

*Reprinted*

MAR 4 1977

HOUSE FILE 332

WAYS & MEANS CALENDAR

By COMMITTEE ON WAYS AND MEANS

(Formerly Study Bill 60)

Passed House, Date 3-11-77 (p. 777) Passed Senate, Date \_\_\_\_\_

Vote: Ayes 89 Nays 0 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved 7/12/77

## A BILL FOR

1 An Act to provide additional property tax credits for  
 2 property owners by increasing the homestead tax  
 3 credit and the agricultural land tax credit, making  
 4 appropriations, and making the Act retroactive.

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

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1 Section 1. Section four hundred twenty-five point one  
2 (425.1), subsections two (2), three (3), and four (4), Code  
3 1977, are amended to read as follows:

4 2. The homestead credit fund shall be apportioned each  
5 year ~~as hereinafter provided~~ so as to give a credit against  
6 the tax on each eligible homestead in the state, ~~as defined~~  
7 ~~herein; the amount of such credit to be in the same proportion~~  
8 ~~that the assessed valuation of each eligible homestead in~~  
9 ~~the state in an amount not to exceed nine thousand two hundred~~  
10 ~~sixty dollars bears to the total assessed valuation of all~~  
11 ~~eligible homesteads in the state in an amount not to exceed~~  
12 ~~nine thousand two hundred sixty dollars~~ equal to the actual  
13 levy on the first four thousand five hundred dollars of actual  
14 value for each homestead.

15 3. The revenue distributable from the homestead credit  
16 fund, as provided for in subsection 1 hereof, shall be  
17 allocated every six months to the several counties of the  
18 state ~~in the same proportion that the assessed valuation of~~  
19 ~~all eligible homesteads in each county in an amount not to~~  
20 ~~exceed nine thousand two hundred sixty dollars for each~~  
21 ~~homestead, bears to the total assessed valuation of all~~  
22 ~~eligible homesteads in the state in an amount not to exceed~~  
23 ~~nine thousand two hundred sixty dollars for each homestead.~~  
24 Every six months the department of revenue shall certify and  
25 remit to the county treasurer of each county in the state  
26 the total amount of money which has been apportioned or is  
27 then apportionable to that county.

28 4. Annually the department of revenue shall estimate the  
29 credit not to exceed ~~six dollars and seventy-five cents per~~  
30 ~~thousand dollars of assessed value to be given to each dollar~~  
31 ~~of eligible homestead valuation based upon the estimated~~  
32 ~~revenue that may be distributable from the homestead credit~~  
33 ~~fund for the ensuing year~~ the actual levy on the first four  
34 thousand five hundred dollars of actual value of each eligible  
35 homestead, and shall certify to the county auditor of each

1 county such credit and the amount in dollars thereof. Each  
2 county auditor shall then enter such credit against the tax  
3 levied on each eligible homestead in each county payable  
4 during the ensuing year, designating on the tax lists such  
5 credit as being from the homestead credit fund, and credit  
6 shall then be given to the several taxing districts in which  
7 such eligible homesteads are located in an amount equal to  
8 the credits allowed on the taxes of such homesteads. The  
9 amount of said credits shall be apportioned by each county  
10 treasurer to the several taxing districts as provided by law,  
11 in the same manner as though the amount of the credit had  
12 been paid by the owners of said homesteads; provided, however,  
13 that the several taxing districts shall not be permitted to  
14 draw the funds so credited until after the semiannual  
15 allocations have been received by the county treasurer, as  
16 provided in this chapter. Each county treasurer shall show  
17 on each tax receipt the amount of credit received from the  
18 homestead credit fund.

19 Sec. 2. Section four hundred twenty-five point one (425.1),  
20 Code 1977, is amended by adding the following new subsections:

21 NEW SUBSECTION. If the homestead tax credit computed  
22 under this section is less than sixty-two dollars and fifty  
23 cents, the amount of homestead tax credit on that eligible  
24 homestead shall be sixty-two dollars and fifty cents subject  
25 to the limitation imposed in this section.

26 NEW SUBSECTION. The homestead tax credit allowed in this  
27 chapter shall not exceed the actual amount of taxes payable  
28 on the eligible homestead, exclusive of any special assessments  
29 levied against the homestead.

30 Sec. 3. Section four hundred twenty-five point nine  
31 (425.9), unnumbered paragraph two (2), Code 1977, is amended  
32 to read as follows:

33 ~~In-the-event~~ If any claim for credit made hereunder has  
34 been denied by the board of supervisors, and such action is  
35 subsequently reversed on appeal, the same credit shall be

1 allowed on the ~~assessed-valuation, not to exceed nine thousand~~  
2 ~~two hundred sixty dollars in amount, of the~~ homestead involved  
3 in said appeal, ~~as was allowed on other homestead valuations~~  
4 ~~for the year or years in question,~~ and the director of revenue,  
5 the county auditor, and the county treasurer ~~are hereby~~  
6 ~~authorized and directed to~~ shall make such credit and ~~to~~  
7 change their books and records accordingly.

8 Sec. 4. Section four hundred twenty-five point eleven  
9 (425.11), subsection one (1), Code 1977, is amended by striking  
10 paragraphs c and d.

11 Sec. 5. Section four hundred twenty-five point eleven  
12 (425.11), subsection one (1), paragraph e, Code 1977, is  
13 amended to read as follows:

14 e. It must not embrace more than one dwelling house, but  
15 where a homestead ~~outside of a city~~ has more than one dwelling  
16 house situated thereon, the credit provided for in this chapter  
17 shall apply to ~~forty acres,~~ the home and buildings used by  
18 the owner, but shall not apply to any other dwelling house  
19 and buildings appurtenant ~~thereto situated upon said forty~~  
20 ~~acres.~~

21 Sec. 6. Section four hundred twenty-six point one (426.1),  
22 Code 1977, is amended to read as follows:

23 426.1 AGRICULTURAL LAND CREDIT FUND. There is hereby  
24 created as a permanent fund in the office of the treasurer  
25 of state a fund to be known as the agricultural land credit  
26 fund, and for the purpose of establishing and maintaining  
27 said fund for each fiscal year there is appropriated thereto  
28 from funds in the general fund not otherwise appropriated  
29 the sum of ~~eighteen~~ forty-two million dollars. Any balance  
30 in said fund on June 30 shall revert to the general fund.

31 Sec. 7. Section four hundred twenty-six point two (426.2),  
32 unnumbered paragraph one (1), Code 1977, is amended to read  
33 as follows:

34 "Agricultural lands" as used in this chapter shall mean  
35 and include ~~all tracts of~~ land in tracts of ten acres or more

1 excluding any buildings or other structures located on such  
2 land, and not laid off into lots of less than ten acres or  
3 divided by streets and alleys into parcels of less than ten  
4 acres, lying within any school corporation in this state and  
5 in good faith used for agricultural or horticultural purposes.

6 Sec. 8. Section four hundred twenty-six point three  
7 (426.3), Code 1977, is amended to read as follows:

8 426.3 WHERE CREDIT GIVEN. The agricultural land credit  
9 fund shall be apportioned each year in the manner hereinafter  
10 provided so as to give a credit against the tax on each tract  
11 of agricultural lands within the several school districts  
12 of the state in which the levy for the general school fund  
13 exceeds five dollars and forty cents per thousand dollars  
14 of assessed value; the amount of such credit on each tract  
15 of such lands shall be the amount the tax levied for the  
16 general school fund exceeds the amount of tax which would  
17 be levied on said tract of such lands were the levy for the  
18 general school fund five dollars and forty cents per thousand  
19 dollars of assessed value for the previous year, except in  
20 the case of a deficiency in the agricultural land credits  
21 fund to pay said credits in full, in which case the credit  
22 on each eligible tract of such lands in the state shall be  
23 proportionate and shall be applied as hereinafter provided.

