

Reprinted 4/78

APR 21 1978

HOUSE FILE 2438

WAYS AND MEANS

By COMMITTEE ON WAYS AND MEANS

Passed House, Date 4-25-78 (p. 1848) Passed Senate, Date _____

Vote: Ayes 97 Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act to provide reimbursement for special assessments,
 2 for property taxes paid, and for rent constituting
 3 property taxes paid for persons sixty-five years of age
 4 or older, a surviving spouse fifty-five years of age
 5 or older, or totally disabled.

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

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2438

1 Section 1. Section four hundred twenty-five point seventeen
2 (425.17), subsections nine (9) and ten (10), Code 1977, are
3 amended to read as follows:

4 9. "Property taxes paid" means property taxes including
5 ~~one-half-of~~ any special assessments, but exclusive of
6 delinquent interest and charges for services, paid on a
7 claimant's homestead in this state, but includes only property
8 taxes for which the claimant was liable and which were actually
9 paid by the claimant. If the property taxes have actually
10 been paid, they shall be deemed to have been paid when due,
11 regardless of the date of actual payment. "Property taxes
12 paid" shall be computed with no deduction for any credit under
13 this division or for any homestead credit allowed under section
14 ~~425.1. Claims-for-property-tax-reimbursement-filed-in-1974~~
15 ~~shall-be-based-upon-the-property-taxes-paid-in-1973.--Claims~~
16 ~~for-property-tax-reimbursement-filed-in-1975-shall-be-limited~~
17 ~~to-two-thirds-of-the-property-taxes-paid-in-1974-and-the-first~~
18 ~~one-half-of-1975.~~ Each year thereafter, each claim shall
19 be based upon the taxes paid during the base year. If a
20 homestead is owned by two or more persons as joint tenants
21 or tenants in common, and one or more persons are not a member
22 of claimant's household, "property taxes paid" is that part
23 of property taxes paid on the homestead which equals the
24 ownership percentage of the claimant and his or her household.
6253 25 The county treasurer shall include with the tax receipt a
26 statement that if the owner of the property is sixty-five
27 years of age or over or is totally disabled, or is a surviving
28 spouse of such person who is over the age of fifty-five years
29 of age, the person may be eligible for the credit allowed
30 under this division. If a claimant changes his or her
31 homestead, this shall not prevent him or her from filing a
32 claim based on property taxes for which the claimant was
33 liable and which were actually paid by the claimant, but
34 duplication of claims shall not be allowed. If a homestead
35 is an integral part of a farm, the claimant may use the total

1 property taxes paid for the larger unit, but not exceeding
2 forty acres of land. If a homestead is an integral part of
3 a multidwelling or multipurpose building the property taxes
4 paid for the purpose of this subsection shall be prorated
5 to reflect the portion which the value of the property that
6 the household occupies as its homestead is to the value of
7 the entire structure. For purposes of this subsection, "unit"
8 refers to that parcel of property covered by a single tax
9 statement of which the homestead is a part.

10 10. "Special assessment" means special assessments made
11 pursuant to sections 384.37 to 384.79. The amount of a special
12 assessment which may be included in the amount of property
13 taxes paid for one year shall be an amount equal to ~~one-~~
14 ~~twentieth~~ one-tenth of the total amount of the special
15 assessment levied against the homestead of the claimant, if
16 the claimant elected to pay the total amount of the special
17 assessment in one payment. If the claimant elects to pay
18 the special assessment in ten annual installments as provided
19 by law, the claimant may include as a portion of the property
20 taxes paid during the base year an amount equal to ~~one-half~~
21 ~~of~~ the special assessment, including interest, paid during
22 that same base year.

23 Sec. 2. Section four hundred twenty-five point twenty-
24 three (425.23), subsection one (1), Code 1977, is amended
25 by striking paragraph a and inserting in lieu thereof the
26 following:

27 a. The amount shall be determined in accordance with the
28 following schedule:

29		Percent of property taxes
30		paid or rent constituting
31	If the household	property taxes paid allowed
32	income is:	as a reimbursement:
33	\$ 0 - 999.99	100%
34	1,000 - 1,999.99	100
35	2,000 - 2,999.99	95

1	3,000 - 3,999.99	85
2	4,000 - 4,999.99	70
3	5,000 - 5,999.99	55
4	6,000 - 6,999.99	40
5	7,000 - 7,999.99	30
6	8,000 - 8,999.99	25
7	9,000 - 9,999.99	20

8 Sec. 3. Section four hundred twenty-five point twenty-
9 three (425.23), Code 1977, is amended by adding the following
10 new subsection:

