3), the word "equalize", and inserting in lieu thereof the words "order the equalization of".

10. By striking from page three (3), lines five (5) and six (6), the words "except that the first equalization under this Act shall be on the 1971 assessment".

11. By striking from page three (3) all of lines seven (7), eight (8), and nine (9), and inserting in lieu thereof the following:

"of such value adjustments and before such equalization the director shall adopt, with approval of the state board of tax review and in the manner prescribed by chapter seventeen A (17A) of the Code, such rules as may be necessary to determine".

On the Part of the House:
C. RAYMOND FISHER, Chairman
ELMER H. DEN HERDER
NORMAN ROORDA
NORMAN G. RODGERS

On the Part of the Senate:
ROGER J. SHAFF, Chairman
HERBERT L. OLLENBURG
BASS VAN GILST

*House
adopted report
5-22
Senate
adopted
5/23
Motion
to Rescind
filed 5/23
tabled 5/23*

House 11

47 property as property.’”

48 “By adding after line fifty-six (56) the following: ‘Only property
49 within Iowa shall be used for comparison for valuation and assessment
50 purposes, except properties which are assessed by the director of
51 revenue as provided by law.’”

52 ‘By starting a new paragraph after the period in line
53 eleven (11).’”

54 11. Page 3 by striking lines 3 through 18, inclusive, and inserting
in

55 lieu thereof the following:

56 “No equalization or adjustment order of the director of revenue
57 entered prior to the effective date of this Act pursuant to the
provisions

58 of this section shall be of any force and effect subsequent to the year
59 1969. Any such equalization or adjustment order for any year
60 subsequent to 1969 shall only be effective if it is based upon the
61 assessment standards of chapter three hundred fifty-four (354),
62 Acts of the Sixty-second General Assembly as amended by this
63 Act.”

64 12. Page 3 by adding the following new sections:

65 “Sec. 4. Section four hundred twenty-two point forty-six
66 (422.46), Code 1966, as amended by chapter three hundred forty-
67 eight (348), section twenty-four (24), and chapter one hundred fifty-
68 eight (158), section four (4), Acts of the Sixty-second General
69 Assembly, is hereby further amended by inserting in line eleven
70 (11) after the word ‘cigarettes’ the words ‘or to the inventory
71 replacement tax imposed on the gross receipts of retailers from
72 the sale of goods’.

73 “Sec. 5. Section four hundred twenty-seven point one (427.1),
74 Code 1966, as amended by chapter three hundred forty-two (342),
75 section one hundred fifty-five (155), Acts of the Sixty-second General
76 Assembly, is hereby further amended by adding the following new
77 subsection:

78 ‘All stocks of merchandise and other tangible personal property
79 purchased, or otherwise acquired by a retailer as defined in subsection
80 five (5) of section four hundred twenty-two point forty-two (422.42)
81 of the Code, for the purpose of making a subsequent retail sale.’

82 “Sec. 6. Chapter three hundred fifty-four (354) section one (1),
83 Acts of the Sixty-second General Assembly, amending section four
84 hundred forty-one point twenty-one (441.21), Code 1966, is hereby
85 amended by striking lines twenty-three (23) to twenty-six (26)
86 inclusive.

87 “Sec. 7. Section four hundred twenty-eight point seventeen
88 (428.17), Code 1966, is hereby amended by striking all of such section
89 and inserting in lieu thereof the following new section:

90 ‘For the purpose of this section the term “retailer”,
91 “retail sale”, and “sales” shall mean such words as defined in
92 section four hundred twenty-two point forty-two (422.42) of the
93 Code.

94 ‘There is hereby imposed annually an inventory replacement
95 tax of one-quarter of one percent upon the gross receipts of all

House 12

96 retailers derived from the sale of tangible personal property on
97 the first million dollars of gross sales; one-sixteenth of one
98 percent on the second million dollars gross sales; and one-
99 thirty-second of one percent on gross receipts thereafter. Such
100 inventory replacement tax shall not be collected from a consumer
101 of such goods or services. It shall be paid by the retailer in
102 quarterly installments to the department of revenue in the same
103 manner as the retail sales tax as provided in section four hundred
104 twenty-two point fifty-two (422.52) of the Code. The department
105 of revenue may adopt such administrative procedures and require-
106 ments as will aid in the administration and enforcement of this
107 provision.

108 "The sale of any merchandise sold in bulk or otherwise disposed
109 of, voluntarily or involuntarily, rather than at retail or wholesale
110 as herein provided, shall be subject to the inventory replacement
111 tax. In such event, only the consideration for the merchandise shall
112 be included as gross receipts.

113 "The department of revenue shall certify the total revenues
114 collected within each county pursuant to this section to the state
115 comptroller, who shall remit not later than October first and April
116 first of each year to the treasurer of each county in which the

retailers
117 paying such inventory replacement tax are located, all revenues
118 collected from each county from the taxes imposed by this section.
119 Each county treasurer shall credit to the various taxing districts
120 within the county such proportionate share of the revenues received.
121 The proportionate share of revenues to which each taxing district
122 shall be entitled shall be that share of available revenues represented
123 by the percentage that a taxing district's mill levy measured in dollar
124 amounts bears to the total mill levy measured in dollar amounts of
125 the county. Information necessary to implement the provisions of
126 this section shall be furnished by the department of revenue to the
127 counties.'"