24 ~~The agricultural land credit as provided herein shall not~~  
25 ~~be made to any taxpayer on any portion of his property upon~~  
26 ~~which he may obtain a homestead credit, as provided by chapter~~  
27 ~~425.~~

28 Sec. 9. Not later than May 1, 1977, the state comptroller  
29 shall recertify to the county auditors of the respective coun-  
30 ties the pro rata percentage of reimbursement from the agricul-  
31 tural land credit fund which shall be distributed by the state  
32 comptroller on or before September 15, 1977.

33 Sec. 10. The provisions of sections one (1), two (2),  
34 three (3), four (4), five (5), seven (7), and eight (8) of  
35 this Act are retroactive to January 1, 1976 for credits claimed

1 on or after January 1, 1976 and approved under chapter four  
2 hundred twenty-five (425) of the Code for a homestead tax  
3 credit on an eligible homestead and to this extent the  
4 provisions of sections one (1), two (2), three (3), four (4),  
5 five (5), seven (7), and eight (8) of this Act are retro-  
6 active.

7 Sec. 11. This Act, being deemed of immediate importance,  
8 shall take effect and be in force from and after its publica-  
9 tion in the West Des Moines Express, a newspaper published  
10 in West Des Moines, Iowa, and in the Marengo Pioneer-  
11 Republican, a newspaper published in Marengo, Iowa.

12 EXPLANATION

13 The bill provides for a homestead tax credit equal to the  
14 actual levy on the first four thousand five hundred dollars  
15 of actual value of the eligible homestead for claims filed  
16 and approved in calendar year 1977 and succeeding years with  
17 a minimum credit of \$62.50. The bill also provides for an  
18 annual standing appropriation of \$42,000,000 to the  
19 agricultural land credit fund for calendar year 1977 and  
20 succeeding years. The bill also refines the definition of  
21 homestead and valuation of property for the agricultural land  
22 tax credit.

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LSB 342H  
bk/jw/5

H-3241

1 Amend House File 332 as follows:  
2 1. Page 3, line 29 by striking the word  
3 "forty-two" and inserting in lieu thereof the  
4 word "forty-six".  
5 2. Page 5, by inserting after line 6, the  
6 following section:  
7 "Sec. \_\_\_\_\_. During the fiscal year beginning  
8 July 1, 1977 the comptroller shall deduct four  
9 million dollars (4,000,000) from those funds  
10 which would otherwise be distributed under  
11 section three hundred thirty-four A point two  
12 (334A.2), Code 1977."

H-3241 FILED, LOST BY STROMER of Hancock  
MARCH 11, 1977 (p. 774) BRANSTAD of Winnebago  
MILLEN of Van Buren  
WELDEN of Hardin  
BENNETT of Ida  
WYCKOFF of Benton  
HARBOR of Mills  
VARLEY of Adair  
EVANS of Grundy  
STEPHENS of Plymouth  
LINDEEN of Henry  
HALVORSON of Clayton  
PELLETT of Cass  
TOFTE of Winneshiek  
GILSON of Guthrie  
HANSEN of O'Brien  
NEWHARD of Jones  
BINNEBOESE of Plymouth  
CRABB of Crawford  
MENKE of O'Brien  
SCHNEKLOTH of Scott  
SHIMANEK of Jones

H-3242

1 Amend House File 332 as follows:  
2 1. Page 4, by striking line 34 and insert-  
3 ing in lieu thereof the following:  
4 "three (3), four (4), and five (5) of".  
5 2. Page 5, by striking lines 5 and 6 and  
6 inserting in lieu thereof the following:  
7 "and five (5) of this Act are retroactive.  
8 The provisions of sections seven (7) and  
9 eight (8) of this Act are retroactive to January  
10 1, 1976 for credits claimed on or after January  
11 1, 1976 under the provisions of chapter four  
12 hundred twenty-six (426) of the Code, and based  
13 on valuations of January 1, 1976 and subsequent  
14 years."

H-3242 FILED, ADOPTED BY NORLAND of Worth  
MARCH 11, 1977 (p. 775) WEST of Marshall

1 Amend House File 332 as follows:  
 2 1. Page 4, line 32, by inserting after the date  
 3 "September 15, 1977" the words "except that for  
 4 fiscal year 1977-78 the dollar amount of the reim-  
 5 bursement to be distributed to a county under this  
 6 section shall not be less than the dollar amount  
 7 distributed to that county for fiscal year 1976-77".

H-3224 FILED - *Withdrawn 2/11* BY STROMER of Hancock  
 MARCH 9, 1977 (*p. 173*) BRANSTAD of Winnebago

1 Amend House File 332 as follows:  
 2 1. Page 2, by inserting after line 29 the  
 3 following:  
 4 "NEW SUBSECTION. Where any special charter city  
 5 levies and collects its own taxes, the amount of the  
 6 homestead tax credit allowed on eligible homesteads  
 7 within the city shall be computed as follows:  
 8 a. In an amount equal to the tax levy by the  
 9 special charter city on the first forty-five hundred  
 10 (4,500) dollars of actual value for each eligible  
 11 homestead.  
 12 b. In an amount equal to the remainder of the  
 13 consolidated levy as established by the county audi-  
 14 tor on the first forty-five hundred (4,500) dollars  
 15 of actual value for each eligible homestead.  
 16 The homestead tax credit computed under this  
 17 subsection shall be applicable for each homestead  
 18 tax credit claimed between January 1 and July 1 of  
 19 the year in which the valuation being taxed by the  
 20 city and county respectively was established."  
 21 2. Page 3, by inserting after line 20 the  
 22 following section:  
 23 "Sec. \_\_\_\_\_. Chapter four hundred twenty-five  
 24 (425), Code 1977, is amended by adding the following  
 25 new section:  
 26 NEW SECTION. In any special charter city which  
 27 levies and collects its own taxes, the city clerk  
 28 shall compute that amount of credit allowed on each  
 29 eligible homestead within such city as provided in  
 30 section two (2) of this Act. Not later than August  
 31 1 of each year, the city clerk shall certify the  
 32 amount of the homestead tax credits claimed for  
 33 eligible homesteads in the city to the department of  
 34 revenue. The department shall reimburse the city in  
 35 the same manner and at such time as is presently  
 36 provided for reimbursement of counties in section  
 37 four hundred twenty-five point one (425.1) of the  
 38 Code."

H-3240 FILED, ADOPTED BY BINA of Scott  
 MARCH 11, 1977 (*p. 772*) CUSACK of Scott  
 SCHNEKLOTH of Scott  
 HIGGINS of Scott  
 HARVEY of Scott

H-3245

- 1 Amend House File 332 as follows:
- 2 1. Page 4, line 1, by striking the words
- 3 "excluding any buildings or other structures"
- 4 and inserting in lieu thereof the words "including
- 5 all buildings or other structures except dwellings".