11 NEW SUBSECTION. Any person who is eligible to file a claim
12 for reimbursement for property taxes paid and who has a
13 household income of five thousand dollars or less and who
14 has a special assessment levied against the homestead may
15 file an claim with the county treasurer that the claimant
16 had a household income of five thousand dollars or less during
17 the base year and that a special assessment is presently
18 levied against the homestead. The department shall provide
19 to the respective county treasurers such forms as are necessary
20 for the administration of this subsection. The claim shall
21 be filed not later than September thirtieth of each year.
22 Upon the filing of the claim, no penalty or interest for late
23 payment shall accrue against the amount of the special
24 assessment due and payable. The claim filed by the claimant
25 shall constitute a claim for reimbursement of an amount equal
26 to the actual amount due and payable upon the special
27 assessment payable during the fiscal year against the homestead
28 of the claimant. The department of revenue shall, upon the
29 filing of the claim with the department by the county
30 treasurer, pay the amount of the special assessment due and
31 payable during the current fiscal year to the county treasurer.
32 The county treasurer shall submit the claims to the director
33 of revenue not later than April fifteenth of each year. The
34 director of revenue shall certify to the state comptroller
35 the amount of reimbursement due each county for special

1 assessment credits allowed under this subsection. The amount
2 of reimbursement due each county shall be paid by the state
3 comptroller on November fifteenth of each year, drawn upon
4 warrants payable to the respective county treasurer. There
5 is appropriated annually from the general fund of the state
6 to the department of revenue an amount sufficient to carry
7 out the provisions of this subsection. The county treasurer
8 shall credit any moneys received from the department against
9 the amount of the special assessment due and payable on the
10 homestead of the claimant.

6257

11 Sec. 4. Section four hundred twenty-five point twenty-
12 four (425.24), Code 1977, is amended to read as follows:

13 425.24 MAXIMUM PROPERTY TAX. In any case in which property
14 taxes paid or rent constituting property taxes paid in any
15 base year for any household exceeds ~~six~~ eight hundred dollars,
16 the amount of property taxes paid or rent constituting property
17 taxes paid shall be deemed to have been ~~six~~ eight hundred
18 dollars for purposes of this division.

19 Sec. 5. The provisions of sections one (1), two (2), and
20 four (4) of this Act are effective January 1, 1979, for claims
21 for reimbursement for property taxes paid and rent constituting
22 property taxes paid which are filed on or after January 1,
23 1979.

24 EXPLANATION

25 The bill revises the reimbursement schedule for claims
26 for property taxes paid and rent constituting property taxes
27 paid. The bill also increases the maximum allowable amount
28 of property taxes paid or rent constituting property taxes
29 paid upon which the credit is computed and provides that
30 property taxes paid shall include 100 percent of any special
31 assessment paid an increase from the present 50 percent.
32 The bill also provides that a person with income of 5,000
33 dollars or less can file with the county treasurer to have
34 the special assessments on the claimant's homestead be paid
35 directly to the county treasurer by the department of revenue.

FISCAL NOTE
HOUSE FILE 2438

Requested by Representative Norland
APRIL 24, 1978

In compliance with a written request, there is submitted a Fiscal Note for H.F. 2438, pursuant to Joint Rule 16:

House File 2438, An Act to provide reimbursement for special assessments, for property taxes paid, and for rent constituting property taxes paid for persons sixty-five years of age or older, a surviving spouse fifty-five years of age or older, or totally disabled.

This proposal would provide for an increase in the maximum allowable income from \$9,000 to \$10,000, an increase in the percentage of taxes or rent constituting taxes which would be reimbursed for claimants with less than \$7,000 of income, an increase from \$600 to \$800 in the maximum amount of taxes which would be subject to reimbursement and the inclusion of 100 percent of special assessments rather than the current 50 percent. Section three of the proposal would also provide that property owners with less than \$5,000 of household income who are otherwise eligible for the elderly credit program would be eligible to receive a credit for 100 percent of special assessments payable in a year rather than including the special assessments paid in the property tax base subject to reimbursement.

The estimated effect of the proposed changes in the elderly credit program is based on several assumptions. First, it was assumed that all eligible claimants would file for assistance. Second, while the estimate made is of program costs, the actual assistance received by claimants may be paid under the elderly credit program or the homestead tax credit program although the net additional cost to the state will be the same. Third, the estimated effects are based on a data base which was established using data and relationships obtained from the 1970 Census as well as information secured from claims filed under the elderly credit program. The validity of the estimated effects are, therefore, limited by the extent to which certain of the established relationships remain valid.

It is estimated that as a result of the changes proposed that the cost to the state of the elderly credit program would increase from \$21.8 million to \$26.1 million, a \$4.3 million increase. However, the increase in the maximum allowable household income is expected to reduce the cost to the state of the homestead tax credit program by about \$200,000. The net additional cost to the state would therefore be \$4.1 million.

