

JAN 1978
Ways & Means Calendar

HOUSE FILE 2035

House File 2035 By COMMITTEE ON WAYS AND MEANS
2/12/78 (254)

Ways and Means
Rogers, Chairperson
Curtis
Kelly
Nelson
Van Gilt

se, Date 1-15-78 (p 74) Passed Senate, Date 3-14-78 (p 547)

Vote: Ayes 79 Nays 13 Vote: Ayes 34 Nays 10

Approved 6-2-78

A BILL FOR

1 An Act relating to the taxation of property used for agri-
2 cultural and horticultural purposes and located within
3 the corporate limits of a city and making the provisions
4 of this Act retroactive.

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

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1 Section 1. Section three hundred eighty-four point one
2 (384.1), Code 1977, is amended to read as follows:

3 384.1 TAXES CERTIFIED. A city may certify taxes to be
4 levied by the county on all taxable property within the city
5 limits, for all city government purposes. However, the tax
6 levied by a city on ~~lots-of-more-than-ten-acres-and-the~~
7 ~~personal-property-thereon,-occupied-and~~ tracts of land and
8 improvements thereon used and assessed for agricultural or
9 horticultural purposes, may not exceed ~~thirty-three-and-three-~~
10 ~~fourths~~ three dollars and three-eighths cents per thousand
11 dollars of assessed value in any year. Improvements and
12 personal property located on such tracts of land and not used
13 for agricultural or horticultural purposes and all residential
14 dwelling shall be subject to the same rate of tax levied
15 by the city on all other taxable property within the city.

16 A city's tax levy for the general fund may not exceed eight
17 dollars and ten cents per thousand dollars of taxable value
18 in any tax year, except for the levies authorized in section
19 384.12.

20 Sec. 2. The provisions of section one (1) of this Act are
21 retroactive to January 1, 1978 for property valued and assessed
22 on or after January 1, 1978 and to this extent the provi-
23 sions of section one (1) of this Act are retroactive.

24 Sec. 3. This Act, being deemed of immediate importance,
25 shall take effect and be in force from and after its publica-
26 tion in The Aurelia Sentinel, a newspaper published in Aurelia,
27 Iowa, and in The Sioux City Journal, a newspaper published
28 in Sioux City, Iowa.

29 EXPLANATION

30 The bill provides that a tract of land and improvements
31 thereon used for agricultural or horticultural purposes and
32 located within the corporate limits of a city shall be subject
33 to a levy rate which is less than the levy applied against
34 the value of other taxable property in the city.

35

LSB 1004H
bk/jw/5

SENATE AMENDMENT TO
HOUSE FILE 2035

H-6360

1 Amend House File 2035, as passed by the House,
2 as follows:
3 1. Page 1, by inserting after line 19 the following
4 new section:

5 "Sec. ____ Section three hundred eighty-four point
6 sixty-two (384.62), Code 1977, is amended by adding
7 the following new unnumbered paragraphs:

8 NEW UNNUMBERED PARAGRAPH. A special assessment
9 for a public improvement against a tract of land used
10 and assessed as agricultural property shall not become
11 payable upon the filing of a request by the owner
12 for deferment until that land is not used and assessed
13 as agricultural property. At the time of the change
14 in the use of the property, the special assessment
15 shall become payable in the same manner as the special
16 assessment would have become payable had it not been
17 deferred by this section. This section shall not
18 apply to a tract of land of less than one-quarter
19 acre surrounding any dwelling or nonfarm structure
20 on that tract nor shall it apply to a special
21 assessment levied before the effective date of this
22 Act. This section shall not apply if the public
23 improvement is a sewer, water, gas or electrical line
24 to which the owner of the land makes a connection.

25 NEW UNNUMBERED PARAGRAPH. Payment of installments
26 of special assessments for a public improvement against
27 property used and assessed as agricultural property
28 shall be deferred as follows:

29 1. The property owner who seeks deferment of an
30 assessment shall file a written request for deferment
31 with the city clerk at the time of the hearing on
32 the resolution of necessity for the public improvement
33 or within ten days following the date of the hearing
34 and the request shall identify those lots subject
35 to proposed assessments for which the property owner
36 is seeking deferment which are used and assessed as
37 agricultural property. The request may be withdrawn
38 by the property owner at any time before or after
39 the adoption of the resolution of necessity.