H-3245 FILED, WITHDRAWN BY HINKHOUSE of Cedar  
MARCH 11, 1977 (p 116)

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H-3244

- 1 Amend House File 332 as follows:
- 2 1. Page 3, by inserting after line 20 the follow-
- 3 ing new section:
- 4 "Sec. \_\_\_\_ . Section four hundred twenty-five point
- 5 eleven (425.11), subsection one (1), paragraph f, Code
- 6 1977, is amended to read as follows:
- 7 f. The words "dwelling house" shall embrace
- 8 any building occupied wholly or in part by the claim-
- 9 ant as a home regardless of whether or not the claim-
- 10 ant owns the land upon which such building is situated".

H-3244 FILED, LOST (p 116) BY WULFF of Black Hawk  
MARCH 11, 1977

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HOUSE FILE 332  
FISCAL NOTE

Date Prepared: April 26, 1977  
Requested by: Senator Rodgers

Prepared in regard to House File 332, An Act to provide additional property tax credits for property owners by increasing the homestead tax credit and the agricultural land tax credit, making appropriations, and making the Act retroactive.

Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16.

H.F. 332 as passed by the House, would provide for a homestead credit equal to the taxes levied on the first \$4,500 of a homestead's value. The bill would also provide for an appropriation to the agricultural land tax credit fund of \$42 million. Both of these changes would reenact provisions enacted in 1976 which were effective for a one year period. House File 332 also provides that the minimum homestead credit would be equal to \$62.50 with the provision that the homestead credit may not exceed the amount of taxes due. The bill also makes changes in the definition of property which would be eligible for the homestead and agricultural land tax credits.

It is estimated that the total cost to the state of extending the current homestead tax credit for taxes payable in 1978 would be about \$91.6 million. This compares to a revised estimate of the current program for taxes payable in fiscal 1977 of about \$86.2 million. The figures provided are estimated program costs, assuming all eligible claimants filed for assistance.

The proposed Senate Amendment to House File 332 intends to provide that the amount of additional personal property tax credit for taxes payable in the fiscal year ending June 30, 1978, would not exceed the amount of additional personal property tax credit for taxes payable in fiscal 1977. While the amount of the additional and regular personal property tax credit would remain at \$58,500, the amount of appropriation to the personal property tax replacement fund would increase by the \$3.8 million. It has been estimated that, as a result of increase in local tax rates, the amount of reimbursement payable by the state to local governments under such a proposal, for taxes payable in fiscal 1978, would increase by approximately \$3.4 million.

The proposed amendment would also provide that for assessments made as of January 1, 1978, that the aggregate assessed valuation of agricultural and residential realty in an assessing jurisdiction could not increase

by more than 7.5 percent of the equalized assessed valuation of such property for 1975, exclusive of adjustments or deletions to such value. However, the amount of the increase in the value could not exceed the actual increase in assessments resulting from reappraisals in 1976, 1977 and 1978.

The effect of this proposal would be to limit the increase in the valuation of agricultural and residential property. The fiscal effect of restricting valuation increases as of January 1, 1978 to 7.5 percent over January 1, 1975 adjusted for new construction would be to:

- a. limit the tax base of cities and counties
- b. decrease some valuations in respect to 1977 valuations
- c. increase the states contribution to the school foundation over that which would otherwise be required
- d. shift the incidence of tax burden depending on the difference between the unrestricted increase and the increase of 7.5 percent adjusted for new construction.

It is not possible to determine exact dollar amounts because assessors will not have January, 1977 valuations available until June 30, 1977.

Two cities made available their estimate of January, 1977 values:

	<u>Valuations</u>			<u>Estimated 1978</u>
	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>Valuations</u>
Clinton	\$ 174,937,392	\$ 176,068,733	\$ 231,905,876	\$ 188,057,696
Des Moines	1,128,985,380	1,137,060,800	1,154,097,260	1,213,659,283

Source: Department of Revenue

FILED  
APRIL 27, 1977

GERRY RANKIN  
Legislative Fiscal Director

4/1 '22, Pass per 3387 4/20 (p. 1141)

Ways and Means  
Rodgers, Chairperson  
Noltung  
Curtis  
Van Gilst  
Kelly

By COMMITTEE ON WAYS AND MEANS

(As Amended and Passed by the House)

*Budget - do pass 4/21 per 2410 (p. 1105)*

*as further amended*  
Passed House, Date 5-19-77 (p. 2473) Passed Senate, Date 5-12-77 (p. 1497)

Vote: Ayes 80 Nays 18 Vote: Ayes 40 Nays 7

Approved 7/12/77

*Repassed Senate & further amended by 3703  
5-20-77 (p. 1773)*

31-17

# A BILL FOR

1 An Act to provide additional property tax credits for  
2 property owners by increasing the homestead tax  
3 credit and the agricultural land tax credit, making  
4 appropriations, and making the Act retroactive.  
5 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 one  
2 (425.1), subsections two (2), three (3), and four (4), Code  
3 1977, are amended to read as follows:

4 2. The homestead credit fund shall be apportioned each  
5 year ~~as hereinafter provided~~ so as to give a credit against  
6 the tax on each eligible homestead in the state, ~~as defined~~  
7 ~~herein, the amount of such credit to be in the same proportion~~  
8 ~~that the assessed valuation of each eligible homestead in~~  
9 ~~the state in an amount not to exceed nine thousand two hundred~~  
10 ~~sixty dollars bears to the total assessed valuation of all~~  
11 ~~eligible homesteads in the state~~ in an amount ~~not to exceed~~  
12 ~~nine thousand two hundred sixty dollars~~ equal to the actual  
13 levy on the first four thousand five hundred dollars of actual  
14 value for each homestead.

15 3. The revenue distributable from the homestead credit  
16 fund, as provided for in subsection 1 hereof, shall be  
17 allocated every six months to the several counties of the  
18 state ~~in the same proportion that the assessed valuation of~~  
19 ~~all eligible homesteads in each county in an amount not to~~  
20 ~~exceed nine thousand two hundred sixty dollars for each~~  
21 ~~homestead, bears to the total assessed valuation of all~~  
22 ~~eligible homesteads in the state in an amount not to exceed~~  
23 ~~nine thousand two hundred sixty dollars for each homestead.~~  
24 Every six months the department of revenue shall certify and  
25 remit to the county treasurer of each county in the state  
26 the total amount of money which has been apportioned or is  
27 then apportionable to that county.

28 4. Annually the department of revenue shall estimate the  
29 credit not to exceed ~~six dollars and seventy-five cents per~~  
30 ~~thousand dollars of assessed value to be given to each dollar~~  
31 ~~of eligible homestead valuation based upon the estimated~~  
32 ~~revenue that may be distributable from the homestead credit~~  
33 ~~fund for the ensuing year~~ the actual levy on the first four  
34 thousand five hundred dollars of actual value of each eligible  
35 homestead, and shall certify to the county auditor of each

1 county such credit and the amount in dollars thereof. Each  
2 county auditor shall then enter such credit against the tax  
3 levied on each eligible homestead in each county payable  
4 during the ensuing year, designating on the tax lists such  
5 credit as being from the homestead credit fund, and credit  
6 shall then be given to the several taxing districts in which  
7 such eligible homesteads are located in an amount equal to  
8 the credits allowed on the taxes of such homesteads. The  
9 amount of said credits shall be apportioned by each county  
10 treasurer to the several taxing districts as provided by law,  
11 in the same manner as though the amount of the credit had  
12 been paid by the owners of said homesteads; provided, however,  
13 that the several taxing districts shall not be permitted to  
14 draw the funds so credited until after the semiannual  
15 allocations have been received by the county treasurer, as  
16 provided in this chapter. Each county treasurer shall show  
17 on each tax receipt the amount of credit received from the  
18 homestead credit fund.

