

Senate File 1318
Stanley, Chairman
Bittle
Dunton
Junker
Krause

SENATE FILE 1318

By COMMITTEE ON WAYS AND MEANS

FILED MAR 20 1974
See Ways & Means 4/1, Passed per 3071 5/1

Passed Senate, Date 3-28-74 (1076) Passed House, Date 5-2-74 (2343)
Vote: Ayes 38 Nays 4 Vote: Ayes 82 Nays 9
Approved 6-3-74

Repassed Senate as amended by House
5-3-74 (1961)
47-1

A BILL FOR

1 An Act to define property which is assessed and taxed as real
2 property.

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

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1 Section 1. Section four hundred twenty-seven A point one
2 (427A.1), Code 1973, is amended by striking the section and
3 inserting in lieu thereof the following:

4 1. All tangible property except that which is assessed
5 and taxed as real property is subject to the personal prop-
6 erty tax credits provided in this chapter. For the purposes
7 of property taxation only, the following shall be assessed
8 and taxed as real property:

9 a. Land, water and water rights.

10 b. Substances contained in or growing upon the land,
11 before severance from the land, and rights to such substances.
12 However, growing crops shall not be assessed and taxed as
13 real property, and this category is also subject to the
14 provisions of section four hundred forty-one point twenty-
15 two (441.22) of the Code.

16 c. Buildings, structures, or improvements constructed
17 on or in the land, attached to the land, placed upon the land,
18 or placed upon a foundation whether or not attached to the
19 foundation. However, property taxed under chapter one hun-
20 dred thirty-five D (135D) of the Code shall not be assessed
21 and taxed as real property.

22 d. Buildings, structures, equipment, machinery, or
23 improvements attached to the buildings, structures, or improve-
24 ments defined in paragraph c of this subsection.

25 e. Machinery used in manufacturing establishments.

26 f. Property taxed under chapter four hundred ninety-nine
27 B (499B) of the Code.

28 g. Rights to space above the land.

29 h. Property assessed by the department of revenue pursu-
30 ant to sections four hundred twenty-eight point twenty-four
31 (428.24) through four hundred twenty-eight point twenty-nine
32 (428.29) of the Code, or chapters four hundred thirty-three
33 (433) through four hundred thirty-eight (438) of the Code.

34 i. Property used but not owned by the persons who own
35 the property defined in paragraph h of this subsection, which

1 would be assessed by the department of revenue if the per-
2 sons owned the property.

3 j. (1) Computers. As used in this paragraph, "computer"
4 means stored program processing equipment and all devices
5 fastened by means of signal cables or communication media
6 that serve the function of signal cables.

7 (2) Computer output microfilming equipment.

8 (3) Key entry devices that prepare information for input
9 to a computer.

10 (4) All equipment that produces a final output from one
11 of the facilities listed in subparagraphs one (1), two (2)
12 and three (3) of this paragraph.

13 2. As used in subsection one (1) of this section,
14 "attached" means any of the following:

15 a. Connected by an adhesive preparation.

16 b. Connected in a manner so that disconnecting requires
17 the removal of one or more fastening devices, other than
18 electric plugs, and other than gas connections for household
19 appliances.

20 c. Connected in a manner so that removal requires modi-
21 fication of the property being removed or modification of
22 the property from which it is being removed. "Modification"
23 means a change which introduces one or more new elements
24 into the property or removes one or more elements from the
25 property.

26 Sec. 2. Section four hundred twenty-eight point twenty-
27 two (428.22), Code 1973, is repealed.

28 EXPLANATION

29 This bill defines the property which is to be assessed
30 and taxed as real property, and provides that all other tangi-
31 ble property is subject to the personal property tax credit.

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S-2595

1 Amend Senate File 1318, page 3, line 2, by in-
2 serting after the period the words "However, this
3 paragraph does not change the manner of assessment
4 or the authority entitled to make the assessment."

S-2595 Filed - *Adopted 3/28*
March 27, 1974

By SHAFF

S-2596

1 Amend Senate File 1318, page 2, line 9, by strik-
2 ing the word ", water".

S-2596 Filed - *Adopted 3/28*
March 27, 1974

By SHAFF

FISCAL NOTE
SENATE FILE 1318

Date prepared April 3, 1974

Requested by Representative Stanley.

