

SENATE FILE 1096

FILED FEB 3 1972

See Ways and Means 2-22-72, page 3/6

By COMMITTEE ON WAYS AND MEANS
(Committee on Ways and Means)

Passed Senate, Date 2-18-72

Passed House, Date 3-10-72

Vote: Ayes 44 Nays 0

Vote: Ayes 80 Nays 9

Approved _____

*Passed Senate w/ House amendment
3-17-72
ayes 46 nays 2*

*Motion to Reconsider 3-10-72 (1057)
Withdrawn 3-16 (1227)*

A BILL FOR

1 An Act relating to tax assessment procedures.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section four hundred twenty-one point seven-
2 teen (421.17), subsection ten (10), Code 1971, is amended
3 to read as follows:

4 10. To require any board of review at any time after its
5 adjournment to reconvene and to make such orders as the di-
6 rector shall determine are just and necessary; to direct and
7 order any ~~county-board-of-equalization~~ board of review to
8 raise or lower the valuation of the property, real or per-
9 sonal, in any township, town, city, or taxing district, to
10 order and direct any ~~county-board-of-equalization~~ board of
11 review to raise or lower the valuation of any class or classes
12 of property in any township, town, city, or taxing district,
13 and generally to make any order or direction to any ~~county~~
14 ~~board-of-equalization~~ board of review as to the valuation
15 of any property, or any class of property, in any township,
16 town, city, county, or taxing district, which in the judg-
17 ment of the director may seem just and necessary, to the end
18 that all property shall be valued and assessed in the manner
19 and according to the real intent of the law. For the pur-
20 pose of this paragraph the words "taxing district" include
21 drainage districts and levee districts.

22 The director may correct errors or obvious injustices in
23 the assessment of any individual property, but the director
24 shall not reduce the valuation of any individual property
25 except upon the recommendation of the local board of review
26 and no order of the director affecting any valuation shall
27 be retroactive as to any reduction or increase in taxes pay-
28 able prior to January 1 of the year in which such order is
29 issued, or prior to September 1 of the preceding year in
30 cities under special charter which collect their own municipal
31 levies. Any increase in individual valuations ordered by
32 the director shall be subject to right of appeal to the courts
33 under the same procedure as that provided in the case of
34 increases made by local boards of review.

35 The director may order made effective reassessments or

1 revaluations in any taxing district ~~as-to-taxes-levied-dur-~~
 2 ~~ing-the-current-year-for-collection-the-following-year,~~ for
 3 any taxing year or years and the director may in any year
 4 order uniform increases or decreases in valuation of all
 5 property or upon any class of property within any taxing dis-
 6 trict or any area within such taxing district, such orders
 7 to be effective ~~as-to-taxes-levied-during-the-current-year~~
 8 ~~for-collection-during-the-following-year~~ in the year spec-
 9 ified by the director. For the purpose of this paragraph
 10 the words "taxing district" include drainage districts and
 11 levee districts.

12 Sec. 2. Section four hundred twenty-eight point four
 13 (428.4), Code 1971, is amended by striking the section and
 14 inserting in lieu thereof the following new section:

15 428.4 PERSONAL PROPERTY--REAL ESTATE--BUILDINGS. Prop-
 16 erty shall be taxed each year. Personal property shall be
 17 listed and assessed each year in the name of the owner of
 18 the personal property on the first day of January. Real
 19 estate shall be listed and valued in 1971 and every four years
 20 thereafter. In any year, after the year in which an assessment
 21 has been made of all of the real estate in any assessing
 22 jurisdiction, it shall be the duty of the assessor, where
 23 he finds that the real estate has changed in value, to revalue
 24 and reassess any part or all of the real estate contained
 25 in such assessing jurisdiction, and he shall determine the
 26 actual value and compute the taxable value thereof. The
 27 assessment shall be completed as specified in section four
 28 hundred forty-one point twenty-eight (441.28) of the Code,
 29 but no reduction or increase shall be made for prior years.
 30 If an assessor makes a change in the valuation of the real
 31 estate, the provisions of sections four hundred forty-one
 32 point thirty-seven (441.37), four hundred forty-one point
 33 thirty-eight (441.38), and four hundred forty-one point thirty-
 34 nine (441.39) of the Code shall apply.