19 Sec. 2. Section four hundred twenty-five point one (425.1),  
20 Code 1977, is amended by adding the following new subsections:

21 NEW SUBSECTION. If the homestead tax credit computed under  
22 this section is less than sixty-two dollars and fifty cents,  
23 the amount of homestead tax credit on that eligible homestead  
24 shall be sixty-two dollars and fifty cents subject to the  
25 limitation imposed in this section.

26 NEW SUBSECTION. The homestead tax credit allowed in this  
27 chapter shall not exceed the actual amount of taxes payable  
28 on the eligible homestead, exclusive of any special assessments  
29 levied against the homestead.

30 NEW SUBSECTION. Where any special charter city levies  
31 and collects its own taxes, the amount of the homestead tax  
32 credit allowed on eligible homesteads within the city shall  
33 be computed as follows:

34 a. In an amount equal to the tax levy by the special  
35 charter city on the first forty-five hundred (4,500) dollars

1 of actual value for each eligible homestead.

2 b. In an amount equal to the remainder of the consolidated  
3 levy as established by the county auditor on the first forty-  
4 five hundred (4,500) dollars of actual value for each eligible  
5 homestead.

6 The homestead tax credit computed under this subsection  
7 shall be applicable for each homestead tax credit claimed  
8 between January 1 and July 1 of the year in which the valuation  
9 being taxed by the city and county respectively was  
10 established.

11 Sec. 3. Section four hundred twenty-five point nine  
12 (425.9), unnumbered paragraph two (2), Code 1977, is amended  
13 to read as follows:

14 ~~In-the-event~~ If any claim for credit made hereunder has  
15 been denied by the board of supervisors, and such action is  
16 subsequently reversed on appeal, the ~~same~~ credit shall be  
17 allowed on the ~~assessed-valuation, not-to-exceed-nine-thousand~~  
18 ~~two-hundred-sixty-dollars-in-amount, -of-the~~ homestead involved  
19 in said appeal, ~~as-was-allowed-on-other-homestead-valuations~~  
20 ~~for-the-year-or-years-in-question,~~ and the director of revenue,  
21 the county auditor, and the county treasurer ~~are-hereby~~  
22 ~~authorized-and-directed-to~~ shall make such credit and ~~to~~  
23 change their books and records accordingly.

24 Sec. 4. Section four hundred twenty-five point eleven  
25 (425.11), subsection one (1), Code 1977, is amended by striking  
26 paragraphs c and d.

27 Sec. 5. Section four hundred twenty-five point eleven  
28 (425.11), subsection one (1), paragraph e, Code 1977, is  
29 amended to read as follows:

30 e. It must not embrace more than one dwelling house, but  
31 where a homestead ~~outside-of-a-city~~ has more than one dwelling  
32 house situated thereon, the credit provided for in this chapter  
33 shall apply to ~~forty-acres,~~ the home and buildings used by  
34 the owner, but shall not apply to any other dwelling house  
35 and buildings appurtenant ~~thereto-situated-upon-said-forty~~

1 acres.

2 Sec. 6. Chapter four hundred twenty-five (425), Code 1977,  
3 is amended by adding the following new section:

4 NEW SECTION. In any special charter city which levies  
5 and collects its own taxes, the city clerk shall compute that  
6 amount of credit allowed on each eligible homestead within  
7 such city as provided in section two (2) of this Act. Not  
8 later than August 1 of each year, the city clerk shall certify  
9 the amount of the homestead tax credits claimed for eligible  
10 homesteads in the city to the department of revenue. The  
11 department shall reimburse the city in the same manner and  
12 at such time as is presently provided for reimbursement of  
13 counties in section four hundred twenty-five point one (425.1)  
14 of the Code.

15 Sec. 7. Section four hundred twenty-six point one (426.1),  
16 Code 1977, is amended to read as follows:

17 426.1 AGRICULTURAL LAND CREDIT FUND. There is hereby  
18 created as a permanent fund in the office of the treasurer  
19 of state a fund to be known as the agricultural land credit  
20 fund, and for the purpose of establishing and maintaining  
21 said fund for each fiscal year there is appropriated thereto  
22 from funds in the general fund not otherwise appropriated  
23 the sum of eighteen forty-two million dollars. Any balance  
24 in said fund on June 30 shall revert to the general fund.

25 Sec. 8. Section four hundred twenty-six point two (426.2),  
26 unnumbered paragraph one (1), Code 1977, is amended to read  
27 as follows:

28 "Agricultural lands" as used in this chapter shall mean  
29 and include all-tracts-of land in tracts of ten acres or more  
30 excluding any buildings or other structures located on such  
31 land, and not laid off into lots of less than ten acres or  
32 divided by streets and alleys into parcels of less than ten  
33 acres, lying within any school corporation in this state and  
34 in good faith used for agricultural or horticultural purposes.

35 Sec. 9. Section four hundred twenty-six point three

1 (426.3), Code 1977, is amended to read as follows:

2 426.3 WHERE CREDIT GIVEN. The agricultural land credit  
3 fund shall be apportioned each year in the manner hereinafter  
4 provided so as to give a credit against the tax on each tract  
5 of agricultural lands within the several school districts  
6 of the state in which the levy for the general school fund  
7 exceeds five dollars and forty cents per thousand dollars  
8 of assessed value; the amount of such credit on each tract  
9 of such lands shall be the amount the tax levied for the  
10 general school fund exceeds the amount of tax which would  
11 be levied on said tract of such lands were the levy for the  
12 general school fund five dollars and forty cents per thousand  
13 dollars of assessed value for the previous year, except in  
14 the case of a deficiency in the agricultural land credits  
15 fund to pay said credits in full, in which case the credit  
16 on each eligible tract of such lands in the state shall be  
17 proportionate and shall be applied as hereinafter provided.  
18 ~~The agricultural land credit as provided herein shall not~~  
19 ~~be made to any taxpayer on any portion of his property upon~~  
20 ~~which he may obtain a homestead credit, as provided by chapter~~  
21 ~~425.~~

22 Sec. 10. Not later than May 1, 1977, the state comptroller  
23 shall recertify to the county auditors of the respective coun-  
24 ties the pro rata percentage of reimbursement from the agricul-  
25 tural land credit fund which shall be distributed by the state  
26 comptroller on or before September 15, 1977.

27 Sec. 11. The provisions of sections one (1), two (2),  
28 three (3), four (4), and five (5) of this Act are retroactive  
29 to January 1, 1976 for credits claimed on or after January  
30 1, 1976 and approved under chapter four hundred twenty-five  
31 (425) of the Code for a homestead tax credit on an eligible  
32 homestead and to this extent the provisions of sections one  
33 (1), two (2), three (3), four (4), and five (5) of this Act  
34 are retroactive.

35 The provisions of sections seven (7) and eight (8) of this

1 Act are retroactive to January 1, 1976 for credits claimed  
2 on or after January 1, 1976 under the provisions of chapter  
3 four hundred twenty-six (426) of the Code, and based on  
4 valuations of January 1, 1976 and subsequent years.