1 Amend the Senate amendment to House File 784 as follows:
2 1. Line eighty-one (81) by inserting after the word "Code"
3 the following: "as included in the inventory property replacement
4 tax".
5 2. Line ninety-three (93) by inserting after the word
6 "Code" the following: ", except that gas, electricity, water,
7 communication service, automobile dealers as provided in
8 section three hundred twenty-one point one hundred thirty
9 (321.130) of the Code, and taxable services covered by section
10 four hundred twenty-two point forty-three (422.43) of the Code,
11 as amended shall not be included for the purposes of the
12 inventory replacement tax. However, any such exclusions
13 shall not exempt such retailers from assessment and taxation as
14 otherwise provided by law".
15 3. By striking from line ninety-five (95) the words "gross
16 receipts of all", all of lines ninety-six (96), ninety-seven
17 (97), ninety-eight (98) and through the word "thereafter" in line
18 ninety-nine (99), and inserting in lieu thereof the following:
19 "net sales upon which sales tax is computed, except sales of
20 food products sold for human consumption which shall be at the
21 rate of one-eighth of one percent of net sales. The provision
22 on food products shall apply to food items served to the public
23 including catering service".
24 4. By adding after line one hundred twenty-seven (127) the
25 following paragraph: "The effective date of the inventory
26 property replacement tax shall be October 1, 1970. Inventories
27 covered by this Act shall not be assessed in 1970 for taxes
28 payable in 1971."

Filed *Lawson of Cerro Gordo*
May 19, 1969

LAWSON of Cerro Gordo
McCORMICK of Delaware

1 Amend House File 784 as follows:

2 1. Page 1, by striking lines 13 through 25 and inserting in lieu
thereof

3 the following:

4 "2. By striking all of line sixteen (16) after the period, and by
striking
5 lines seventeen (17) through twenty-two (22), inclusive, and inserting
in

6 lieu thereof the following:

7 "Sale prices of the property or comparable property in normal trans-
actions
8 reflecting market value shall be evidence of market value. Good faith
offers
9 to buy or sell the property, and the probable availability or unavaila-
bility of
10 persons interested in purchasing the property, shall be taken into
consider-

11 ation in determining its market value.

12 In determining market value, sale prices of property, and offers to
buy or
13 sell property, in abnormal transactions not reflecting market value
shall not
14 be taken into account or shall be adjusted to eliminate the effect of
factors
15 which distort market value, including but not limited to sales to the
immediate
16 family of the seller, foreclosure or other forced sales, contract sales in
which
17 the price does not reflect market value because of the interest rate or
terms,
18 and transactions in which the land purchased adjoins other land al-
ready owned
19 by the purchaser.

20 In determining market value, the following factors shall be con-
sidered if
21 they affect the market value of the property: its productive and earning
capacity,
22 if any; industrial conditions; its cost; physical and functional depreci-
ation
23 and obsolescence; replacement cost; and all other relevant factors.
However,
24 said factors shall be considered only to the extent that they affect mar-
ket value
25 as defined herein; and market value shall not be determined by use of
only one
26 of said factors. Nothing in this paragraph shall be deemed to modify
the
27 above definition of terms.

28 The following shall not be taken into consideration: special value or
use

Oct 5-1-69

29 value of the property to its present owner, and the good will or value of
30 business which uses the property as distinguished from the value of the ^a
31 property as property.
32 The market value of agricultural property shall be determined on the
33 of its current market value for its current use and not on its potential ^{basis}
34 for other uses. ^{value}
35 Notwithstanding any other provision of this section, the actual value
36 any property shall not exceed its market value." ^{of}
37 3. By striking lines twenty-seven (27) through thirty-six (36), in-
38 and all of line thirty-seven (37) before the period. ^{clusive,}
39 4. By adding after the period in line forty-nine (49) the following:
40 "The assessing body shall disclose at the written request of the tax-
41 all information in any formula or method used to determine the actual ^{payer}
42 his property." ^{value of}
43 Sec. 2. Chapter three hundred fifty-four (354), section eight (8),
44 the Sixty-second General Assembly, amending section four hundred ^{Acts of}
45 eight point four (428.4), Code 1966, is hereby amended by striking from ^{twenty-}
46 three (3) the figures "1968" and inserting in lieu thereof the ^{line}
47 figures "1971."
48 2. Page 2 by striking lines 1 through 28 inclusive.
49 3. By adding the following new section:
50 Sec. 3. Section four hundred forty-one point forty-seven
51 (441.47), Code 1966, is hereby amended by adding thereto the
52 following:
53 "The director shall equalize the levels of assessment of each
54 class of property in the first and third years of the quadrennial
55 assessment period except that the first equalization under this
56 Act shall be on the 1971 assessment for taxes payable in 1972.
57 For purposes of such valuation adjustments, the director, before
58 such equalization, shall adopt such rules under chapter seventeen
59 A (17A) of the Code as may be necessary to determine the level of
60 assessment for each class of property in each county. The rules
61 shall cover, (a) the proposed use of the assessment-sales ratio
62 study set out in subsection six (6) of section four hundred
63 twenty-one point seventeen (421.17) of the Code; (b) the proposed
64 use of any state-wide income capitalization studies; (c) the
65 proposed use of other methods that would assist the director in
66 arriving at the accurate level of assessment of each class of
67 property in each assessing jurisdiction."

Lact
5-1-69

Withdrawn
5-2-69

Filed
April 30, 1969

VAN NOSTRAND of Pottawattamie

HOUSE FILE 784

1 Amend House File 784 by striking all after the enacting
2 clause and inserting in lieu thereof the following:

3 "Section 1. Chapter three hundred fifty-four (354),
4 section one (1), Acts of the Sixty-second General Assembly,
5 is hereby amended as follows:

6 1. By striking from lines eleven (11) and twelve (12)
7 the words "'Market value' is" and inserting in lieu thereof
8 the following:

9 "The terms 'market value' and 'fair and reasonable
10 market value' are".