35 The assessor shall notify the director of revenue, in the

1 manner and form to be prescribed by the director, as to the
2 class or classes of real estate reviewed, revalued, and re-
3 assessed and shall report such details as to the effects or
4 results of the revaluation and reassessment as may be deemed
5 necessary by the director. This notification shall be con-
6 tained in a report to be attached to the abstract of assess-
7 ment for the year in which the new valuations become effective.

8 Any buildings erected, improvements made, or buildings
9 removed in a year after the assessment of the class of real
10 estate to which they belong shall be valued, listed and
11 assessed and reported by the assessor to the county auditor
12 after approval of the valuations by the local board of review,
13 and said auditor shall thereupon enter the taxable value of
14 such building or taxable improvement on the tax list as a
15 part of real estate to be taxed. If such buildings are erected
16 by any person other than the owner of the land, they shall
17 be listed and assessed to the owner of the buildings or
18 improvements as real estate.

19 Sec. 3. Section four hundred forty-one point seventeen
20 (441.17), subsection six (6), Code 1971, is amended to read
21 as follows:

22 6. Make up all assessor's books and records as prescribed
23 by the director of revenue, turn the completed assessor's
24 books and records required for the preparation of the tax
25 list over to the county auditor each year when the board of
26 review has concluded its hearings and the county auditor shall
27 proceed with the preparation of the current year tax list
28 and the assessor shall co-operate with the auditor in the
29 preparation of the tax lists.

30 Sec. 4. Section four hundred forty-one point twenty-one
31 (441.21), subsection one (1), unnumbered paragraph three (3),
32 Code 1971, is amended to read as follows:

33 Actual value of property in one county assessing jurisdic-
34 tion shall be equalized as compared with actual value of
35 property in an adjoining county assessing jurisdiction. If

1 a variation of five percent or more exists between the actual
2 values of similar, closely adjacent property in adjoining
3 counties assessing jurisdictions in Iowa, the director-of
4 revenue assessors thereof shall determine whether adequate
5 reasons exist for such variation. If no such reasons exist,
6 the director-of-revenue assessors shall direct-assessors-to
7 make adjustments in such actual values to reduce the variation
8 to five percent or less.

9 Sec. 5. Section four hundred forty-one point twenty-six
10 (441.26), unnumbered paragraph one (1), Code 1971, as amended
11 by chapter two hundred seventeen (217), section two (2), Acts
12 of the Sixty-fourth General Assembly, First Session, is amended
13 to read as follows:

14 The director of revenue shall each year prescribe the form
15 of assessment roll to be used by all assessors in assessing
16 real and personal property, including moneys and credits,
17 in this state, also the form of pages of the assessor's assess-
18 ment book. Such assessment rolls shall be in such form as
19 will permit entering thereon, separately, the names of all
20 persons, partnerships, corporations, or associations assessed;
21 shall contain a form of oath or affirmation to be administered
22 to each person assessed, and shall also contain a notice in
23 the following form:

24 "If you are not satisfied that the foregoing assessment
25 is correct, you may file a protest against such assessment
26 with the board of review on or after ~~May-4~~ April sixteenth,
27 to and including ~~May 20~~ fifth, of the year of the assess-
28 ment, such protest to be confined to the grounds specified
29 in section 441.37. Dated day of,
30 19.....,, County/City Assessor."

31 Sec. 6. Section four hundred forty-one point twenty-eight
32 (441.28), Code 1971, is amended to read as follows:

33 441.28 ASSESSMENT ROLLS--CHANGE--NOTICE TO TAXPAYER.
34 The assessment shall be completed not later than April 30
35 fifteenth. If the assessor makes any change in an assess-

1 ment after it has been entered on the assessor's rolls, he
2 shall note on said roll, together with the original assess-
3 ment, the new assessment and the reason for the change, to-
4 gether with his signature and the date of the change: Pro-
5 vided, however, in the event the assessor increases or
6 decreases any assessment he shall give notice in writing
7 thereof to the taxpayer by certified mail prior to the meeting
8 of the board of review. No changes shall be made on the
9 assessment rolls after ~~May-4~~ April sixteenth except by order
10 of the board of review or by decree of court.