5 Sec. 12. This Act, being deemed of immediate importance,  
6 shall take effect and be in force from and after its publica-  
7 tion in the West Des Moines Express, a newspaper published  
8 in West Des Moines, Iowa, and in the Marengo Pioneer-  
9 Republican, a newspaper published in Marengo, Iowa.

10 EXPLANATION

11 The bill provides for a homestead tax credit equal to the  
12 actual levy on the first four thousand five hundred dollars  
13 of actual value of the eligible homestead for claims filed  
14 and approved in calendar year 1977 and succeeding years with  
15 a minimum credit of \$62.50. The bill also provides for an  
16 annual standing appropriation of \$42,000,000 to the  
17 agricultural land credit fund for calendar year 1977 and  
18 succeeding years. The bill also refines the definition of  
19 homestead and valuation of property for the agricultural land  
20 tax credit.

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FISCAL NOTE  
HOUSE FILE 332

Date Prepared May 18, 1977

Requested by Representative Norland

Prepared in regard to H.F. 332, Amendment H-4252 to Senate Amendment H-4176, An Act to provide additional property tax credits for property owners by increasing the homestead tax credit and the agricultural land tax credit, making appropriations, and making the Act retroactive. Following is the fiscal effect in dollars of the legislative proposal as required by Joint Rule 16:

This amendment proposes the same limit on agricultural land tax credits and personal property tax credits and therefore there would be no change in the fiscal effect from Amendment H-4176.

It also proposes a change in the assessments for agricultural land. However, it is not possible for the Department of Revenue to give any figures on the effect on taxes payable.

Amendment H- proposes a renter's credit for low income persons. According to the Department of Revenue, if everyone filed, this could cost \$11 million. The experience of the Department on the elderly credit is that 75% file which would be \$8,250,000. The figures available from ACIR indicate that as many as 82% file for such credits on a national basis. This would mean a credit of \$9,020,000.

Source: Department of Revenue

FILED  
MAY 18, 1977

GERRY D. RANKIN  
LEGISLATIVE FISCAL BUREAU

House Amendment to Senate Amendment  
to House File 332

S-3703

1 Amend the Senate amendment, H-4176, to House File  
2 332, as amended, passed, and reprinted by the House,  
3 as follows:

4 1. Page 1, line 8, by striking the words "any  
5 succeeding year" and inserting in lieu thereof the  
6 word and figures "January 1, 1979".

7 2. Page 3, line 17, by striking the figure "1978"  
8 and inserting in lieu thereof the figure "1979".

9 3. Page 3, by inserting after line 36 the following  
10 new section:

11 "Sec. \_\_\_\_\_. Section four hundred twenty-seven A  
12 point thirteen (427A.13), Code 1977, is amended to  
13 read as follows:

14 427A.13 APPROPRIATION. There is hereby  
15 appropriated from the general fund of the state of  
16 Iowa to the personal property tax replacement fund  
17 the following sums, or so much thereof as may be  
18 necessary, to carry out the provisions of this chapter  
19 as amended by this division. For the fiscal year  
20 beginning July 1, 1973, and ending June 30, 1974,  
21 there is appropriated the sum of thirty-one million  
22 nine hundred thousand dollars. For the fiscal year  
23 beginning July 1, 1974, and ending June 30, 1975,  
24 and each succeeding fiscal year, there is appropriated  
25 the sum of thirty-five million seven hundred thousand  
26 dollars. For each year of the fiscal period beginning  
27 July 1, 1977 and ending June 30, 1979 the total  
28 appropriation shall be thirty-eight million six hundred  
29 thousand dollars and for each fiscal year for which  
30 an increase in the additional personal property tax  
31 credit becomes effective as provided in this division,  
32 the appropriation under this section shall be increased  
33 by three million eight hundred thousand dollars, and  
34 such increased appropriation shall continue for each  
35 succeeding fiscal year. For the fiscal year for which  
36 the ninth increase in the additional personal property  
37 tax credit becomes effective as provided in this  
38 division, and for each succeeding fiscal year, the  
39 total appropriation shall be sixty-eight million  
40 dollars per year."

41 4. Page 4, line 5, by striking the word  
42 "assessing" and inserting in lieu thereof the word  
43 "assessing".

44 5. Page 4, by inserting after line 13 the following  
45 new section:

46 "Sec. \_\_\_\_\_. Section four hundred forty-one point  
47 twenty-one (441.21), subsection one (1), unnumbered  
48 paragraph seven (7), Code 1977, is amended to read  
49 as follows:

50 Notwithstanding any other provision of this section,

1 the actual value of any property shall not exceed  
2 its fair and reasonable market value. For agricultural  
3 property, the assessed value as determined under this  
4 section shall not exceed the actual value of such  
5 property and the assessed value of residential property  
6 as determined under this section shall not exceed  
7 the fair and reasonable market value of such property."

8 6. Page 4, line 21, by striking the word "such"  
9 and inserting in lieu thereof the words "each class  
10 of".

11 7. Page 4, line 22, by inserting after the word  
12 "determined" the words "for each class of property".

13 8. Page 4, line 23, by striking the words "each  
14 assessing jurisdiction in".

15 9. Page 4, line 29, by striking the words  
16 "assessing jurisdiction" and inserting in lieu thereof  
17 the word "state".

18 10. Page 4, line 32, by striking the word  
19 "assessor" and inserting in lieu thereof the word  
20 "assessors".

21 11. Page 4, line 33, by striking the words "seven  
22 and one-half" and inserting in lieu thereof the word  
23 "six".

24 12. Page 4, line 38, by striking the words  
25 "assessing jurisdiction" and inserting in lieu thereof  
26 the word "state".

27 13. Page 4, line 39, by striking the words  
28 "assessor on the abstract" and inserting in lieu  
29 thereof the words "assessors on the abstracts".

30 14. Page 4, line 47, by inserting after the words  
31 "The dividend" the words "for each class of property".

32 15. Page 4, line 47, by inserting after the word  
33 "determined" the words "for each class of property".

34 16. Page 5, line 3, by striking the words "assessor  
35 on the abstract" and inserting in lieu thereof the  
36 words "assessors on the abstracts".

37 17. Page 5, line 4, by striking the words "seven  
38 and one-half" and inserting in lieu thereof the word  
39 "six".

40 18. Page 5, line 5, by inserting after the word  
41 "divisor" the words "for each class of property".

42 19. Page 5, lines 6 and 7, by striking the words  
43 "assessing jurisdiction" and inserting in lieu thereof  
44 the word "state".

45 20. Page 5, line 8, by striking the words "assessor  
46 on the abstract" and inserting in lieu thereof the  
47 words "assessors on the abstracts".

48 21. Page 5, by striking lines 15 through 20.

49 22. Page 5, line 26, by striking the word "assessed"  
50 and inserting in lieu thereof the word "assessed".

1 23. Page 5, by inserting after line 33 the  
2 following:

3 "NEW UNNUMBERED PARAGRAPH. Beginning with  
4 valuations established as of January 1, 1978, the  
5 assessors shall report the aggregate taxable values  
6 and the number of dwellings located on agricultural  
7 land and the aggregate taxable value of all other  
8 structures on agricultural land. Beginning with  
9 valuations established as of January 1, 1980, such  
10 agricultural structures and agricultural dwellings  
11 located on agricultural land shall be valued at their  
12 market value as defined in this section and  
13 agricultural structures and agricultural dwellings  
14 shall each constitute a separate class of property."