11 2. By striking all of line sixteen (16) after the
12 period, and by striking lines seventeen (17) through twenty-
13 two (22), inclusive, and inserting in lieu thereof the
14 following:

15 "Sale prices of the property or comparable property
16 in normal transactions reflecting market value shall be
17 evidence of market value. Good faith offers to buy or sell
18 the property, and the probable availability or unavailability
19 of persons interested in purchasing the property, shall also
20 be taken into consideration in determining its market value.

21 In determining market value, sale prices and offers in
22 abnormal transactions not reflecting market value shall not
23 be taken into account or shall be adjusted to eliminate the
24 effect of factors which distort market value, including but
25 not limited to sales to the immediate family of the seller,
26 foreclosure or other forced sales, contract sales in which
27 the price does not reflect market value, and transactions in
28 which the land purchased adjoins other land already owned by
29 the purchaser.

30 In determining market value, the following factors shall
31 be considered to the extent that they affect the market value
32 of the property: its productive and earning capacity, if
33 any; soil types and conditions; industrial conditions; its
34 cost; physical and functional depreciation and obsolescence;
35 replacement cost; and all other relevant factors. However,
36 said factors shall be considered only to the extent that they
37 affect market value as defined herein; and market value shall
38 not be determined by use of only one of said factors.
39 Nothing in this paragraph shall be deemed to modify the above
40 definition of terms.

41 The following shall not be taken into consideration:
42 special value or use value of the property to its present
43 owner, and the good will or value of a business which uses
44 the property as distinguished from the value of the property
45 as property.

46 The market value of agricultural property shall be
47 determined on the basis of its current market value for its
48 current use and not on its potential value for other uses.

49 Notwithstanding any other provision of this section, the
50 actual value of any property shall not exceed its market value."

51 3. By striking lines twenty-seven (27) through thirty-
52 six (36), inclusive, and all of line thirty-seven (37) before
53 the period.

54 4. By adding after the period in line forty-nine (49)
55 the following:

56 "The assessor and department of revenue shall disclose
57 at the written request of the taxpayer all information in
58 any formula or method used to determine the actual value of
59 his property."

60 Sec. 2. Chapter three hundred fifty-four (354), section
61 eight (8), Acts of the Sixty-second General Assembly, amending
62 section four hundred twenty-eight point four (428.4), Code
63 1966, is hereby amended by striking from line three (3)
64 the figures "1969" and inserting in lieu thereof the figures
65 "1973".

66 Sec. 3. Section four hundred forty-one point forty-
67 seven (441.47), Code 1966, is hereby amended by adding thereto
68 the following:

69 "The director shall equalize the levels of assessment
70 of each class of property in the first and third year of the
71 quadrennial assessment period except that the first equalization
72 under this Act shall be on the 1971 assessment. For purposes
73 of such valuation adjustments, the director, before such
74 equalization, shall adopt such rules under chapter seventeen A
75 (17A) of the Code as may be necessary to determine the level
76 of assessment for each class of property in each county.
77 The rules shall cover the proposed use of the assessment-sales
78 ratio study set out in subsection six (6) of section four
79 hundred twenty-one point seventeen (421.17) of the Code and
80 the proposed use of any other methods that would assist the
81 director in arriving at the lawful level of assessment of each
82 class of property in each assessing jurisdiction."

83 EXPLANATION OF AMENDMENT

84 This amendment is almost identical to Senate File 629,
85 sponsored by the Senate Committee on Ways and Means.

86 The major differences between this amendment and
87 House File 784 are:

88 1. This amendment requires the same assessment
89 standard for all property, rural and urban. House File 784
90 provides a special method of assessment for one kind of property
91 only.

92 2. This amendment preserves the principal of equal
93 assessments based on market value. House File 784 is a large
94 step away from this principle.

95 3. This amendment prevents the use of abnormal
96 sale prices in determining market value. When the sale
97 price is artificially high because of a contract sale or a
98 purchase of adjoining land, this sale must be disregarded
99 or the sale price adjusted downward to eliminate the factors
100 which distort market value. This will prevent abuse of the
101 assessment-sales ratio. House File 784 contains similar

Senate 17

102 provisions, but goes much farther. It makes market value
103 only one of two factors to be considered in determining the
104 "actual value" of one class of property.
105 4. This amendment allows assessors and the state
106 revenue director to consider all factors which affect the
107 market value of all property, but these factors are used only
108 to help determine market value. The only real test of
109 property value is market value—the price which a willing
110 buyer and a willing seller would agree upon in the open
111 market. House File 784 goes farther. It requires the use of
112 only two factors (crop suitability and productivity and net
113 earnings) as a partial substitute for market value (not as
114 and aid in determining market value)—but for only one class
115 of property.

*Withdrawn
5/12*

Filed
May 7, 1969

By STANLEY, BENDA, NEU, LEONARD,
SULLIVAN, THORSEN, SHIRLEY,
WALSH, GRIFFIN, MESSERLY,
DENMAN, FROMMELT, and POTTER

1 Amend the Stanley amendment to House File 784, filed May
2 7, 1969, as follows:
3 1. Page 1, line 17, by striking the period and
4 inserting in lieu thereof the following: ", and all other
5 factors hereinafter set forth affecting market value shall
6 also be considered".
7 2. Lines 31 and 32 by striking the words "to the
8 extent that they affect the market value of the property"
9 3. Line 33 by inserting after the word "any" the
10 words ", capitalized at generally accepted interest rates
11 to be applied uniformly among counties and among classes
12 of property".
13 4. By striking from lines 39 and 40 the words
14 "Nothing in this paragraph shall be deemed to modify the
15 above definition of terms."