Prepared in regard to Senate File 1318 - An Act to
define property which is assessed and taxed as real
property. Following is the fiscal effect in dollars of
the legislative proposal as required by Joint Rule 16.

Senate File 1318 clarifies the classification of
property as to realty or personalty.

The fiscal effect cannot be determined.

Filed
April 5, 1974

GERRY D. RANKIN
Legislative Fiscal Director

H-3082

1 Amend Senate File 1318, as amended and passed by
2 the Senate, page 2, line 25, by inserting after the
3 word "establishments" the words ", if attached to a
4 building, structure, or improvement described in
5 paragraph c of this subsection".

H-3082 Filed - *Withdrawn 5/2*
May 1, 1974

By FREEMAN of Buena Vista

H-3089

1 Amend the Committee on Ways and Means amendment,
2 H-3071, to Senate File 1318, as amended and passed
3 by the Senate, by striking all of lines 9 and 10
4 and inserting in lieu thereof the following:
5 3. Page 2, by striking from line 12 the word
6 "as" and all of lines 13 through 15, inclusive,
7 and inserting in lieu thereof the following:
8 ". Substances growing upon the land enumerated
9 in section four hundred forty-one point twenty-two
10 (441.22) of the Code shall be subject to the
11 assessment provisions of that section."

H-3089 Filed and withdrawn
May 2, 1974

By DAGGETT of Adams
BENNETT of Ida

SENATE FILE 1318

H—3071

- 1 Amend Senate File 1318, as amended and passed by
 2 the Senate, as follows:
- 3 1. Page 2, line 6, insert after the word "chapter"
 4 the words ", unless the property is taxed, licensed,
 5 or exempted from taxation under other provisions of
 6 law".
- 7 2. Page 2, line 8, insert after the word "taxed"
 8 the words ", unless otherwise qualified for exemption,".
- 9 3. Page 2, line 13, strike the word "category"
 10 and insert in lieu thereof the word "paragraph".
- 11 4. Page 2, line 16, insert after the word "im-
 12 provements" the words ", any of which are".
- 13 5. Page 2, line 17, insert after the word "placed"
 14 the words "for use".
- 15 6. Page 2, line 23, insert after the word "im-
 16 provements" the words ", any of which are".
- 17 7. Page 2, lines 34 and 35, strike the words "who
 18 own the property" and insert in lieu thereof the words
 19 "whose property is".
- 20 8. Page 3, line 7, insert after the word "fastened"
 21 the words "to the computer".
- 22 9. Page 3, lines 20 and 21, strike the words ",
 23 and other than gas connections for household appliances".
- 24 10. Page 3, strike lines 22 through 27, and insert
 25 in lieu thereof the following:
- 26 c. Connected in a manner so that removal requires
 27 substantial modification or alteration of the property
 28 removed or the property from which it is removed.
- 29 3. Notwithstanding the definition of "attached" in
 30 subsection two (2) of this section, property is neither
 31 "attached" nor "placed for use upon the land" if it is
 32 a kind of property which would ordinarily be removed
 33 when the owner of the property moves to another loca-
 34 tion. In making this determination the assessing
 35 authority shall not take into account the intent of the
 36 particular owner.
- 37 4. Notwithstanding the other provisions of this
 38 section, property described in this section, if held
 39 solely for sale, lease or rent as part of a business
 40 regularly engaged in selling, leasing or renting such
 41 property, and if the property is not yet sold, leased,
 42 rented or used by any person, shall not be assessed and
 43 taxed as real property. This subsection does not apply
 44 to any building.
- 45 5. Nothing in this section shall be construed to
 46 permit an item of property to be assessed and taxed
 47 in this state more than once in any one year.
- 48 6. The assessing authority shall annually reassess
 49 property which is assessed and taxed as real property,
 50 but which would be regarded as personal property except
 51 for this section. This section shall not be construed
 52 to limit the assessing authority's powers to assess or
 53 reassess under other provisions of law.
- 54 7. The director of revenue shall promulgate rules
 55 subject to chapter seventeen A (17A) of the Code to carry
 56 out the intent of this section.