15 24. Page 6, by inserting after line 6, the  
16 following new section:

17 "Sec. \_\_\_\_ Chapter four hundred forty-five (445),  
18 Code 1977, is amended by adding the following new  
19 section:

20 NEW SECTION. When agricultural land or residential  
21 property which is being or has been valued and assessed  
22 under the provisions of section four hundred forty-  
23 one point twenty-one (441.21) of the Code is no longer  
24 used for the purpose for which it was valued and  
25 assessed under the provisions of section four hundred  
26 forty-one point twenty-one (441.21) of the Code, such  
27 property shall be subject to an additional tax. The  
28 tax shall be computed by multiplying the consolidated  
29 levy for each of the five preceding years times the  
30 fair and reasonable market value for each of the five  
31 preceding years less the consolidated levy for the  
32 preceding five years by the assessed value of the  
33 property for the preceding five years. Such additional  
34 taxes shall be entered against the property on the  
35 tax list for the current year and shall constitute  
36 a lien against the property in the same manner as  
37 a lien for property taxes. The additional taxes shall  
38 be collected in the same manner as all other property  
39 taxes except that such taxes shall be credited to  
40 the general fund of the city if such taxes are  
41 collected on property located within the city or to  
42 the general fund of the county if such tax is collected  
43 on property located in the unincorporated area of  
44 the county."

45 25. Page 6, by inserting after line 6 the following  
46 new section:

47 Sec. \_\_\_\_ The legislative council is directed to  
48 create a ten-member study committee which shall include  
49 members of the standing committees on ways and means  
50 of the senate and house of representatives representing

1 both political parties, which committee shall conduct  
2 during the 1977 legislative interim a comprehensive  
3 study of the present taxing system in this state.  
4 The study shall include, but not be limited to, the  
5 following:

6 1. The present system of state and local taxes  
7 to determine the relative burden of the present tax  
8 structure on the various segments of the state's  
9 populace.

10 2. How different types and classes of property  
11 should be valued and equalized for property tax  
12 assessment purposes.

13 3. Whether budget limitations should be imposed  
14 permanently on the political subdivisions of this  
15 state.

16 4. Which taxes may presently bear too great a  
17 burden of the taxes and which taxes may bear too small  
18 a burden.

19 The study committee may employ consultants with  
20 the approval of the legislative council, to assist  
21 it in carrying out its duties and may request the  
22 assistance of any state agency to obtain such data  
23 and other information which the task force deems  
24 necessary to carry out its duties. Expenses of the  
25 study committee, including the cost for employing  
26 persons or business firms to assist the committee  
27 in its study shall be paid from funds available under  
28 section two point twelve (2.12) of the Code.

29 The study committee shall transmit copies of its  
30 final report to the governor and the members of the  
31 Sixty-seventh General Assembly, 1978 Session, not  
32 later than January 30, 1978. The final report shall  
33 include findings of fact and its recommendations.

34 26. Page 6, by striking lines 7 through 50.

35 27. Page 7, by striking lines 1 through 7.

36 28. Page 7, lines 16 and 17, by striking the words  
37 "creating a task force on taxation,".

38 29. Renumber sections and correct internal  
39 references as may be necessary in accordance with  
40 this amendment.

41 30. Amend the title, line 16, by inserting after  
42 the word "property," the words "creating a legislative  
43 study committee to study the present tax structure,".

S-3703 FILED

RECEIVED FROM THE HOUSE

MAY 20, 1977

SENATE CONCURRED (p. 1772)

1 Amend the Senate amendment, H-4176, to House File  
2 332, as amended, passed, and reprinted by the House,  
3 as follows:

4 1. Page 3, by inserting after line 49 the following  
5 sections:

6 "Sec. \_\_\_\_\_. Section four hundred forty-one point  
7 twenty-one (441.21), subsection one (1), unnumbered  
8 paragraph five (5), Code 1977, is amended to read  
9 as follows:

10 In assessing and determining the actual value of  
11 agricultural property ~~fifty-percent-consideration~~  
12 ~~shall-be-given-to-each-of-the-following-factors:~~

13 ~~a.---The---productivity-and-net-earning-capacity~~  
14 ~~determined-on-the-basis-of-the-use---for-agricultural~~  
15 ~~purposes~~ the value shall be determined on the basis  
16 of its income producing ability capitalized at a rate  
17 representing a fair return on the investment, such  
18 rate to be established by the state board of tax  
19 review and applied uniformly among counties and among  
20 classes of property.

21 ~~b.---The-fair-and-reasonable-market-value-of-such~~  
22 ~~property-as-defined-herein-but-such-market-value-shall~~  
23 ~~be-based-only-on-its-current-use-and-not-on-its~~  
24 ~~potential-value-for-other-uses.~~

25 Sec. \_\_\_\_\_. Section four hundred forty-one point  
26 twenty-one (441.21), subsection one (1), Code 1977,  
27 is amended by inserting after unnumbered paragraph  
28 five (5) the following new unnumbered paragraph:

29 NEW UNNUMBERED PARAGRAPH. Beginning with valuations  
30 established as of January 1, 1980, the actual value  
31 of agricultural land shall be computed on the basis  
32 of its income producing ability capitalized at a rate  
33 representing a fair return on the investment, such  
34 rate to be established by the state board of tax  
35 review and applied uniformly among counties and among  
36 classes of property. Structures located on  
37 agricultural land shall be valued at their market  
38 value as defined in this subsection."

39 2. Page 4, by striking lines 9 through 11 and B  
40 inserting in lieu thereof the words "on the basis  
41 of its income producing ability capitalized at a rate  
42 of".

43 3. Page 6, by inserting after line 6 the following  
44 section:

45 "Sec. \_\_\_\_\_. Chapter four hundred forty-five (445),  
46 Code 1977, is amended by adding the following new  
47 section:

48 NEW SECTION. Notwithstanding any other provision  
49 to the contrary, upon the sale of any real property  
50 to the state or any political subdivision, the seller

4295

Page 2

1 shall be liable for and shall pay all taxes due and  
2 owing on such property as of the date on which the  
3 state or political subdivision acquires legal title."

H-4295 FILED  
MAY 19, 1977

BY MILLER of Buchanan

*A. B. Withdrawn*  
*A. Withdrawn 12-1-77 B. Amended 12-28-77 Adapted 2-16-81 C. 2-16-81*

1 Amend Senate amendment H-4176 to House File 332,  
2 as passed by the House and reprinted, as follows:  
3 1. Page 6, by inserting after line 6 the following:  
4 Section 1. Chapter three hundred eighty-four  
5 (384), Code 1977, is amended by adding sections two  
6 (2) through eight (8) of this Act as a new division  
7 of this chapter.

8 Sec. 2. NEW SECTION. DEFINITIONS. As used in  
9 this Act, unless the context otherwise requires:

10 1. "Fuel" means "motor fuel" as defined in section  
11 three hundred twenty-four point two (324.2) of the  
12 Code, and "special fuel" as defined in section three  
13 hundred twenty-four point thirty-three (324.33) of  
14 the Code.

15 2. "Distributor", "dealer", and "user" have the  
16 same meanings and include any person defined as a  
17 "distributor", "dealer, agent, and consignee", "special  
18 fuel dealer" or "special fuel user", in sections three  
19 hundred twenty-four point two (324.2) and three hundred  
20 twenty-four point thirty-three (324.33) of the Code.

21 3. "Director" means the director of revenue.