Filed
May 8, 1969

By SHAFF

1 Amend the Stanley, et al., amendment to House File 784
2 dated May 9, 1969, after line 70, by inserting the following
3 new paragraph:
4 "Actual value of property in one county shall be equalized
5 as compared with actual value of property in an adjoining
6 county. If a variation of five percent exists between the
7 actual values of similar, closely adjacent property in
8 adjoining counties in Iowa, the director of revenue shall
9 determine whether adequate reasons exist for such variation.
10 If no such reasons exist, the director of revenue shall direct
11 assessors to make adjustments in such actual values to reduce
12 the variation to five percent or less."

Filed and adopted
May 12, 1969

By DeKOSTER

1 Amend House File 784 by striking all after the enacting
2 clause and inserting in lieu thereof the following:

3 "Section 1. Chapter three hundred fifty-four (354),
4 section one (1), Acts of the Sixty-second General Assembly,
5 is hereby amended as follows:

6 1. By striking from lines eleven (11) and twelve (12)
7 the words " 'Market value' is" and inserting in lieu thereof
8 the following:

9 "The terms 'market value' and 'fair and reasonable
10 market value' are".

11 2. By striking all of line sixteen (16) after the
12 period, and by striking lines seventeen (17) through twenty-
13 two (22), inclusive, and inserting in lieu thereof the
14 following:

15 "Sale prices of the property or comparable property
16 in normal transactions reflecting market value, good faith
17 offers to buy or sell the property, and the probable availability
18 or unavailability of persons interested in purchasing the
19 property, shall be taken into consideration in determining
20 its market value.

21 In determining market value, sale prices and offers in
22 abnormal transactions not reflecting market value shall not
23 be taken into account or shall be adjusted to eliminate the
24 effect of factors which distort market value, including but
25 not limited to sales to the immediate family of the seller,
26 foreclosure or other forced sales, contract sales in which

27 the price does not reflect market value, discounted purchase
28 transactions, and transactions in which the land purchased
29 adjoins other land already owned by the purchaser or is to
30 be operated as a unit with other land already owned by the
31 purchaser.

32 In determining market value, the following factors shall
33 be considered to the extent that they affect the market value
34 of the property: its productive and earning capacity, if any;
35 soil types and conditions; industrial conditions; its cost;
36 physical and functional depreciation and obsolescence;
37 replacement costs; and all other relevant factors. However,
38 said factors shall be considered only to the extent that they
39 affect market value as defined herein; and market value shall
40 not be determined by use of only one of said factors. Nothing
41 in this paragraph shall be deemed to modify the above
42 definition of terms.

43 The following shall not be taken into consideration:
44 special value or use value of the property to its present
45 owner, and the good will or value of a business which uses
46 the property as distinguished from the value of the property
47 as property.

48 The market value of agricultural property shall be
49 determined on the basis of its current market value for its
50 current use and not on its potential value for other uses.

51 Notwithstanding any other provision of this section, the
52 actual value of any property shall not exceed its market value."

53 3. By striking lines twenty-seven (27) through thirty-
54 six (36), inclusive, and all of line thirty-seven (37) before
55 the period.

56 4. By adding after the period in line forty-nine (49)
57 the following:

58 "The assessor and department of revenue shall disclose
59 at the written request of the taxpayer all information in
60 any formula or method used to determine the actual value of
61 his property."

63 eight (8), Acts of the Sixty-second General Assembly, amending
64 section four hundred twenty-eight point four (428.4), Code
65 1966, is hereby amended by striking from line three (3)
66 the figures "1968" and inserting in lieu thereof the figures
67 "1971".

68 Sec. 3 Section four hundred forty-one point forty-
69 seven (441.47), Code 1966, is hereby amended by adding thereto
70 the following:

71 Sec. 3. No equalization or adjustment order of the
72 director of revenue entered prior to July 1, 1969, shall be
73 of any force or effect subsequent to the year 1969, except
74 to the extent that such order affects taxes for the year 1969
75 payable in 1970. Any such equalization or adjustment order
76 for any year subsequent to 1969 shall only be effective if it
77 is based upon the assessment standards of chapter three hundred
78 fifty-four (354), Acts of the Sixty-second General Assembly,
79 as amended by this Act."

80 EXPLANATION OF AMENDMENT

81 This amendment is almost identical to Senate File 629,
82 sponsored by the Senate Committee on Ways and Means.

83 The major differences between this amendment and
84 House File 784 are:

85 1. This amendment requires the same assessment
86 standard for all property, rural and urban. House File 784
87 provides a special method of assessment for one kind of property
88 only.

89 2. This amendment preserves the principle of equal
90 assessments based on market value. House File 784 is a large
91 step away from this principle.

92 3. This amendment prevents the use of abnormal
93 sale prices in determining market value. When the sale
94 price is artificially high because of a contract sale or a
95 purchase of adjoining land, this sale must be disregarded
96 or the sale price adjusted downward to eliminate the factors
97 which distort market value. This will prevent abuse of the
98 assessment-sales ratio. House File 784 contains similar
99 provisions, but goes much farther. It makes market value
100 only one of two factors to be considered in determining the
101 "actual value" of one class of property.