The specific effect of the proposed state funded credit for special assessments cannot be estimated at this time. However, based on special assessment data obtained from elderly credit claims filed in calendar 1977, it would appear that the additional cost to the state of the proposal would be less than \$100,000 per year.

Source: Department of Revenue

FILED
APRIL 25, 1978

GERRY D. RANKIN
Legislative Fiscal Bureau

H-6247

- 1 Amend House File 2438 as follows:
- 2 1. Page 3, line 15, by striking the word "an"
- 3 and inserting in lieu thereof the word "a".
- 4 2. Page 3, line 33, by striking the word "April"
- 5 and inserting in lieu thereof the word "October".

H-6247 FILED *Adopted 4/25* BY NORLAND of Worth
 APRIL 24, 1978 (*p. 1845*) ANDERSON of Jasper
 WEST of Marshall

HOUSE FILE 2438

H-6251

- 1 Amend House File 2438 as follows:
- 2 1. Page 3, line 14, by inserting after the word
- 3 "homestead" the words "which total special assessment
- 4 is in an amount equal to more than five percent of
- 5 the claimant's net worth".
- 6 2. Page 3, line 28, by inserting after the word
- 7 "claimant" the words "and such claim shall include
- 8 a statement which shall be signed by the claimant
- 9 that the total amount of the special assessment levied
- 10 against the homestead is in an amount equal to more
- 11 than five percent of the claimant's net worth".
- 12 3. Page 4, line 10, by inserting after the period
- 13 the words "For purposes of this subsection, "net
- 14 worth" means the total assets of a person less the
- 15 person's total liabilities as of December thirty-first
- 16 of the preceding calendar year. The value of property
- 17 shall be its market value as defined in section four
- 18 hundred forty-one point twenty-one (441.21) of the
- 19 Code."

H-6251 FILED, LOST (*p. 1846*) BY SCHNEKLOTH of Scott
 APRIL 25, 1978

HOUSE FILE 2438

H-6253

- 1 Amend House File 2438 as follows:
- 2 1. Page 1, by inserting after line 24 the
- 3 following: "However, if the claimant owns the
- 4 homestead as joint tenants or tenants in common
- 5 with other family members who do not reside
- 6 in the homestead and the claimant pays the
- 7 property taxes without reimbursement from the
- 8 other owners the claimant shall receive full
- 9 credit for taxes paid."

H-6253 FILED, LOST (*p. 1846*) BY GARRISON of Black Hawk
 APRIL 25, 1978

HOUSE FILE 2438

H-6254

- 1 Amend House Amendment H-6253 to House File 2438
- 2 as follows:
- 3 1. Page 1, line 4, by striking the words
- 4 "joint tenants or tenants in common" and inserting
- 5 in lieu thereof the words " a joint tenant or a
- 6 tenant in common".

H-6254 FILED, ADOPTED BY SMALLEY of Polk
 BY UNANIMOUS CONSENT
 APRIL 25, 1978 (*p. 1847*)

127 Amend (5846) to No. 3000 S. 7 (p. 1362)

HOUSE FILE 2438

Ways and Means
Rodgers, Chairperson
Nolting
Curtis
Kelly
Van Gilst

HOUSE FILE 2438

By COMMITTEE ON WAYS AND MEANS

(As Amended and Passed by the House)

Passed House, Date 5-10-78 (0, 1120) Passed Senate, Date 5-12-78 (4, 1394)

Vote: Ayes 84 Nays 0 Vote: Ayes 41 Nays 1

Approved 6-23-78

A BILL FOR

1 An Act to provide reimbursement for special assessments,
2 for property taxes paid, and for rent constituting
3 property taxes paid for persons sixty-five years of age
4 or older, a surviving spouse fifty-five years of age
5 or older, or totally disabled.

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

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House Amendments _____

1 Section 1. Section four hundred twenty-five point seventeen
2 (425.17), subsections nine (9) and ten (10), Code 1977, are
3 amended to read as follows:

4 9. "Property taxes paid" means property taxes including
5 ~~one-half-of~~ any special assessments, but exclusive of
6 delinquent interest and charges for services, paid on a
7 claimant's homestead in this state, but includes only property
8 taxes for which the claimant was liable and which were actually
9 paid by the claimant. If the property taxes have actually
10 been paid, they shall be deemed to have been paid when due,
11 regardless of the date of actual payment. "Property taxes
12 paid" shall be computed with no deduction for any credit under
13 this division or for any homestead credit allowed under section
14 425.1. ~~Claims-for-property-tax-reimbursement-filed-in-1974~~
15 ~~shall-be-based-upon-the-property-taxes-paid-in-1973.--Claims~~
16 ~~for-property-tax-reimbursement-filed-in-1975-shall-be-limited~~
17 ~~to-two-thirds-of-the-property-taxes-paid-in-1974-and-the-first~~
18 ~~one-half-of-1975.~~ Each year thereafter, each claim shall
19 be based upon the taxes paid during the base year. If a
20 homestead is owned by two or more persons as joint tenants
21 or tenants in common, and one or more persons are not a member
22 of claimant's household, "property taxes paid" is that part
23 of property taxes paid on the homestead which equals the
24 ownership percentage of the claimant and his or her household.
25 The county treasurer shall include with the tax receipt a
26 statement that if the owner of the property is sixty-five
27 years of age or over or is totally disabled, or is a surviving
28 spouse of such person who is over the age of fifty-five years
29 of age, the person may be eligible for the credit allowed
30 under this division. If a claimant changes his or her
31 homestead, this shall not prevent him or her from filing a
32 claim based on property taxes for which the claimant was
33 liable and which were actually paid by the claimant, but
34 duplication of claims shall not be allowed. If a homestead
35 is an integral part of a farm, the claimant may use the total

1 property taxes paid for the larger unit, but not exceeding
2 forty acres of land. If a homestead is an integral part of
3 a multidwelling or multipurpose building the property taxes
4 paid for the purpose of this subsection shall be prorated
5 to reflect the portion which the value of the property that
6 the household occupies as its homestead is to the value of
7 the entire structure. For purposes of this subsection, "unit"
8 refers to that parcel of property covered by a single tax
9 statement of which the homestead is a part.

10 10. "Special assessment" means special assessments made
11 pursuant to sections 384.37 to 384.79. The amount of a special
12 assessment which may be included in the amount of property
13 taxes paid for one year shall be an amount equal to ~~one-~~
14 ~~twentieth~~ one-tenth of the total amount of the special
15 assessment levied against the homestead of the claimant, if
16 the claimant elected to pay the total amount of the special
17 assessment in one payment. If the claimant elects to pay
18 the special assessment in ten annual installments as provided
19 by law, the claimant may include as a portion of the property
20 taxes paid during the base year an amount equal to ~~one-half~~
21 ~~of~~ the special assessment, including interest, paid during
22 that same base year.

23 Sec. 2. Section four hundred twenty-five point twenty-
24 three (425.23), subsection one (1), Code 1977, is amended
25 by striking paragraph a and inserting in lieu thereof the
26 following:

27 a. The amount shall be determined in accordance with the
28 following schedule:

29		Percent of property taxes
30		paid or rent constituting
31	If the household	property taxes paid allowed
32	income is:	as a reimbursement:
33	\$ 0 - 999.99	100%
34	1,000 - 1,999.99	100
35	2,000 - 2,999.99	95

5846

1	3,000 - 3,999.99	85
2	4,000 - 4,999.99	70
3	5,000 - 5,999.99	55
4	6,000 - 6,999.99	40
5	7,000 - 7,999.99	30
6	8,000 - 8,999.99	25
7	9,000 - 9,999.99	20

8 Sec. 3. Section four hundred twenty-five point twenty-
9 three (425.23), Code 1977, is amended by adding the following
10 new subsection:

11 NEW SUBSECTION. Any person who is eligible to file a claim
12 for reimbursement for property taxes paid and who has a
13 household income of five thousand dollars or less and who
14 has a special assessment levied against the homestead may
15 file a claim with the county treasurer that the claimant had
16 a household income of five thousand dollars or less during
17 the base year and that a special assessment is presently
18 levied against the homestead. The department shall provide
19 to the respective county treasurers such forms as are necessary
20 for the administration of this subsection. The claim shall
21 be filed not later than September thirtieth of each year.
22 Upon the filing of the claim, no penalty or interest for late
23 payment shall accrue against the amount of the special
24 assessment due and payable. The claim filed by the claimant
25 shall constitute a claim for reimbursement of an amount equal
26 to the actual amount due and payable upon the special
27 assessment payable during the fiscal year against the homestead
28 of the claimant. The department of revenue shall, upon the
29 filing of the claim with the department by the county
30 treasurer, pay the amount of the special assessment due and
31 payable during the current fiscal year to the county treasurer.
32 The county treasurer shall submit the claims to the director
33 of revenue not later than October fifteenth of each year.
34 The director of revenue shall certify to the state comptroller
35 the amount of reimbursement due each county for special

1 assessment credits allowed under this subsection. The amount
 2 of reimbursement due each county shall be paid by the state
 3 comptroller on November fifteenth of each year, drawn upon
 4 warrants payable to the respective county treasurer. There
 5 is appropriated annually from the general fund of the state
 6 to the department of revenue an amount sufficient to carry
 7 out the provisions of this subsection. The county treasurer
 8 shall credit any moneys received from the department against
 9 the amount of the special assessment due and payable on the
 10 homestead of the claimant.