11 Sec. 7. Section four hundred forty-one point thirty-three
12 (441.33), Code 1971, is amended by adding the following new
13 paragraph:

14 "Within fifteen days following the adjournment of any regu-
15 lar or special session, the board of review shall submit to
16 the director of revenue, on forms prescribed by the director,
17 a report of any actions taken during that session."

18 Sec. 8. Section four hundred forty-one point thirty-seven
19 (441.37), unnumbered paragraph one (1), Code 1971, is amended
20 to read as follows:

21 441.37 PROTEST OF ASSESSMENT--GROUNDS. Any property owner
22 or aggrieved taxpayer who is dissatisfied with his assessment
23 may file a protest against such assessment with the board
24 of review on or after ~~May-4~~ April sixteenth, to and including
25 May 20 fifth, of the year of the assessment. In any county
26 which has been declared to be a disaster area by proper federal
27 authorities after March 1 and prior to May 20 of said year
28 of assessment, the time for filing a protest shall be extended
29 to and include the period from ~~June-10~~ May twenty-fifth to
30 June 20 fifth of such year. Said protest shall be in writing
31 and signed by the one protesting or by his duly authorized
32 agent. Taxpayer may have an oral hearing thereon if request
33 therefor in writing is made at the time of filing the protest.
34 Said protest must be confined to one or more of the following
35 grounds:

1 Sec. 9. Section four hundred forty-one point thirty-seven
2 (441.37), Code 1971, is amended by adding the following new
3 paragraph:

4 "After the board of review has considered any protest filed
5 by a property owner or aggrieved taxpayer and made final dis-
6 position of the protest, the board shall give written notice
7 to the property owner or aggrieved taxpayer who filed the
8 protest of the action taken by the board of review on the
9 protest."

10 Sec. 10. Section four hundred forty-one point forty-seven
11 (441.47), Code 1971, is amended to read as follows:

12 441.47 ADJUSTED VALUATIONS. The director of revenue on
13 or about the second third Monday of ~~July~~ September in each
14 year shall adjust the valuation of property in the several
15 counties adding to or deducting from the valuation of each
16 kind or class of property such percentage in each case as
17 will bring the same to its taxable value as fixed in this
18 chapter and chapters 427 to 443, inclusive. The director
19 shall also adjust the valuations as between each kind or class
20 of property in any city assessed by a city assessor and each
21 kind or class of property in the same county assessed by the
22 county assessor. The director shall order the equalization
23 of the levels of assessment of each class of property in the
24 first and third year of the quadrennial assessment period.
25 For purposes of such value adjustments and before such equal-
26 ization the director shall adopt, with approval of the state
27 board of tax review and in the manner prescribed by chapter
28 17A, such rules as may be necessary to determine the level
29 of assessment for each class of property in each county.
30 The rules shall cover: (a) The proposed use of the assess-
31 ment-sales ratio study set out in subsection 6 of section
32 421.17; (b) the proposed use of any state-wide income capi-
33 talization studies; (c) the proposed use of other methods
34 that would assist the director in arriving at the accurate
35 level of assessment of each class of property in each assess-

1 ing jurisdiction.

2 Sec. 11. Section four hundred forty-one point forty-eight
3 (441.48), Code 1971, is amended to read as follows:

4 441.48 NOTICE OF INCREASE ADJUSTMENT. Before the director
5 of revenue shall ~~add-to~~ adjust the valuation of any kind or
6 class of property any such percentage, the director shall
7 serve ten days' notice by mail, on the ~~auditor-of-the-county~~
8 assessor whose valuation is proposed to be ~~raised~~ adjusted
9 and shall hold an adjourned meeting after such ten days'
10 notice, at which time such ~~county assessor jurisdiction~~ may
11 appear by its ~~board-of-supervisors~~ assessor, city or county
12 attorney, or otherwise, and make written or oral protest
13 against such proposed ~~raise~~ adjustment, which protest shall
14 consist simply of a statement of the error, or errors,
15 complained of with such facts as may lead to their correction,
16 and at such adjourned meeting final action may be taken in
17 reference thereto.