40 2. The city shall indicate those lots for which
41 a deferment has been requested on the special
42 assessment schedule.

43 3. After the assessments for the public improvement
44 have been levied and the special assessment schedule
45 has been filed with the county auditor, the county
46 auditor shall indicate on the tax rolls those
47 assessments subject to deferment under this section.

48 4. An owner of property subject to an assessment
49 that may be deferred may file a statement at any time
50 up to six months before the assessment installment

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Page 2

1 is due stating that a written request for deferment
2 of such assessments is filed with the city clerk and
3 that the entire lot subject to such assessment has
4 continued to be and is still used and assessed as
5 agricultural property. The collection of that
6 installment and any other unpaid portion of the
7 assessment shall be deferred until the next July first
8 and subsequent installments may thereafter be deferred
9 in the same manner for successive years in which a
10 statement is filed."

H-6360 FILED
RECEIVED FROM SENATE
APRIL 27, 1978

April 27, 1978

S-5630

1 Amend House File 2035, as passed by the House, 1
2 as follows:
3 1. Page 1, by inserting after line 19 the following
4 new section:
5 "Sec. _____. Section three hundred eighty-four point
6 sixty-two (384.62), Code 1977, is amended by adding
7 the following new unnumbered paragraphs:
8 NEW UNNUMBERED PARAGRAPH. A special assessment
9 for a public improvement against a tract of land used
10 and assessed as agricultural property shall not become
11 payable upon the filing of a request by the owner
12 for deferment until that land is not used and assessed
13 as agricultural property. At the time of the change
14 in the use of the property, the special assessment
15 shall become payable in the same manner as the special
16 assessment would have become payable had it not been
17 deferred by this section. This section shall not
18 apply to a tract of land of less than one-quarter
19 acre surrounding any dwelling or nonfarm structure
20 on that tract nor shall it apply to a special
21 assessment levied before the effective date of this
22 Act. This section shall not apply if the public
23 improvement is a sewer, water, gas or electrical line
24 to which the owner of the land makes a connection.
25 NEW UNNUMBERED PARAGRAPH. Payment of installments
26 of special assessments for a public improvement against
27 property used and assessed as agricultural property
28 shall be deferred as follows:
29 1. The property owner who seeks deferment of an
30 assessment shall file a written request for deferment
31 with the city clerk at the time of the hearing on
32 the resolution of necessity for the public improvement
33 or within ten days following the date of the hearing
34 and the request shall identify those lots subject
35 to proposed assessments for which the property owner
36 is seeking deferment which are used and assessed as
37 agricultural property. The request may be withdrawn
38 by the property owner at any time before or after
39 the adoption of the resolution of necessity.
40 2. The city shall indicate those lots for which
41 a deferment has been requested on the special
42 assessment schedule.
43 3. After the assessments for the public improvement
44 have been levied and the special assessment schedule
45 has been filed with the county auditor, the county
46 auditor shall indicate on the tax rolls those
47 assessments subject to deferment under this section.
48 4. An owner of property subject to an assessment
49 that may be deferred may file a statement at any time
50 up to six months before the assessment installment

S-5680

Page 2

1 is due stating that a written request for deferment
2 of such assessments is filed with the city clerk and
3 that the entire lot subject to such assessment has
4 continued to be and is still used and assessed as
5 agricultural property. The collection of that
6 installment and any other unpaid portion of the
7 assessment shall be deferred until the next July first
8 and subsequent installments may thereafter be deferred
9 in the same manner for successive years in which a
10 statement is filed."

S-5680 FILED & ADOPTED
APRIL 26, 1978

HOUSE FILE 2035
FISCAL NOTE

BY NORMAN G. RODGERS
ROGER J. SHAFF

Date: February 15, 1978

Requested by: Senator Norman Rodgers

In compliance with a written request received January 16, 1978, there is hereby submitted a Fiscal Note for House File 2035, pursuant to Joint Rule 16. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the Legislature upon request.