102 4. This amendment allows assessors and the state
103 revenue director to consider all factors which affect the
104 market value of all property, but these factors are used only
105 to help determine market value. The only real test of
106 property value is market value—the price which a willing
107 buyer and a willing seller would agree upon in the open
108 market. House File 784 goes farther. It requires the use of
109 only two factors (crop suitability and productivity and net
110 earnings) as a partial substitute for market value (not as
111 an aid in determining market value)—but for only one class
112 of property.

Filed
May 9, 1969

By STANLEY, BENDA, NEU, LEONARD,
SULLIVAN, THORSEN, POTTER,
CONKLIN, WALSH, GRIFFIN,
MESSERLY, DENMAN, FROMMELT,
SHIRLEY and DeHART

Last
5/12

[Signature]
5/12

1 Amend House File 784, as amended and passed by the House,
2 as follows:

3 1. Page 1, line 18, by striking the words "and such
4 market value" and inserting in lieu thereof the word "or".

5 2. Page 1, line 21, by striking the word "and".

6 3. Page 1, line 22, by inserting after the word
7 "transactions" the words "or purchase of adjoining land or
8 other land to be operated as a unit".

9 4. Page 1, line 23, by striking the word "market"
10 and inserting in lieu thereof the word "actual".

11 5. Page 1, line 24, by striking the words "market
12 value of adjacent" and inserting in lieu thereof the words
13 "actual value of".

14 6. Page 2, lines 1 and 3, by striking the word
15 "market" and inserting in lieu thereof the word "actual".

16 7. Page 2 by striking lines 5 through 11, inclusive,
17 and inserting in lieu thereof the following:

18 "In assessing and determining the actual value of
19 agricultural property fifty percent consideration shall be
20 given to each of the following factors:

21 a. The productivity and earning capacity determined
22 on the basis of the use for agricultural purposes capital-
23 ized at generally accepted interest rates to be applied
24 uniformly among counties and among classes of property."

25 8. Page 2, line 34, by striking the figures "1973"
26 and inserting in lieu thereof the figures "1971".

27 9. Page 3 by striking lines 3 through 18, inclusive,
28 and inserting in lieu thereof the following:

29 "No equalization or adjustment order of the director
30 of revenue entered prior to the effective date of this
31 act pursuant to the provisions of this section shall be
32 of any force and effect subsequent to the year 1969. Any
33 such equalization or adjustment order for any year sub-
34 sequent to 1969 shall be effective if it is based upon
35 the assessment standards of chapter three hundred fifty-
36 four (354), Acts of the Sixty-second General Assembly as
37 amended by this Act.

Filed
May 9, 1969

By SHAFF

1 Amend the Hougen and Shaff amendment of May 7 to House
2 File 784 by adding before the period in line 28 the following:
3 " , except properties which are assessed by the director
4 of revenue as provided by law".

Filed and adopted
May 12, 1969

By HOUGEN

1 Amend House File 784, as amended and passed by the House, as
2 follows:
3 1. Page 1, line 18, by striking the words "and such
4 market value" and inserting in lieu thereof the word "or".
5 2. Page 1, line 21, by striking the word "and".
6 3. Page 1, line 22, by inserting after the word
7 "transactions" the words "or purchase of adjoining land or
8 other land to be operated as a unit".
9 4. Page 1, line 23, by striking the word "market"
10 and inserting in lieu thereof the word "actual".
11 5. Page 1, line 24, by striking the words "market
12 value of adjacent" and inserting in lieu thereof the words
13 "actual value of".
14 6. Page 2 by striking lines 5 through 11, inclusive,
15 and inserting in lieu thereof the following:
16 "In assessing and determining the actual value of
17 agricultural property fifty percent consideration shall
18 be given to each of the following factors:
19 a. The productivity and earning capacity (thereof)
20 determined on the basis of the use (thereof) for agricultural
21 purposes capitalized at generally accepted interest rates
22 to be applied uniformly among counties and among classes
23 of property."
24 7. Page 2, line 34, by striking the figures
25 "1973" and inserting in lieu thereof the figures "1971".
26 8. Page 3 by striking lines 3 through 18, inclus-
27 ive, and inserting in lieu thereof the following:
28 "No equalization or adjustment order of the director
29 of revenue entered prior to the effective date of this
30 act pursuant to the provisions of this section shall be
31 of any force and effect subsequent to the year 1969. Any
32 such equalization or adjustment order for any year sub-
33 sequent to 1969 shall only be effective if it is based
34 upon the assessment standards of chapter three hundred
35 fifty-four (354), Acts of the Sixty-second General Assembly
36 as amended by this chapter."

Filed
May 8, 1969

Withdrawn
5/11

By SHAFF

1 Amend House File 784, as amended and passed by the House,
2 as follows:
3 1. By striking lines twenty-three (23) through twenty-
4 five (25) on page one (1) and lines one (1) through four (4)
5 on page two (2) and inserting in lieu thereof the following:
6 "Actual value of property in one county shall be equalized
7 as compared with actual value of property in an adjoining
8 county. If a variation of five percent or more exists between the
9 actual values of similar, closely adjacent property in
10 adjoining counties in Iowa, the director of revenue shall
11 determine whether adequate reasons exist for such variation.
12 If no such reasons exist, the director of revenue shall direct
13 assessors to make adjustments in such actual values to reduce
14 the variation to five percent or less."