22 4. "Eligible elector" means "eligible elector"  
23 as defined in section thirty-nine point three (39.3)  
24 of the Code.

25 Sec. 3. NEW SECTION. LOCAL FUEL TAX. A local  
26 fuel tax at a rate of one cent per gallon may be  
27 imposed by a city, after approval by the voters of  
28 that city, on fuel the use of which is taxed by the  
29 state under sections three hundred twenty-four point  
30 three (324.3) or three hundred twenty-four point  
31 thirty-four (324.34) of the Code, and which is received  
32 by a distributor, dealer or user for sale or use at  
33 a place of business within the city.

34 Sec. 4. NEW SECTION. ELECTION. Upon its own  
35 motion, or upon receipt of a petition signed by the  
36 eligible electors within a city equal in number to  
37 at least ten percent of the number of persons who  
38 voted at the last preceding regular municipal election,  
39 requesting that an election be held, the city council  
40 shall direct the county commissioner of elections  
41 to submit to the voters of the city, at the next  
42 regular city election or at a special election called  
43 for that purpose, the question of imposing a local  
44 fuel tax. Prior to the election, the county  
45 commissioner of elections shall publish notice of  
46 the election on this question at least twice in the  
47 manner provided in section three hundred sixty-two  
48 point three (362.3) of the Code.

49 An election shall not be held unless one of the  
50 required notices is published at least sixty days

1 prior to said election.

2 If a majority of those voting favor the imposition  
3 of a local fuel tax, the council shall impose the  
4 tax by ordinance, as provided in this Act. A local  
5 fuel tax imposed under this section may be discontinued  
6 by the council by ordinance, or by petition and  
7 election in the same manner as provided for imposition  
8 of the tax.

9 The question of imposing or discontinuing a local  
10 fuel tax shall not be submitted to the voters within  
11 one year after an election on either question.

12 Sec. 5. NEW SECTION. PAYMENT OF TAX--  
13 ADMINISTRATION. A local fuel tax shall be paid to  
14 the director at the same time the state fuel tax is  
15 paid, by each distributor, dealer or user subject  
16 to the tax.

17 The director shall administer the provisions of  
18 a local fuel tax as nearly as possible in conjunction  
19 with the administration of state fuel tax laws. The  
20 director shall provide appropriate forms, or provide  
21 on the regular state fuel tax forms, for reporting  
22 local fuel tax liability.

23 An ordinance of a city council imposing a local  
24 fuel tax shall adopt by reference the applicable  
25 provisions of the appropriate sections of chapter  
26 three hundred twenty-four (324) of the Code, and all  
27 powers of the director to administer the state fuel  
28 tax law are applicable to the administration of a  
29 local fuel tax ordinance. Local officials shall  
30 confer with the director and obtain the director's  
31 assistance in drafting the ordinance imposing a local  
32 fuel tax. A certified copy of the ordinance imposing  
33 a local fuel tax shall be filed with the director  
34 as soon as possible after passage.

35 The director, in consultation with local officials,  
36 shall collect and account for a local fuel tax. The  
37 director shall credit local fuel tax receipts to a  
38 local fuel tax fund hereby established in the office  
39 of the treasurer of state.

40 The treasurer of state shall remit quarterly to  
41 the cities which have imposed a local fuel tax their  
42 share of the balance in the local fuel tax fund.  
43 The local fuel tax fund is appropriated for this  
44 purpose.

45 Sec. 6. NEW SECTION. USE OF REVENUES. Local  
46 fuel tax revenues shall be deposited by the city in  
47 a special fund, to be used only for repair, resurfacing  
48 or reconstruction in kind of streets which are the  
49 city's responsibility. After a period of one year  
50 from the effective date of a local fuel tax ordinance

H-4309  
Page 3

1 and so long as the ordinance remains in effect, no  
2 special assessments may be levied by the city under  
3 Division four (IV) of this chapter for repair,  
4 resurfacing or reconstruction in kind of streets.  
5 Sec. 7. NEW SECTION. PENALTIES--LIEN. Penalties  
6 for failure to report and pay a local fuel tax when  
7 due are the same as those provided for state fuel  
8 taxes under section three hundred twenty-four point  
9 sixty-five (324.65) of the Code, and local fuel taxes  
10 shall be added to the amount of the lien provided  
11 in section three hundred twenty-four point sixty-six  
12 (324.66) of the Code. The portion of the lien at-  
13 tributable to local fuel taxes shall be enforced by  
14 the state and have priority immediately after state  
15 taxes.

16 Sec. 8. NEW SECTION. ENFORCEMENT BY DIRECTOR.  
17 1. The director shall consider and include the  
18 liability of a distributor, dealer, or user for local  
19 fuel taxes, including interest and penalties, in  
20 making all determinations and in administering all  
21 enforcement provisions relating to state fuel taxes,  
22 as provided in chapter three hundred twenty-four (324)  
23 of the Code, subject to the same limitations as  
24 provided in that chapter.

25 2. If a refund is granted by the department of  
26 revenue under any provisions of chapter three hundred  
27 twenty-four (324) of the Code on fuel on which a local  
28 fuel tax was paid, the department shall also refund  
29 the local fuel tax paid on the same fuel, in the same  
30 manner and at the same time as the state fuel tax  
31 is refunded.

32 3. The department of revenue shall provide by  
33 rules promulgated under section three hundred twenty-  
34 four point fifty-nine (324.59) of the Code for the  
35 cooperative action of cities and the department of  
36 revenue in enforcing the payment of local fuel taxes  
37 in conjunction with state fuel taxes.

H-4309 FILED *Motion to* BY JUNKER of Woodbury  
MAY 19, 1977 *amend rule* RINAS of Linn  
*for consideration Sect 519 (p. 247)*  
HOUSE FILE 332

H-4308

1 Amend amendment H-4295 to Senate amendment  
2 H-4176 to page 1 of House File 332 as amended,  
3 passed and reprinted by the House as follows:  
4 1. Page 1, line 41, by inserting after the  
5 word "ability" the words "determined on its  
6 use for agricultural purposes."

H-4308 FILED *Adopted* MILLER of Buchanan  
MAY 19, 1977 *5/19 (p. 2465)*

1 Amend Senate amendment, H-4176, to House File 332,  
2 as amended, passed, and reprinted by the House, as  
3 follows:

4 1. Page 2, by inserting after line 5 the following:

5 "Sec. \_\_\_\_\_. Section four hundred twenty-two point  
6 nine (422.9), subsection two (2), lettered paragraph  
7 b, Code 1977, is amended to read as follows:

8 b. Add the amount of federal income taxes paid  
9 or accrued as the case may be, during the tax year,  
10 adjusted by any federal income tax refunds. However,  
11 the amount added shall not exceed sixteen thousand  
12 dollars, eight thousand dollars if married and filing  
13 separately. Provided, however, that where married  
14 persons, who have filed a joint federal income tax  
15 return, file separately, such total shall be divided  
16 between them according to the portion thereof paid  
17 or accrued, as the case may be, by each."