House File 2035, An Act relating to the taxation of property used for agricultural and horticultural purposes and located within the corporate limits of a city and making the provisions of this Act retroactive.

The proposal increases the maximum tax rate which may be applied against agricultural property within incorporated areas and makes changes in the definition of property subject to the special tax rate. The revisions would affect property taxes to be collected by cities during the fiscal year ending June 30, 1980 which are levied against assessments made as of January 1, 1978.

Based on 1977 assessments, it is possible to estimate the effects of the proposal assuming no changes were made in the definitions of eligible property and that the maximum tax rate was currently applied to all such land and that it would be applied for taxes payable in fiscal year 1980. Under these assumptions, the increase in tax rate would result in an increase in local property taxes of about one million dollars. However, because the bill does change the definition of eligible property and due to an absence of data as to the amount of agricultural land in cities of less than 10 acres which would be subject to the reduced levy as well as the value of improvements which would be subject to the higher city tax levies as the result of this proposal, a reliable estimate of the total estimated effects of the proposal cannot be provided.

Source: Department of Revenue

FILED
FEBRUARY 20, 1978

Gerry Rankin-Fiscal Director
Legislative Fiscal Bureau

S-5362

- 1 Amend House File 2035, as passed by the House,
 2 as follows:
 3 1. Page 1, by inserting after line 19 the following
 4 new section:
 5 "Sec. _____. Section three hundred eighty-four point
 6 sixty-two (384.62), Code 1977, is amended by adding
 7 the following new unnumbered paragraph:
 8 NEW UNNUMBERED PARAGRAPH. A special assessment
 9 for a public improvement against property used and
 10 assessed for agricultural purposes shall not become
 11 payable until that property is no longer used and
 12 assessed for agricultural purposes. At the time of
 13 the change in the use of the property, the special
 14 assessment shall become payable in the same manner
 15 as the special assessment would have become payable
 16 had it not been deferred by this section. This section
 17 shall not apply to a tract of land of less than one-
 18 quarter acre surrounding any dwelling or nonfarm
 19 structure on that property nor shall it apply to a
 20 special assessment levied before the effective date
 21 of this Act."
 22 2. Renumber sections and correct internal
 23 references as are necessary in accordance with this
 24 amendment.

S-5362 FILED & ADOPTED (p. 567) BY ROGER J. SHAFF
 March 14, 1978

Reconsideration withdrawn 4-26 (p. 1037)

HOUSE FILE 2035

S-5361

- 1 Amend House File 2035, as passed by the House,
 2 as follows:
 3 1. Page 1, line 11, by inserting after the word
 4 "Improvements" the words "residential dwellings,".
 5 2. Page 1, line 13, by inserting after the word
 6 "purposes" the words "which are receiving the same
 7 water and sewer services as other property situated
 8 within the city".
 9 3. Page 1, line 13, by inserting after the word
 10 "all" the word "other".
 11 4. Page 1, line 15, by inserting after the words
 12 "within the city" the words ", except that
 13 improvements, residential dwellings, and personal
 14 property located on such tracts of land used for
 15 agricultural or horticultural purposes which are not
 16 receiving the same water and sewer services provided
 17 by the city as other property situated within the
 18 city shall be subject to the maximum levy a city may
 19 impose on land used for agricultural or horticultural
 20 purposes."

S-5361 FILED & LOST (p. 566)
 March 14, 1978

BY ROGER J. SHAFF

HOUSE FILE 2035

S-5365

- 1 Amend House File 2035 as amended and passed by the
- 2 House as follows:
- 3 1. Page 1, line 13, by inserting after the word
- 4 "purposes" the words "and forest and fruit tree reser-
- 5 ervations, as defined in chapter one hundred sixty-one
- 6 (161), Code 1977, located within city limits."