18 Sec. 12. Section four hundred forty-one point forty-nine
19 (441.49), Code 1971, is amended by striking the section and
20 inserting in lieu thereof the following new section:

21 441.49 ADJUSTMENT BY ASSESSOR. The director shall keep
22 a record of the review and adjustment proceedings and finish
23 such proceedings on or before the third Monday of October.
24 He shall notify each assessor by mail of the final action
25 taken by him at such proceedings and specify any adjustments
26 in the valuations of any kind or class of property to be made
27 effective for the assessor jurisdiction. The assessor shall,
28 after December thirty-first of the year in which the adjust-
29 ments were ordered by the director and prior to April sixteenth
30 of the year following, review the actual and assessed valua-
31 tions then in effect on any part or all of the real estate
32 of the class or classes of property whose valuations were
33 adjusted by the director and the assessor shall revalue and
34 reassess to the end that the aggregate actual valuation for
35 each class of property affected will be the amount determined

1 by the director. In making such adjustments the assessor
2 shall see to it that in no case shall the assessed value of
3 an individual property exceed twenty-seven percent of its
4 actual value determined in accordance with section four hundred
5 forty-one point twenty-one (441.21) of the Code. For purposes
6 of this section, a taxpayer affected by the assessor's
7 revaluation and reassessment shall have the right to have
8 the same reviewed in the manner provided for in sections four
9 hundred forty-one point thirty-seven (441.37), four hundred
10 forty-one point thirty-eight (441.38), and four hundred forty-
11 one point thirty-nine (441.39) of the Code, but such review
12 shall be limited only to the action taken by the assessor
13 for the current year, not for prior years. By no later than
14 April twenty-first, the assessor shall submit to the director
15 of revenue, on forms prescribed by the director, a report
16 of whatever action he has taken to comply with the equalization
17 order issued to him the previous October. If the director
18 of revenue determines that, for any reason, the assessor has
19 not complied with the equalization order by making the
20 necessary adjustments in valuations, he shall on or about
21 May first so notify the local board of review. Upon its
22 receipt of such notification, the board of review shall make
23 the necessary adjustments to arrive at the level of assessment
24 as provided for in the equalization order, and shall notify,
25 through publications in official newspapers of general
26 circulation, any class or classes of property affected by
27 such action. By no later than May thirty-first, the board
28 of review shall submit to the director of revenue, on forms
29 prescribed by the director, a report of the action taken to
30 comply with the equalization order. The director of revenue
31 shall reconvene the local board of review as prescribed in
32 section four hundred twenty-one point seventeen (421.17),
33 subsection ten (10) of the Code.

34 Sec. 13. Section four hundred forty-five point thirty-
35 two (455.32), Code 1971, is amended by striking the section

1 and inserting in lieu thereof the following new section:
2 445.32 LIENS ON BUILDINGS. In all cases where buildings
3 are erected by any person other than the owner of the land
4 on which the building is located, as provided for in section
5 four hundred twenty-eight point four (428.4) of the Code,
6 the taxes on the building shall be and remain a lien on the
7 building from the date of levy until paid.

8 EXPLANATION

9 This bill provides continuous assessments of real prop-
10 erty.

11 The bill also changes the dates on completion of assess-
12 ments from April 30 to April 15. Protests are to be filed
13 between April 16 and May 5.

14 The bill also provides for spreading the equalization the
15 following year.

16 The bill also provides for adjustment of property value
17 deviations between assessing jurisdictions by the assessors.
18 The present law requires that this adjustment be done by the
19 Director of Revenue.

20 The bill provides that buildings erected by a person who
21 is not the owner of the land, shall be taxed as real estate
22 to the owner of the building.