Filed and adopted
May 12, 1969

By DeKOSTER and SHAFF

51 state comptroller, who shall remit not later than October first
52 and April first of each year to the treasurer of each county
53 in which the retailers paying such inventory replacement tax
54 are located, all revenues collected from each county from the
55 taxes imposed by this section. Each county treasurer shall
56 credit to the various taxing districts within the county such
57 proportionate share of the revenues received. The proportionate
58 share of revenues to which each taxing district shall be entitled
59 shall be that share of available revenues represented by the
60 percentage that a taxing district's mill levy measured in dollar
61 amounts bears to the total mill levy measured in dollar amounts
62 of the county. Information necessary to implement the provisions
63 of this section shall be furnished by the department of revenue
64 to the counties."

65 Sec. 8. Section four hundred twenty-eight point seventeen
66 (428.17), Code 1966, is hereby repealed.

Filed
May 7, 1969

5/17 adopted as amended

By HOUGEN and REICHARDT

1 Amend the Hougen-Reichardt amendment to House File 784,
2 dated May 7, 1969, as follows:

3 1. By striking lines 26 through 29, inclusive, and
4 inserting in lieu thereof the following:

5 Sec. 7. Section four hundred twenty-eight point seventeen
6 (428.17), Code 1966, is hereby amended by striking all of
7 such section and inserting in lieu thereof the following new
8 section:

9 "For the purposes of this section the terms 'retailer',
10 'retail sale', and 'sales' shall mean such words as defined
11 in section four hundred twenty-two point forty-two (422.42)
12 of the Code.

13 2. By striking lines 65 and 66.

Filed
May 8, 1969

adopted 5/17

By HOUGEN

1 Amend House File 784, as amended and passed by the House, page 2,
2 by adding after line 15 the following new paragraph:

3 "In counties or townships in which field work on a modern soil
4 survey has been completed since January 1, 1949, the assessor and the
5 department of revenue shall place emphasis upon the results of such
6 survey in determining the productive and earning capacity of such
7 agricultural property."

Filed
May 8, 1969

adopted 5/17

By MCGILL, BRILES, SHAFF, PARKER,
LODWICK, DODDS and KEITH

1 Amend House File 784, as amended and passed by the House and
2 reprinted May 6, 1969, by adding the following new sections:

3 Sec. 4. Section four hundred twenty-two point forty-six
4 (422.46), Code 1966, as amended by chapter three hundred forty-
5 eight (348), section twenty-four (24), and chapter one hundred
6 fifty-eight (158), section four (4), Acts of the Sixty-second
7 General Assembly, is hereby further amended by inserting in line
8 eleven (11) after the word "cigarettes" the words "or to the
9 inventory replacement tax imposed on the gross receipts of re-
10 tailers from the sale of goods".

11 Sec. 5. Section four hundred twenty-seven point one (427.1),
12 Code 1966, as amended by chapter three hundred forty-two (342),
13 section one hundred fifty-five (155), Acts of the Sixty-second
14 General Assembly, is hereby further amended by adding the follow-
15 ing new subsection:

16 "All stocks of merchandise and other tangible personal property
17 purchased, or otherwise acquired by a retailer as defined in sub-
18 section five (5) of section four hundred twenty-two point forty-
19 two (422.42) of the Code, for the purpose of making a subsequent
20 retail sale."

21 Sec. 6. Chapter three hundred fifty-four (354) section one
22 (1), Acts of the Sixty-second General Assembly, amending section
23 four hundred forty-one point twenty-one (441.21), Code 1966, is
24 hereby amended by striking lines twenty-three (23) to twenty-six
25 (26), inclusive.

26 Sec. 7. For the purposes of this Act the terms "retailer",
27 "retail sale", and "sales" shall mean such words as defined in
28 section four hundred twenty-two point forty-two (422.42) of the
29 Code, and adding to said section the following:

30 "There is hereby imposed annually an inventory replacement
31 tax of one-quarter of one percent upon the gross receipts of
32 all retailers derived from the sale of tangible personal property
33 on the first million dollars of gross sales; one sixteenth of
34 one percent on the second million dollars gross sales; and one-
35 thirty-second of one percent on gross receipts thereafter.
36 Such inventory replacement tax shall not be collected from a
37 consumer of such goods or services. It shall be paid by the
38 retailer in quarterly installments to the department of revenue
39 in the same manner as the retail sales tax as provided in section
40 four hundred twenty-two point fifty-two (422.52) of the Code.
41 The department of revenue may adopt such administrative procedures
42 and requirements as will aid in the administration and enforcement
43 of this provision.

44 The sale of any merchandise sold in bulk or otherwise disposed
45 of, voluntarily or involuntarily, rather than at retail or whole-
46 sale as herein provided, shall be subject to the inventory re-
47 placement tax. In such event, only the consideration for the
48 merchandise shall be included as gross receipts.

49 The department of revenue shall certify the total revenues
50 collected within each county pursuant to this section to the

1 Amend House File 784, as amended and passed by the House, page 2,
2 by adding after line 15 the following new paragraph:
3 "In counties or townships in which field work on a modern soil
4 survey has been completed since January 1, 1949, the assessor and the
5 department of revenue shall place emphasis upon the results of such
6 survey in determining the productive and earning capacity of such
7 agricultural property."