S-5365 FILED

BY BOB RUSH

MARCH 14, 1978

RULED NOT GERMANE (p. 566)

HOUSE FILE 2035

S-5364

- 1 Amend House File 2035, as passed by the House,
- 2 as follows:
- 3 1. Page 1, lines 10 and 11, by striking the words
- 4 "three dollars and three-eighths cents per thousand
- 5 dollars of assessed value in any year" and inserting
- 6 in lieu thereof the words "cents-per-thousand-dollars
- 7 of-assessed-value-in-any-year an amount equal to the
- 8 actual levy assessed against the value of other
- 9 property in the city for the budgeted costs of the
- 10 maintenance, improvement, and construction of streets
- 11 and roads in the city."
- 12

S-5364 FILED & LOST (p. 565)
MARCH 14, 1978

BY ROGER J. SHAFF

HOUSE FILE 2035

S-5389

- 1 Amend House File 2035, as passed by the House,
- 2 as follows:
- 3 1. Page 1, lines 7 and 8, by striking the words
- 4 "and improvements thereon".
- 5 2. Page 1, line 8, by striking the words "and
- 6 assessed".
- 7 3. Page 1, line 9, by inserting after the word
- 8 "purposes" the words "and improvements thereon".
- 9 4. Page 1, line 11, by striking the words "Improve-
- 10 ments and".
- 11 5. Page 1, by striking lines 12 through 15.

S-5389 FILED
March 21, 1978

BY ROGER J. SHAFF

S-5363

- 1 Amend House File 2035, as passed by the House,
 2 as follows:
 3 1. Page 1, by inserting before line 1 the following
 4 new section:
 5 "Sec. _____. Section three hundred sixty-eight
 6 point nineteen (368.19), Code 1977, is amended to
 7 read as follows:
 8 368.19 TIME LIMIT--ELECTION. The committee shall
 9 approve or disapprove the petition or plan as amended,
 10 within ninety days of the final hearing, and shall
 11 file its decision for record and promptly notify the
 12 parties to the proceeding of its decision. If a
 13 petition or plan is approved, the board shall set
 14 a date within ninety days for a special election on
 15 the proposal and the county commissioner of elections
 16 shall conduct the election. In a case of incorporation
 17 or discontinuance, qualified electors of the territory
 18 or city may vote, and the proposal is authorized if
 19 a majority of those voting approves it. In a case
 20 of annexation or severance, qualified electors of
 21 the territory and of the city may vote, and the
 22 proposal is authorized only if a majority of the total
 23 number of persons voting who reside in the territory
 24 to be annexed or severed approves it and a majority
 25 of the total number of persons voting who reside in
 26 the city approves it. In a case of consolidation,
 27 qualified electors of each city to be consolidated
 28 may vote, and the proposal is authorized only if it
 29 receives a favorable majority vote in each city.
 30 The county commissioner of elections shall publish
 31 notice of the election as provided in section 49.53
 32 and shall conduct the election in the same manner
 33 as other special city elections.
 34 The costs of an incorporation election shall be
 35 borne by the initiating petitioners if the election
 36 fails, but if the proposition is approved the cost
 37 shall become a charge of the new city."
 38 2. Renumber sections and correct internal
 39 references as are necessary in accordance with this
 40 amendment.

S-5363 - FILED
 MARCH 14, 1978
 RULED NOT GERMANE (p. 565)

BY ROGER J. SHAFF

HOUSE FILE 2035

S-5366

- 1 Amend House File 2035 as follows:
 2 1. Page 1, by striking lines 11 through 15 and
 3 inserting in lieu thereof the words "dollars of assessed
 4 value in any year."

S-5366 FILED & WITHDRAWN
 March 14, 1978

BY C. W. HUTCHINS

S-5203

1 Amend House File 2035, as passed by the House,
2 as follows:

- 3 1. Page 1, lines 9 and 10, by striking the words
4 "~~thirty-three-and-three-fourths~~ three dollars and
5 three-eighths" and inserting in lieu thereof the words
6 "thirty-three and three-fourths".