H-3103

1 Amend Senate File 1318, page 2, by inserting the
2 following at the end of line 25:
3 The scope of property taxable under this paragraph
4 is intended to be the same as, and neither broader
5 nor narrower than, the scope of property taxable under
6 section four hundred twenty-eight point twenty-two
7 (428.22) of the Code prior to the effective date of
8 this Act.

H-3103 Filed and adopted
May 2, 1974

By STANLEY of Muscatine
BITTLE of Polk
FREEMAN of Buena Vista
DUNTON of Keokuk

H-3113

1 Amend Senate File 1318, as amended and passed by
2 the Senate, page 2, line 9, by striking the words
3 "and water rights".

H-3113 Filed and lost
May 2, 1974

By MILLEN of Van Buren

H-3112

1 Amend Senate File 1318, as amended and passed by
2 the Senate, as follows:
3 1. Page 2, by striking all of line 28.
4 2. By renumbering the remaining paragraphs to
5 conform to this amendment.

H-3112 Filed and withdrawn
May 2, 1974

By MILLEN of Van Buren

HOUSE AMENDMENT TO SENATE FILE 1318

- 1 Amend Senate File 1318, as amended and passed by the
2 Senate, as follows:
- 3 1. Page 2, line 6, insert after the word "chapter" the
4 words ", unless the property is taxed, licensed, or exempted
5 from taxation under other provisions of law".
- 6 2. Page 2, line 8, insert after the word "taxed" the
7 words ", unless otherwise qualified for exemption,".
- 8 3. Page 2, line 13, strike the word "category" and
9 insert in lieu thereof the word "paragraph".
- 10 4. Page 2, line 16, insert after the word "improvements"
11 the words ", any of which are".
- 12 5. Page 2, line 17, insert after the word "placed" the
13 words "for use".
- 14 6. Page 2, line 23, insert after the word "improvements"
15 the words ", any of which are".
- 16 7. Page 2, by inserting the following at the end of
17 line 25:
- 18 The scope of property taxable under this paragraph is
19 intended to be the same as, and neither broader nor narrower
20 than, the scope of property taxable under section four hundred
21 twenty-eight point twenty-two (428.22) of the Code prior to
22 the effective date of this Act.
- 23 8. Page 2, lines 34 and 35, strike the words "who own
24 the property" and insert in lieu thereof the words "whose
25 property is".

Page 2

- 1 9. Page 3, line 7, insert after the word "fastened" the
2 words "to the computer".
- 3 10. Page 3, lines 20 and 21, strike the words ", and
4 other than gas connections for household appliances".
- 5 11. Page 3, strike lines 22 through 27, and insert in lieu
6 thereof the following:
- 7 c. Connected in a manner so that removal requires substantial
8 modification or alteration of the property removed or the
9 property from which it is removed.
- 10 3. Notwithstanding the definition of "attached" in
11 subsection two (2) of this section, property is neither
12 "attached" nor "placed for use upon the land" if it is a kind
13 of property which would ordinarily be removed when the owner of
14 the property moves to another location. In making this
15 determination the assessing authority shall not take into
16 account the intent of the particular owner.
- 17 4. Notwithstanding the other provisions of this section,
18 property described in this section, if held solely for sale,
19 lease or rent as part of a business regularly engaged in
20 selling, leasing or renting such property, and if the property
21 is not yet sold, leased, rented or used by any person, shall
22 not be assessed and taxed as real property. This subsection
23 does not apply to any building.
- 24 5. Nothing in this section shall be construed to
25 permit an item of property to be assessed and taxed in this

Senate 3
May 6, 1974

Page 3

1 state more than once in any one year.

2 6. The assessing authority shall annually reassess
3 property which is assessed and taxed as real property, but
4 which would be regarded as personal property except for
5 this section. This section shall not be construed to limit
6 the assessing authority's powers to assess or reassess under
7 other provisions of law.

8 7. The director of revenue shall promulgate rules
9 subject to chapter seventeen A (17A) of the Code to carry
10 out the intent of this section.

Received from the House
May 3, 1974

Senate concurred 5/3