Filed
May 7, 1969

*Withdrawn
5/17*

By MCGILL

1 Amend House File 784, as amended and passed by the House and
2 reprinted May 6, 1969, as follows:
3 1. By adding a new subsection on page two (2), after line
4 twenty-three (23), as follows:
5 "Industrial, manufacturing and processing property including
6 machinery, shall be assessed as a class. Assessment shall be
7 made by the director of revenue or his deputy as so designated.
8 The director, or deputy, may designate county or city assessors
9 to make assessments in specific cases, or in types of cases or
10 as uniformly classified. Such assessments shall be made
11 according to the provisions of section one (1) of this Act so
12 far as applicable, except as altered by classification."
13 2. By adding the following new section:
14 Section four hundred twenty-eight point twenty-two, (428.22),
15 Code 1966, is hereby repealed.

Filed
May 7, 1969

adopted 5/17
*Reconsidered
Last 5/17*

By HOUGEN

1 Amend House File 784 as follows:
2 1. By striking from page three (3), line three (3), the
3 word "equalize" and inserting in lieu thereof the words "order
4 the equalization of".
5 2. By inserting in page three (3), line nine (9), after
6 the word "Code" the following:
7 ", subject to the approval of the state board of tax review,".

Filed
May 7, 1969

adopted 5/17

By SHAFF

1 Amend House File 784 by adding the following section:
2 Section four hundred twenty-seven point one (427.1), sub-
3 section thirteen (13), Code 1966, is hereby amended by striking
4 all of the subsection after the word "producer," in line ten
5 (10) and inserting in lieu thereof the words "and all live-
6 stock and fur-bearing animals."

Filed
May 7, 1969

*Last
5/17*

By REICHARDT

1 The Van Nostrand amendment to House File 784, dated April 30,
2 1969, is hereby amended by inserting after the comma (,) in line
3 seventeen (17) the words "discounted purchases in real estate
4 transactions,".

Filed and adopted
May 1, 1969

House

KOCH of Woodbury

1 Amend the Van Nostrand amendment of April 30, to House File 784
2 striking from line 56 the words "for taxes payable in
3 1972".

Filed and adopted
May 1, 1969

House

HOLDEN of Scott

Senate

1 Amend House File 784, as amended and passed by the
2 House and reprinted May 6, 1969, as follows:
3 1. By striking from page one (1) lines eight (8) through
4 twelve (12), inclusive, and renumbering the subsequent sub-
5 sections.
6 2. By striking from page one (1), lines thirteen (13)
7 and fourteen (14), the word and figure "twenty-six (26)"
8 and inserting in lieu thereof the word and figure "twenty-
9 two (22)".
10 3. By adding on page two (2), after line fifteen (15),
11 the following:
12 "Only the current use and not potential value shall
13 be considered in determining the market value of any
14 property."
15 4. By striking from page two (2), lines nineteen (19)
16 through twenty-three (23), inclusive.
17 5. By adding on page two (2), after line twenty-nine
18 (29), the following new subsections:
19 "By striking lines twenty-seven (27) and twenty-eight
20 (28), and inserting in lieu thereof the words 'In determin-
21 ing the fair and reasonable market value of property, the
22 assessor may'."
23 "By striking lines thirty-seven (37) through forty-three
24 (43), inclusive, and inserting in lieu thereof the words
25 'value of the property as property.'"
26 "By adding after line fifty-six (56) the following:
27 'Only property within Iowa shall be used for comparison
28 for valuation and assessment purposes.'"
29 By starting a new paragraph after the period in line
30 eleven (11).

*adopted
as
amended
5/1 ✓*

Filed
May 7, 1969

*adopted
as
amended
5/1 ✓*

By HOUGEN and SHAFF

1 Amend House File 784, as amended and passed by the House, page 2,
2 by adding after line 15 the following new paragraph:
3 "In counties or townships in which field work on a modern soil
4 survey has been completed since January 1, 1949, the assessor and the
5 department of revenue shall place emphasis upon the results of such
6 survey in determining the productive and earning capacity of such
7 agricultural property."

Filed
May 7, 1969

*Withdrawn
5/17*

By McGILL

1 Amend House File 784, as amended and passed by the House and
2 reprinted May 6, 1969, as follows:
3 1. By adding a new subsection on page two (2), after line
4 twenty-three (23), as follows:
5 "Industrial, manufacturing and processing property including
6 machinery, shall be assessed as a class. Assessment shall be
7 made by the director of revenue or his deputy as so designated.
8 The director, or deputy, may designate county or city assessors
9 to make assessments in specific cases, or in types of cases or
10 as uniformly classified. Such assessments shall be made
11 according to the provisions of section one (1) of this Act so
12 far as applicable, except as altered by classification."
13 2. By adding the following new section:
14 Section four hundred twenty-eight point twenty-two, (428.22),
15 Code 1966, is hereby repealed.

Filed
May 7, 1969

adopted 5/17
*Reconsidered
5/17*

By HOUGEN

1 Amend House File 784 as follows:
2 1. By striking from page three (3), line three (3), the
3 word "equalize" and inserting in lieu thereof the words "order
4 the equalization of".
5 2. By inserting in page three (3), line nine (9), after
6 the word "Code" the following:
7 ", subject to the approval of the state board of tax review,".

Filed
May 7, 1969

adopted 5/17

By SHAFF

1 Amend House File 784 by adding the following section:
2 Section four hundred twenty-seven point one (427.1), sub-
3 section thirteen (13), Code 1966, is hereby amended by striking
4 all of the subsection after the word "producer," in line ten
5 (10) and inserting in lieu thereof the words "and all live-
6 stock and fur-bearing animals."