S-5203 FILED *Ord 3/4* BY NORMAN G. RODGERS, CHAIRPERSON
FEBRUARY 20, 1978 (*p 564*) COMMITTEE ON WAYS AND MEANS

HOUSE FILE 2035

S-5288

1 Amend House File 2035 as passed by the House as
2 follows:

- 3 1. Page 1, lines 7 and 8, by striking the
4 words "and improvements thereon".
5 2. Page 1, lines 11 and 12, by striking the
6 words "and not used for-agricultural or horticultural
7 purposes".
8

S-5288 FILED *Ord 3/14 (p 564)* BY EDGAR H. HOLDEN
MARCH 2, 1978

HOUSE FILE 2035

S-5329

1 Amend the Holden amendment, S-5288, to House File
2 2035, as passed by the House, as follows:

- 3 1. Page 1, by inserting after line 7 the follow-
4 ing:
5 " . Page 1, line 15, by inserting after the
6 words "within the city" the words ", except that
7 improvements, residential dwellings, and personal
8 property located on such tracts of land which are
9 not receiving the same water and sewer services
10 provided by the city as other property situated within
11 the city shall be subject to the maximum levy a city
12 may impose on land used for agricultural or
13 horticultural purposes"."

S-5329 FILED *Ord of order 3/14* BY ROGER J. SHAFF
MARCH 7, 1978 (*p 564*)

HOUSE FILE 2035

H-5013

1 Amend House File 2035 as follows:

2 1. Page 1, by inserting after line 19 the following
3 new section:

4 "Sec. _____. Section three hundred eighty-four
5 point sixty-two (384.62), Code 1977, is amended by
6 adding the following new unnumbered paragraph:
7 NEW UNNUMBERED PARAGRAPH. A special assessment
8 for a public improvement against property used and
9 assessed for agricultural purposes shall not become
10 payable until that property is no longer used and
11 assessed for agricultural purposes. At the time of
12 the change in the use of the property, the special
13 assessment shall become payable in the same manner
14 as the special assessment would have become payable
15 had it not been deferred by this section. This section
16 shall not apply to a tract of land of less than one-
17 quarter acre surrounding any dwelling or nonfarm - 5016
18 structure on that property nor shall it apply to a
19 special assessment levied before the effective date
20 of this Act."

H-5013 FILED, LOST (774) BY SCHNEKLOTH of Scott
JANUARY 12, 1978 WOODS of Polk

HOUSE FILE 2035

H-5016

1 Amend amendment H-5013 to House File 2035,
2 as follows:

3 1. Page 1, line 17, by striking the word
4 "quarter" and inserting in lieu thereof the
5 word "half".

H-5016 FILED, ADOPTED BY SPEAR of Lee
JANUARY 12, 1978 (775)

H-5009

- 1 Amend House File 2035 as follows:
- 2 1. Page 1, by striking from lines 13 and 14
- 3 the words "and all residential dwellings".

H-5009 FILED - *Lost 1/2 (71)*
JANUARY 11, 1978

BY WYCKOFF of Benton
HUSAK of Tama
BENNETT of Ida
JUNKER of Woodbury
BAKER of Buena Vista

(HOUSE FILE 2035

H-5011

- 1 Amend House File 2035 as follows:
- 2 1. Page 1, by inserting after line 19 the
- 3 following:
- 4 "Sec. _____. Chapter three hundred eighty-
- 5 four (384), division four (IV), Code 1977, is
- 6 amended by adding the following new section:
- 7 NEW SECTION. EXEMPTION FROM SPECIAL
- 8 ASSESSMENTS. A city shall not impose a special
- 9 assessment or special ad valorem levy under this
- 10 division for any public improvement on land used
- 11 primarily for agricultural production on the basis
- 12 of frontage, acreage, or value, except a lot not
- 13 exceeding one-half acre surrounding any dwelling
- 14 or nonfarm structure located on that land unless
- 15 the special assessment or special ad valorem
- 16 levy is imposed before the effective date of this
- 17 Act. If within ten years of the original assess-
- 18 ment or levy the land used primarily for agricult-
- 19 ural production is changed to a nonagricultural
- 20 use, any special assessment or special ad valorem
- 21 levy which was not imposed because of the provisions
- 22 of this section shall be imposed and the full
- 23 amount shall become payable in the same manner as } *5014*
- 24 the levy or assessment would have become payable
- 25 if it had been imposed."

H-5011 FILED, LOST (*p. 72*) BY DIELEMAN of Marion
JANUARY 12, 1978

HOUSE FILE 2035

H-5014

- 1 Amend amendment H-5011, to House File 2035,
- 2 as follows:
- 3 1. Page 1, by striking from lines 22 and
- 4 23 the words "and the full amount" and insert-
- 5 ing in lieu thereof the following: "in the
- 6 manner prescribed in section three hundred
- 7 eighty-four point sixty-three (384.63), of the
- 8 Code, and".