11 Sec. 4. Section four hundred twenty-five point twenty-
 12 four (425.24), Code 1977, is amended to read as follows:

13 425.24 MAXIMUM PROPERTY TAX. In any case in which property
 14 taxes paid or rent constituting property taxes paid in any
 15 base year for any household exceeds ~~six~~ eight hundred dollars,
 584- 16 the amount of property taxes paid or rent constituting property
 17 taxes paid shall be deemed to have been ~~six~~ eight hundred
 18 dollars for purposes of this division.

19 Sec. 5. The provisions of sections one (1), two (2), and
 20 four (4) of this Act are effective January 1, 1979, for claims
 21 for reimbursement for property taxes paid and rent constituting
 22 property taxes paid which are filed on or after January 1,
 23 1979.

24 EXPLANATION

25 The bill revises the reimbursement schedule for claims
 26 for property taxes paid and rent constituting property taxes
 27 paid. The bill also increases the maximum allowable amount
 28 of property taxes paid or rent constituting property taxes
 29 paid upon which the credit is computed and provides that
 30 property taxes paid shall include 100 percent of any special
 31 assessment paid an increase from the present 50 percent.
 32 The bill also provides that a person with income of 5,000
 33 dollars or less can file with the county treasurer to have
 34 the special assessments on the claimant's homestead be paid
 35 directly to the county treasurer by the department of revenue.

HOUSE FILE 2438
FISCAL NOTE

DATE: MAY 9, 1978
REQUESTED BY: SENATOR SCHWENGELS

In compliance with a written request received May 9, 1978, there is hereby submitted a Fiscal Note for H.F. 2438, Amend.S-5801 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.

Amendment S-5808 to House File 2438 would exclude from the definition of income an amount equal to any moneys paid during the base year by a totally disabled person for medical expenses and personal care expenses directly related to the disability.

The amendment would reduce the reportable income of disabled claimants. The effect of this amendment would be to provide for increased reimbursements for those claimants filing under the elderly credit program. However, an estimate of the increase in reimbursements cannot be provided.

SOURCE: DEPARTMENT OF REVENUE

FILED
MAY 10, 1978

BY GERRY D. RANKIN, DIRECTOR
LEGISLATIVE FISCAL BUREAU

HOUSE FILE 2438

S-5864

- 1 Amend House File 2438 as amended, passed and
- 2 reprinted by the House as follows:
- 3 1. Page 3, line 28, by inserting after the word
- 4 "claimant" the words "or an amount equal to the annual
- 5 payment of the special assessment levied against the
- 6 homestead of the claimant and payable in annual
- 7 installments through the period of years provided by
- 8 the governing body of the city".
- 9 2. Page 3, line 30, by striking the words
- 10 "pay the" and inserting in lieu thereof the words
- 11 "pay that".
- 12 3. Page 3, lines 30 and 31, by striking the words
- 13 "due and payable".

S-5864 FILED
MAY 10, 1978
WITHDRAWN (p. 1383)

BY JOHN S. MURRAY
KEVIN E. KELLY
JAMES M. REDMOND

S-5861

1 Amend House File 2438 as amended, passed and
2 reprinted by the House as follows:

3 1. Page 1, by inserting before line 1 the following
4 new sections:

5 "Section 1. Chapter four hundred twenty-five
6 (425), Code 1977, is amended by adding the following
7 new sections as a separate division.

8 Sec. 2. NEW SECTION. OPTIONAL PROPERTY TAX RELIEF.
9 In addition to the homestead tax credit allowed under
10 section four hundred twenty-five point one (425.1),
11 subsections one (1) through four (4) of the Code and
12 as an alternative to the extraordinary property tax
13 reimbursement allowed under sections four hundred
14 twenty-five point sixteen (425.16) through four hundred
15 twenty-five point thirty-nine (425.39) of the Code,
16 an owner as defined in subsection two (2) of section
17 four hundred twenty-five point eleven (425.11) of
18 the Code who meets the qualifications specified in
19 section three (3) of this Act is eligible to have
20 property taxes postponed until the property ceases
21 to be the homestead of the owner.

22 Sec. 3. NEW SECTION. QUALIFYING FOR POSTPONEMENT-
23 -APPLICABLE STATUTES. A person qualifying for the
24 homestead tax credit under section four hundred twenty-
25 five point two (425.2) of the Code may file to have
26 property taxes, excluding any special assessments,
27 on that homestead postponed. A person shall be
28 eligible to file for such postponement if that person
29 will be sixty-five years of age or older during the
30 year for which the homestead tax credit shall apply.
31 That person shall file before July first of the year
32 in which he or she files for the homestead tax credit.
33 All provisions of this chapter applicable to the
34 homestead tax credit, not inconsistent with the intent
35 and provisions of this Act, shall apply to the
36 postponement of property taxes provided pursuant to
37 this Act.