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1 Amend Senate File 1096, as amended and passed by the
 2 Senate, as follows:
 3 1. Page 3, by inserting after line 11 the following
 4 new sections:
 5 "Sec. _____. Section four hundred twenty-one point seventeen
 6 (421.17), Code 1971, is amended by adding the following
 7 new subsection:
 8 To issue rules and regulations as are necessary, subject
 9 to the provisions of chapter seventeen A (17A) of the Code,
 10 to provide for the uniform application of the exemptions
 11 provided in section four hundred twenty-seven point one
 12 (427.1) of the Code in all assessor jurisdictions in the
 13 state.
 14 Sec. _____. Section four hundred twenty-seven point one
 15 (427.1), Code 1971, as amended by chapter two hundred
 16 fifteen (215), section one (1), Acts of the Sixty-fourth
 17 General Assembly, First Session, is amended by adding the
 18 following new subsection:
 19 Each county and city assessor shall determine the
 20 assessment value that would be assigned to the property if
 21 it were taxable and value all tax exempt property within
 22 his jurisdiction. The list of tax exempt property shall
 23 contain a legal description of the tax exempt property and
 24 the name of the owner of the tax exempt property, the
 25 market value of the tax exempt property, and the assessed

PAGE 2

1 value of the tax exempt property. The list of tax exempt
 2 property shall be filed with the director of revenue and
 3 the local board of review on or before April sixteen of
 4 each year."
 5 3. By adding the following section after Sec. 2.
 6 "Sec. 3. Section four hundred twenty-eight point
 7 twenty-eight (428.28), Code 1971, is amended by adding
 8 thereto the following:
 9 Every individual, copartnership, corporation,
 10 association, city or town which operates a public utility
 11 on a nonprofit basis, as defined in section four hundred
 12 twenty-eight point twenty-four (428.24) of the Code, shall
 13 annually, on or before the first day of May of each calendar
 14 year, make a report on blanks to be provided by the
 15 department of revenue of all of the property owned by such
 16 individual, copartnership, corporation, association, or city
 17 or town within the incorporated limits of any city or town
 18 in the state, and give such other information as the director
 19 of revenue shall require. Any public utility which reports
 20 according to this paragraph shall not be assessed."
 21 4. Page 10, line 12, by inserting after the word "property"
 22 the following: "under subsections two (2) through nine (9),
 23 inclusive, and subsections eleven (11) and twelve (12) of
 24 section four hundred twenty-seven point one (427.1) of the Code".
 25 5. Renumber sections and correct internal references as

PAGE 3

1 are necessary in accordance with this amendment.

Received from the House
 March 16, 1972

Senate concurred 3/17 (1019)

House

1 Amend Senate File 1096, as amended and passed by
 2 the Senate, as follows:
 3 1. Page 3, by inserting after line 11 the fol-
 4 lowing new sections:
 5 "Sec. _____. Section four hundred twenty-one point
 6 seventeen (421.17), Code 1971, is amended by adding
 7 the following new subsection:
 8 To issue rules and regulations as are necessary,
 9 subject to the provisions of chapter seventeen A
 10 (17A) of the Code, to provide for the uniform appli-
 11 cation of the exemptions provided in section four
 12 hundred twenty-seven point one (427.1) of the Code
 13 in all assessor jurisdictions in the state."
 14 "Sec. _____. Section four hundred twenty-seven
 15 point (427.1), Code 1971, as amended by chapter two
 16 hundred fifteen (215), section one (1), Acts of the
 17 Sixty-fourth General Assembly, First Session, is
 18 amended by adding the following new subsection:
 19 Each county and city assessor shall assess and
 20 value all tax exempt property within his jurisdic-
 21 tion. The list of tax exempt property shall contain
 22 a legal description of the tax exempt property and
 23 the name of the owner of the tax exempt property,
 24 the market value of the tax exempt property, and the
 25 assessed value of the tax exempt property. The list
 26 of tax exempt property shall be filed with the di-
 27 rector of revenue and the local board of review on
 28 or before April sixteen of each year."
 29 2. Renumber sections and correct internal refer-
 30 ences as are necessary in accordance with this
 31 amendment.

Filed *Adapted as amended* 3/10 By KREAMER of Polk
 March 7, 1972 DEN HERDER of Sioux
 ROORDA of Jasper

1 Amend Senate File 1096, as amended and passed by
 2 the Senate, as follows:
 3 1. By adding the following section after Sec. 2.
 4 Sec. 3. Section four hundred twenty-eight point
 5 twenty-eight (428.28) of the Code is amended by adding
 6 thereto the following:
 7 "Every individual, copartnership, corporation,
 8 association, city or town which operates a public
 9 utility on a non-profit basis, as defined in Section
 10 four hundred twenty-eight point twenty-four (428.24)
 11 of the Code, shall annually, on or before the first
 12 day of May of each calendar year, make a report on
 13 blanks to be provided by the department of revenue of
 14 all of the property owned by such individual, copart-
 15 nership, corporation, association, or city or town
 16 within the incorporated limits of any city or town
 17 in the state, and give such other information as the
 18 director of revenue shall require. Any public utility
 19 which reports according to this paragraph shall not be
 20 assessed."
 21 2. By renumbering the subsequent sections and
 22 correcting cross references in accordance with this
 23 amendment.