H-5014 FILED, ADOPTED BY JUNKER of Woodbury
JANUARY 12, 1978 (*p. 72*)

HOUSE FILE 2035

AN ACT

RELATING TO THE TAXATION OF PROPERTY USED FOR AGRICULTURAL AND HORTICULTURAL PURPOSES AND LOCATED WITHIN THE CORPORATE LIMITS OF A CITY AND MAKING THE PROVISIONS OF THIS ACT RETROACTIVE.

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

Section 1. Section three hundred eighty-four point one (384.1), Code 1977, is amended to read as follows:

384.1 TAXES CERTIFIED. A city may certify taxes to be levied by the county on all taxable property within the city limits, for all city government purposes. However, the tax levied by a city on ~~lots of more than ten acres and the personal property thereon, occupied and~~ tracts of land and improvements thereon used and assessed for agricultural or horticultural purposes, may not exceed ~~thirty-three and three-fourths~~ three dollars and three-eighths cents per thousand dollars of assessed value in any year. Improvements and personal property located on such tracts of land and not used for agricultural or horticultural purposes and all residential dwellings shall be subject to the same rate of tax levied by the city on all other taxable property within the city. A city's tax levy for the general fund may not exceed eight dollars and ten cents per thousand dollars of taxable value in any tax year, except for the levies authorized in section 384.12.

Sec. 2. Section three hundred eighty-four point sixty-two (384.62), Code 1977, is amended by adding the following new unnumbered paragraphs:

NEW UNNUMBERED PARAGRAPH. A special assessment for a public improvement against a tract of land used and assessed as agricultural property shall not become payable upon the

filing of a request by the owner for deferment until that land is not used and assessed as agricultural property. At the time of the change in the use of the property, the special assessment shall become payable in the same manner as the special assessment would have become payable had it not been deferred by this section. This section shall not apply to a tract of land of less than one-quarter acre surrounding any dwelling or nonfarm structure on that tract nor shall it apply to a special assessment levied before the effective date of this Act. This section shall not apply if the public improvement is a sewer, water, gas or electrical line to which the owner of the land makes a connection.

NEW UNNUMBERED PARAGRAPH. Payment of installments of special assessments for a public improvement against property used and assessed as agricultural property shall be deferred as follows:

1. The property owner who seeks deferment of an assessment shall file a written request for deferment with the city clerk at the time of the hearing on the resolution of necessity for the public improvement or within ten days following the date of the hearing and the request shall identify those lots subject to proposed assessments for which the property owner is seeking deferment which are used and assessed as agricultural property. The request may be withdrawn by the property owner at any time before or after the adoption of the resolution of necessity.

2. The city shall indicate those lots for which a deferment has been requested on the special assessment schedule.

3. After the assessments for the public improvement have been levied and the special assessment schedule has been filed with the county auditor, the county auditor shall indicate on the tax rolls those assessments subject to deferment under this section.

4. An owner of property subject to an assessment that may be deferred may file a statement at any time up to six

months before the assessment installment is due stating that a written request for deferment of such assessments is filed with the city clerk and that the entire lot subject to such assessment has continued to be and is still used and assessed as agricultural property. The collection of that installment and any other unpaid portion of the assessment shall be deferred until the next July first and subsequent installments may thereafter be deferred in the same manner for successive years in which a statement is filed.

Sec. 3. The provisions of section one (1) of this Act are retroactive to January 1, 1978 for property valued and assessed on or after January 1, 1978 and to this extent the provisions of section one (1) of this Act are retroactive.

Sec. 4. This Act, being deemed of immediate importance, shall take effect and be in force from and after its publication in The Aurelia Sentinel, a newspaper published in Aurelia, Iowa, and in The Sioux City Journal, a newspaper published in Sioux City, Iowa.

DALE M. COCHRAN
Speaker of the House

ARTHUR A. NEU
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2035, Sixty-seventh General Assembly.

Approved June 2, 1978

DAVID L. WRAY
Chief Clerk of the House

ROBERT D. RAY
Governor