38 Sec. 4. NEW SECTION. PAYMENT OF POSTPONED TAXES.
39 The director of revenue shall request the state
40 comptroller to issue warrants on the optional property
41 tax relief fund to the county treasurers for the
42 amount of property taxes certified by the county
43 treasurers to be postponed. The allocations from
44 this fund shall be made semiannually on the due dates
45 of the property taxes postponed. The county treasurers
46 receiving funds under this section shall apportion
47 them to the several taxing districts in the same
48 manner as if the moneys received had been paid by
49 the owners; however, the several taxing districts
50 shall not be permitted to draw the funds so apportioned

1 until after the semiannually allocations are received
2 by the county treasurer.

3 Sec. 5. NEW SECTION. LIEN--RECAPTURE. There
4 shall attach in favor of the state a tax lien on the
5 property for which any payment from the state general
6 fund has been made because of the postponement of
7 the property taxes under this Act. The lien shall
8 attach at the time and be in the amount of the payment
9 made to the county treasurer under this Act. The
10 county treasurer upon receipt of the payment shall
11 cause to be listed on the property tax list the fact
12 of the existence of and the amount of the lien. The
13 lien shall continue to be listed each year on the
14 tax list in the same manner in which delinquent taxes
15 are listed.

16 The department shall enforce the lien for recapture
17 of payments made by the state because of the
18 postponement of the property taxes under this Act
19 only after the property ceases to be the homestead
20 of the person whose property taxes were postponed,
21 except that the lien shall be extended and not enforced
22 if the property is transferred to the surviving spouse
23 who claims the property as his or her homestead.
24 In the case of the extension of the lien for the
25 surviving spouse, the lien shall be enforced only
26 after the property ceases to be the homestead of the
27 surviving spouse.

28 Interest shall be computed and collected on any
29 property taxes postponed under this Act at the rate
30 of one-half of one percent per month or fraction
31 thereof on the amount of property taxes postponed
32 and still owing. This interest shall be collected
33 at the same time the lien is enforced.

34 All moneys, including interest, obtained as a
35 result of the enforcement of any liens under this
36 section shall be deposited in the general fund of
37 the state.

38 Sec. 6. NEW SECTION. FUND CREATED--APPROPRIATION.
39 There is appropriated annually from the general fund
40 of the state to the department of revenue to be
41 credited to the optional property tax relief fund,
42 which is hereby created, from funds not otherwise
43 appropriated, an amount sufficient to carry out the
44 provisions of this division."

S-5861 FILED

MAY 10, 1978

RULED OUT OF ORDER (p. 157)

BY RICHARD R. RAMSEY
STEPHEN W. BIENIUS
ROLF V. CRAFT

HOUSE FILE 2438

S-5846

1 Amend House File 2438 as amended, passed and
2 reprinted by the House as follows:

3 1. By striking page 2, line 33 through page 3,
4 line 7 and inserting in lieu thereof the following:

5	"\$ 0 - 1,999.99.....	100%
6	2,000 - 2,999.99.....	90%
7	3,000 - 3,999.99.....	80%
8	4,000 - 4,999.99.....	70%
9	5,000 - 5,999.99.....	60%
10	6,000 - 6,999.99.....	50%
11	7,000 - 7,999.99.....	40%
12	8,000 - 8,999.99.....	35%
13	9,000 - 9,999.99.....	30%
14	10,000 - 10,999.99.....	25%"

A

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C

15 2. By striking page 3, line 8, through page 4,
16 line 10.

17 3. Page 4, line 15, by striking the words "eight
18 hundred" and inserting in lieu thereof the words
19 "hundred one thousand".

20 4. Page 4, line 17, by striking the words "eight
21 hundred" and inserting in lieu thereof the words
22 "hundred one thousand".

S-5846 FILED *A+B Let*
MAY 9, 1978 *C adopted 5/10/78*

BY COMMITTEE ON WAYS AND MEANS
NORMAN G. RODGERS, CHAIRPERSON

HOUSE FILE 2438

S-5801

1 Amend House File 2438 as amended, passed and
2 reprinted by the House as follows:

3 1. Page 1, line 2, by inserting after the word
4 "subsections" the word and figure "one (1),".