Filed
May 7, 1969

*Lost
5/17*

By REICHARDT

1 The Van Nostrand amendment to House File 784, dated April 30,
2 1969, is hereby amended by inserting after the comma (,) in line
3 seventeen (17) the words "discounted purchases in real estate
4 transactions,".

Filed and adopted
May 1, 1969

House
KOCH of Woodbury

1 Amend the Van Nostrand amendment of April 30, to House File 784
2 striking from line 56 the words "for taxes payable in by
3 1972".

Filed and adopted
May 1, 1969

House
HOLDEN of Scott

Senate

1 Amend House File 784, as amended and passed by the
2 House and reprinted May 6, 1969, as follows:
3 1. By striking from page one (1) lines eight (8) through
4 twelve (12), inclusive, and renumbering the subsequent sub-
5 sections.
6 2. By striking from page one (1), lines thirteen (13)
7 and fourteen (14), the word and figure "twenty-six (26)"
8 and inserting in lieu thereof the word and figure "twenty-
9 two (22)".
10 3. By adding on page two (2), after line fifteen (15),
11 the following:
12 "Only the current use and not potential value shall
13 be considered in determining the market value of any
14 property."
15 4. By striking from page two (2), lines nineteen (19)
16 through twenty-three (23), inclusive.
17 5. By adding on page two (2), after line twenty-nine
18 (29), the following new subsections:
19 "By striking lines twenty-seven (27) and twenty-eight
20 (28), and inserting in lieu thereof the words 'In determin-
21 ing the fair and reasonable market value of property, the
22 assessor may'."
23 "By striking lines thirty-seven (37) through forty-three
24 (43), inclusive, and inserting in lieu thereof the words
25 'value of the property as property.'"
26 "By adding after line fifty-six (56) the following:
27 'Only property within Iowa shall be used for comparison
28 for valuation and assessment purposes.'"
29 By starting a new paragraph after the period in line
30 eleven (11).

*adopted
as
amended
5/1 ✓*

Filed
May 7, 1969

*adopted
as
amended
5/1 ✓*
By HOUGEN and SHAFF

1 Amend House File 784 as amended and passed by the
2 House by adding the following new sections:
3 "Section four hundred forty-one point five (441.5),
4 Code 1966, as amended by chapter three hundred forty-two
5 (342), section two hundred thirty-seven (237), Acts of the
6 Sixty-second General Assembly, is hereby further amended by
7 striking all of such section after the period in line forty-

8 four (44) and inserting in lieu thereof the following:
9 'To be eligible for appointment, an applicant shall
10 achieve a grade of not less than seventy percent. In
11 addition thereto, the applicant must have at least three years
12 experience in the field of appraisal for tax assessment pur-
13 poses. In the absence of such experience, any one of the
14 following qualifications may be substituted:

15 A bachelor's degree in economics, business administration,
16 architecture, or such other related fields, awarded by an
17 accredited institution of higher education.

18 A designation of the Certified Iowa Assessors or the
19 Certified Assessment evaluator (C.A.E.) designation.

20 A senior or professional membership which includes a desig-
21 nation from the American Institute of Real Estate Appraisers,
22 the American Society of Appraisers, or the American Society
23 of Farm Managers and Rural Appraisers.

24 Those so qualified by the director of revenue shall remain
25 eligible for appointment for a period of two years from the date
26 of certification by the director. The examining board shall
27 conduct another written or oral examination in order to determine
28 the executive ability or experience of each applicant and make a
29 written report certified by the director of revenue to the
30 conference board within fifteen days from the date of the
31 written examination.

32 None of these qualifications shall disqualify the eligi-
33 bility of any city or county assessor presently holding office.'"

34 "Chapter four hundred twenty-one (421), Code 1966, as
35 amended by chapter three hundred forty-two (342), Acts
36 of the Sixty-second General Assembly, is hereby further
37 amended by adding to the end thereof the following new section:

38 'The department of revenue shall, on or before December
39 first of each year, pay each city and county assessor
40 holding certification from the International Association of Assess-
41 ing Officers, which certification includes the designation of
42 Certified Assessment Evaluator (C.A.E.), the sum of one thousand
43 dollars.'"

44 "Section four hundred forty-one point sixteen (441.16),
45 Code 1966, is hereby amended by inserting after the period in
46 line forty-three (43) the following new subsection:

47 '5. The payment of one thousand dollars by the department
48 of revenue, on or before December first of each year, to each
49 city or county assessor holding a certification from the
50 International Association of Assessment Officers, which certifi-

51 cation includes the designation of Certified Assessment
52 Evaluator (C.A.E.).'"

(END)

EXPLANATION OF AMENDMENT

The importance of the assessment base becomes increasingly obvious as local governments in Iowa, and across the nation, are reaching their capacity or limit on property taxes. The need for more professional assessors becomes more and more urgent. This amendment will at least establish certain minimum and uncomplicated job qualifications.

The State of Maryland pays such an annual bonus to its assessors who hold this certification and designation. The City of Richmond, Virginia, pays a 5 percent salary increase to such designees. There are many requirements for this designation, three of them being: (1) Five years' appraisal and two years' assessment experience, (2) pass certain written examinations sponsored by the International Association and (3) to complete and submit two narrative appraisal reports, on different types of property, for grading by the International Association.

This would be an incentive for Iowa assessors to become more professional.

Filed and ruled not germane

May 12, 1969

By REICHARDT

- 1 Amend House File 784 by striking on page 2, all after the word,
- 2 "counties" in line 10 and all of line 11 and by inserting in lieu
- 3 thereof a period (.).

Filed and ruled improper

May 12, 1969

By GAUDINEER