Filed *adapted* 3/10 By HOLDEN of Scott FISHER of Greene
 March 7, 1972 KREAMER of Polk STROMER of Hancock

1 Amend Senate File 1096, Section 14, page 10,
2 line 12, by inserting after the word "property" the
3 following: "under subsections two (2) through nine
4 (9), inclusive, and subsections eleven (11) and
5 twelve (12) of section four hundred twenty-seven
6 point one (427.1) of the Code,".

Filed
March 8, 1972

accepted
2/24

By DEN HERDER of Sioux
FISHER of Greene

1 Amend the Kreamer, et al., amendment to Senate File
2 1096 by striking the word "assess" in line 19 and
3 inserting in lieu thereof the following: "determine
4 the assessment value that would be assigned to the
5 property if it were taxable."

Offered from the floor and adopted
March 10, 1972

By SKINNER of Polk

1 Amend the Kreamer, Den Herder and Roorda
2 amendment to Senate File 1096, as amended and
3 passed by the Senate, as follows:
4 Page 21, strike the period and insert there-
5 after ", not including any city, county, state, or
6 federal property or other property held by taxing
7 jurisdictions such as school districts."

Offered from the floor and lost
March 10, 1972

By EGENES of Story

Senate

1 Amend Senate File 1096 as follows:
 2 Page 3, line 20, by striking all after the period and
 3 by striking lines 21 through 34 inclusive and inserting in
 4 lieu thereof the following:
 5 "In any year, after the year in which an assessment has
 6 been made of all the real estate in any assessing jurisdiction,
 7 it shall be the duty of the assessor to value and assess or
 8 revalue and reassess, as the case may require, any real estate
 9 that he finds was incorrectly valued or assessed, or was not
 10 listed, valued and assessed, in the real estate assessment year
 11 immediately preceding, also any real estate he finds has changed
 12 in value subsequent to January 1 of the preceding real estate
 13 assessment year. The assessor shall determine the actual value
 14 and compute the taxable value thereof. The assessment shall be
 15 completed as specified in section four hundred forty-one point
 16 twenty-eight (441.28) of the Code, but no reduction or increase
 17 in actual value shall be made for prior years. If an assessor
 18 makes a change in the valuation of the real estate as provided
 19 for herein, the provisions of sections four hundred forty-one
 20 point twenty-three (441.23) as amended by chapter two hundred
 21 seventeen (217), section one (1), Acts of the Sixty-fourth
 22 General Assembly, First Session, four hundred forty-one point
 23 thirty-seven (441.37), four hundred forty-one point thirty-
 24 eight (441.38) and four hundred forty-one point thirty-
 25 nine (441.39) of the Code shall apply."

PAGE 2

1 2. Page 10, line 7, by inserting after the period the
 2 following:
 3 "If the property taxes on such a building become
 4 delinquent for a tax year the county treasurer shall offer
 5 the building at public sale in accordance with section four
 6 hundred forty-six point seven (446.7) of the Code."

Filed, *adopted 2/13/72 (-447)* By SHAFF
 February 15, 1972

1 Amend Senate File 1096, by adding the following new
 2 section, page 10, after line 7:
 3 "Sec. ____ . Previously tax exempt property placed on the
 4 tax assessment rolls will be prorated monthly from the time
 5 of the transfer."

Filed and adopted *in amendment (-1)* By SCHABEN
 February 18, 1972

1 Amend the Schaben amendment to Senate File 1096, filed
 2 February 18, 1972, line 5, by striking the period and
 3 adding the following words: "or beneficial possession."

Filed and adopted By SCHABEN
 February 18, 1972