5 2. Page 1, by inserting after line 3 the follow-
6 ing:

7 "1. "Income" means the sum of Iowa net income
8 as defined in section 422.7, plus all of the following
9 to the extent not already included in Iowa net income:
10 Capital gains, alimony, child support money, cash
11 public assistance and relief, except property tax
12 relief granted under this division, the gross amount
13 of any pension or annuity, including but not limited
14 to railroad retirement benefits, all payments received
15 under the federal social security Act, and all military
16 retirement and veterans' disability pensions, interest
17 received from the state or federal government or any
18 of its instrumentalities, workers' compensation and
19 the gross amount of disability income or "loss of
20 time" insurance. "Income" does not include gifts
21 from nongovernmental sources, or surplus foods or
22 other relief in kind supplied by a governmental agency.
23 In the case of an individual who is totally disabled,
24 "income" shall not include an amount equal to any
25 moneys paid during the base year by that person for
26 medical expenses and personal care expenses directly
27 related to the disability."

S-5801 FILED
MAY 4, 1978

BY FORREST V. SCHWENGELS

HOUSE FILE 2438

S-5862

1 Amend the Ramsey et al. amendment, S-5861, to
 2 House File 2438 as amended, passed and reprinted by the
 3 House as follows:
 4 1. Page 1, line 30, by inserting after the word
 5 "apply" the words "and if that person's household
 6 income as defined in section four hundred twenty-five
 7 point seventeen (425.17) of the Code is less than
 8 ten thousand (10,000) dollars for the calendar year
 9 preceding the year in which a claim for the homestead
 10 credit is filed".

S-5862 FILED
MAY 10, 1978

BY STEPHEN BISENIUS

RULED OUT OF ORDER (p. 1377)

HOUSE FILE 2438

S-5865

1 Amend House File 2438 as amended, passed and
 2 reprinted by the House as follows:
 3 1. Page 3, line 28, by inserting after the word
 4 "claimant" the words "or an amount equal to the annual
 5 payment of the special assessment levied against the
 6 homestead of the claimant and payable in annual
 7 installments through the period of years provided by
 8 the governing body of the city, whichever is less".
 9 2. Page 3, line 30, by striking the words
 10 "pay the" and inserting in lieu thereof the words
 11 "pay that".
 12 3. Page 3, lines 30 and 31, by striking the words
 13 "due and payable".

S-5865 FILED & ADOPTED (p. 1383)
MAY 10, 1978

BY JOHN S. MURRAY
KEVIN E. KELLY
JAMES M. REDMOND

SENATE AMENDMENT TO
HOUSE FILE 2438

H-6630

1 Amend House File 2438 as amended, passed and
 2 reprinted by the House as follows:
 3 1. Page 3, line 28, by inserting after the word
 4 "claimant" the words "or an amount equal to the annual
 5 payment of the special assessment levied against the
 6 homestead of the claimant and payable in annual
 7 installments through the period of years provided
 8 by the governing body of the city, whichever is less".
 9 2. Page 3, line 30, by striking the words "pay
 10 the" and inserting in lieu thereof the words "pay
 11 that".
 12 3. Page 3, lines 30 and 31, by striking the words
 13 "due and payable".
 14 4. Page 4, line 15, by striking the words "eight
 15 hundred" and inserting in lieu thereof the words
 16 "hundred one thousand".
 17 5. Page 4, line 17, by striking the words "eight
 18 hundred" and inserting in lieu thereof the words
 19 "hundred one thousand".

H-6630 FILED
RECEIVED FROM SENATE
MAY 10, 1978

House Concurrent 25/10 (p. 2435)

AN ACT

TO PROVIDE REIMBURSEMENT FOR SPECIAL ASSESSMENTS, FOR PROPERTY TAXES PAID, AND FOR RENT CONSTITUTING PROPERTY TAXES PAID FOR PERSONS SIXTY-FIVE YEARS OF AGE OR OLDER, A SURVIVING SPOUSE FIFTY-FIVE YEARS OF AGE OR OLDER, OR TOTALLY DISABLED.

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

Section 1. Section four hundred twenty-five point seventeen (425.17), subsections nine (9) and ten (10), Code 1977, are amended to read as follows:

9. "Property taxes paid" means property taxes including ~~one-half-of~~ any special assessments, but exclusive of delinquent interest and charges for services, paid on a claimant's homestead in this state, but includes only property taxes for which the claimant was liable and which were actually paid by the claimant. If the property taxes have actually been paid, they shall be deemed to have been paid when due, regardless of the date of actual payment. "Property taxes paid" shall be computed with no deduction for any credit under this division or for any homestead credit allowed under section 425.1. ~~Claims-for-property-tax-reimbursement-filed-in-1974 shall-be-based-upon-the-property-taxes-paid-in-1973--Claims-for-property-tax-reimbursement-filed-in-1975-shall-be-limited-to-two-thirds-of-the-property-taxes-paid-in-1974-and-the-first-one-half-of-1975-~~ Each year thereafter, each claim shall be based upon the taxes paid during the base year. If a homestead is owned by two or more persons as joint tenants or tenants in common, and one or more persons are not a member of claimant's household, "property taxes paid" is that part of property taxes paid on the homestead which equals the ownership percentage of the claimant and his or her household.

The county treasurer shall include with the tax receipt a statement that if the owner of the property is sixty-five years of age or over or is totally disabled, or is a surviving spouse of such person who is over the age of fifty-five years of age, the person may be eligible for the credit allowed under this division. If a claimant changes his or her homestead, this shall not prevent him or her from filing a claim based on property taxes for which the claimant was liable and which were actually paid by the claimant, but duplication of claims shall not be allowed. If a homestead is an integral part of a farm, the claimant may use the total property taxes paid for the larger unit, but not exceeding forty acres of land. If a homestead is an integral part of a multidwelling or multipurpose building the property taxes paid for the purpose of this subsection shall be prorated to reflect the portion which the value of the property that the household occupies as its homestead is to the value of the entire structure. For purposes of this subsection, "unit" refers to that parcel of property covered by a single tax statement of which the homestead is a part.

10. "Special assessment" means special assessments made pursuant to sections 384.37 to 384.79. The amount of a special assessment which may be included in the amount of property taxes paid for one year shall be an amount equal to ~~one-twentieth~~ one-tenth of the total amount of the special assessment levied against the homestead of the claimant, if the claimant elected to pay the total amount of the special assessment in one payment. If the claimant elects to pay the special assessment in ten annual installments as provided by law, the claimant may include as a portion of the property taxes paid during the base year an amount equal to ~~one-half~~ of the special assessment, including interest, paid during that same base year.

Sec. 2. Section four hundred twenty-five point twenty-three (425.23), subsection one (1), Code 1977, is amended

by striking paragraph a and inserting in lieu thereof the following:

a. The amount shall be determined in accordance with the following schedule:

If the household income is:	Percent of property taxes paid or rent constituting property taxes paid allowed as a reimbursement:
\$ 0 - 999.99	100%
1,000 - 1,999.99	100
2,000 - 2,999.99	95
3,000 - 3,999.99	85
4,000 - 4,999.99	70
5,000 - 5,999.99	55
6,000 - 6,999.99	40
7,000 - 7,999.99	30
8,000 - 8,999.99	25
9,000 - 9,999.99	20

Sec. 3. Section four hundred twenty-five point twenty-three (425.23), Code 1977, is amended by adding the following new subsection:

NEW SUBSECTION. Any person who is eligible to file a claim for reimbursement for property taxes paid and who has a household income of five thousand dollars or less and who has a special assessment levied against the homestead may file a claim with the county treasurer that the claimant had a household income of five thousand dollars or less during the base year and that a special assessment is presently levied against the homestead. The department shall provide to the respective county treasurers such forms as are necessary for the administration of this subsection. The claim shall be filed not later than September thirtieth of each year. Upon the filing of the claim, no penalty or interest for late payment shall accrue against the amount of the special assessment due and payable. The claim filed by the claimant

shall constitute a claim for reimbursement of an amount equal to the actual amount due and payable upon the special assessment payable during the fiscal year against the homestead of the claimant or an amount equal to the annual payment of the special assessment levied against the homestead of the claimant and payable in annual installments through the period of years provided by the governing body of the city, whichever is less. The department of revenue shall, upon the filing of the claim with the department by the county treasurer, pay that amount of the special assessment during the current fiscal year to the county treasurer. The county treasurer shall submit the claims to the director of revenue not later than October fifteenth of each year. The director of revenue shall certify to the state comptroller the amount of reimbursement due each county for special assessment credits allowed under this subsection. The amount of reimbursement due each county shall be paid by the state comptroller on November fifteenth of each year, drawn upon warrants payable to the respective county treasurer. There is appropriated annually from the general fund of the state to the department of revenue an amount sufficient to carry out the provisions of this subsection. The county treasurer shall credit any moneys received from the department against the amount of the special assessment due and payable on the homestead of the claimant.

Sec. 4. Section four hundred twenty-five point twenty-four (425.24), Code 1977, is amended to read as follows:

425.24 MAXIMUM PROPERTY TAX. In any case in which property taxes paid or rent constituting property taxes paid in any base year for any household exceeds six-hundred one thousand dollars, the amount of property taxes paid or rent constituting property taxes paid shall be deemed to have been six-hundred one thousand dollars for purposes of this division.

Sec. 5. The provisions of sections one (1), two (2), and four (4) of this Act are effective January 1, 1979, for claims

for reimbursement for property taxes paid and rent constituting property taxes paid which are filed on or after January 1, 1979.

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 2438, Sixty-seventh General Assembly.

DAVID L. WRAY
Chief Clerk of the House

Approved _____, 1978

ROBERT D. RAY
Governor