18 \_\_\_\_\_. Page 4, by inserting after line 1, the follow-  
19 ing sections:

20 "Sec. \_\_\_\_\_. Section four hundred twenty-five point  
21 seventeen (425.17), subsections five (5) and nine  
22 (9), Code 1977, are amended to read as follows:

23 5. "Claimant" means a person filing a claim for  
24 reimbursement under this division who has attained  
25 the age of sixty-five eighteen years on or before  
26 December 31 thirty-first of the base year ~~or who is~~  
27 ~~a surviving spouse having attained the age of fifty-~~  
28 ~~five years on or before December 31 of the base year,~~  
29 ~~or who is totally disabled and was totally disabled~~  
30 ~~on or before December 31 of the base~~ and has not been  
31 claimed as a dependent by another person on a state  
32 income tax return filed in the preceding calendar  
33 year, and was domiciled in this state during the  
34 entire base year and is domiciled in this state at  
35 the time the claim is filed. "Claimant" includes  
36 a vendee in possession under a contract for deed and  
37 may include one or more joint tenants or tenants in  
38 common. In the case of a claim for rent constituting  
39 property taxes paid, the claimant shall have rented  
40 the property during any part of the base year. When  
41 two persons of a household are able to meet the  
42 qualifications for a claimant, they may determine  
43 between them who will be the claimant. If they are  
44 unable to agree, the matter shall be referred to the  
45 director of revenue not later than July 31 thirty-  
46 first of each year and his decision shall be final.  
47 If a homestead is occupied by two or more persons,  
48 and more than one person is able to qualify as a  
49 claimant, and some or all of the qualified persons  
50 are not related, the persons may determine among them

1 who will be the claimant. If they are unable to  
2 agree, the matter shall be referred to the director  
3 of revenue not later than July 31 thirty-first of  
4 each year and his decision shall be final.

5 9. "Property taxes paid" means property taxes  
6 including one-half of any special assessments, but  
7 exclusive of delinquent interest and charges for  
8 services, paid on a claimant's homestead in this  
9 state, but includes only property taxes for which  
10 the claimant was liable and which were actually paid  
11 by the claimant. If the property taxes have actually  
12 been paid, they shall be deemed to have been paid  
13 when due, regardless of the date of actual payment.  
14 "Property taxes paid" shall be computed with no  
15 deduction for any credit under this division or for  
16 any homestead credit allowed under section 425.1.  
17 Claims for property tax reimbursement filed in 1974  
18 shall be based upon the property taxes paid in 1973.  
19 Claims for property tax reimbursement filed in 1975  
20 shall be limited to two-thirds of the property taxes  
21 paid in 1974 and the first one-half of 1975. Each  
22 year thereafter, each claim shall be based upon the  
23 taxes paid during the base year. If a homestead is  
24 owned by two or more persons as joint tenants or  
25 tenants in common, and one or more persons are not  
26 a member of claimant's household, "property taxes  
27 paid" is that part of property taxes paid on the  
28 homestead which equals the ownership percentage of  
29 the claimant and his household. The county treasurer  
30 shall include with the tax receipt a statement that  
31 if the owner of the property is sixty-five eighteen  
32 years of age or over ~~ex-is-totally-disabled~~, ~~or-is~~  
33 a-surviving-spouse-of-such-person-who-is-over-the  
34 age-of-fifty-five-years-of-age and has not been claimed  
35 as a dependent by another person on a state income  
36 tax return filed in the preceding calendar year, the  
37 person may be eligible for the credit allowed under  
38 this division. If a claimant changes his homestead,  
39 this shall not prevent him from filing a claim based  
40 on property taxes for which the claimant was liable  
41 and which were actually paid by the claimant, but  
42 duplication of claims shall not be allowed. If a  
43 homestead is an integral part of a farm, the claimant  
44 may use the total property taxes paid for the larger  
45 unit, but not exceeding forty acres of land. If a  
46 homestead is an integral part of a multidwelling or  
47 multipurpose building the property taxes paid for  
48 the purpose of this subsection shall be prorated to  
49 reflect the portion which the value of the property  
50 that the household occupies as its homestead is to

1 the value of the entire structure. For purposes of  
2 this subsection, "unit" refers to that parcel of  
3 property covered by a single tax statement of which  
4 the homestead is a part.

5 Sec. \_\_\_\_\_. Section four hundred twenty-five point  
6 seventeen (425.17), Code 1977, is amended by adding  
7 the following new subsection:

8 NEW SUBSECTION. "Investment income" means that  
9 income derived from rental property, income which  
10 is received in the form of interest or dividends and  
11 any other income received from the investment of  
12 capital whether or not such income is subject to  
13 taxation.

14 Sec. \_\_\_\_\_. Section four hundred twenty-five point  
15 seventeen (425.17), Code 1977, is amended by striking  
16 subsection six (6).

17 Sec. \_\_\_\_\_. Section four hundred twenty-five point  
18 twenty-three (425.23), subsection one (1), Code 1977,  
19 is amended by striking the subsection and inserting  
20 in lieu thereof the following:

21 1. The tentative reimbursement shall be determined  
22 according to the following schedule:

		Percent of property taxes paid or rent consti- tuting property taxes paid allowed as a reim- bursement for various household sizes:					
If the household income is:		1 per- son	2 per- sons	3 per- sons	4 per- sons	5 per- sons	6 or more persons
\$	0- 999.99..	100%	100%	100%	100%	100%	100%
	1,000- 1,999.99..	100	100	100	100	100	100
	2,000- 2,999.99..	90	90	90	90	90	90
	3,000- 3,999.99..	75	80	80	80	80	85
	4,000- 4,999.99..	60	65	65	70	75	80
	5,000- 5,999.99..	45	55	55	60	65	70
	6,000- 6,999.99..	30	40	45	50	55	60
	7,000- 7,999.99..	--	30	40	45	50	55
	8,000- 8,999.99..	--	25	35	40	45	50
	9,000- 9,999.99..	--	--	30	35	40	45
	10,000-10,999.99..	--	--	25	30	35	40
	11,000-11,999.99..	--	--	--	25	30	35
	12,000-12,999.99..	--	--	--	--	25	30
	13,000-13,999.99..	--	--	--	--	--	25

42 Sec. \_\_\_\_\_. Section four hundred twenty-five point  
43 twenty-six (425.26), subsection one (1), Code 1977,  
44 is amended to read as follows:

45 1. Age and ~~total disability, if any;~~

46 Sec. \_\_\_\_\_. Section four hundred twenty-five point  
47 twenty-six (425.26), Code 1977, is amended by striking  
48 subsection nine (9)."

49 \_\_\_\_\_. Page 4, line 3, by striking the word "section"  
50 and inserting in lieu thereof the word "sections".

1 \_\_\_\_\_ . Page 4, by inserting after line 3, the follow-  
 2 ing:  
 3 "NEW SECTION. INVESTMENT INCOME. If a claimant  
 4 receives investment income in excess of two thousand  
 5 five hundred dollars during the base year, an amount  
 6 equal to ten percent of such excess investment income  
 7 shall be credited against the amount of property taxes  
 8 paid or rent constituting property taxes paid during  
 9 the base year or the maximum property tax provided  
 10 in section four hundred twenty-five point twenty-four  
 11 (425.24) of the Code, whichever is less, and the  
 12 amount of reimbursement for property taxes paid or  
 13 rent constituting property taxes shall be computed  
 14 on the difference."

H-4299 FILED *Motion to suspend rule* BY HIGGINS of Scott  
 MAY 19, 1977 *to consider loss 5/19 (p. 2469)*

HOUSE FILE 332

H-4307

1 Amend the Senate amendment, H-4176, to House File  
 2 332, as amended, passed, and reprinted by the House,  
 3 as follows:  
 4 1. Page 2, by inserting after line 5 the following:  
 5 " \_\_\_\_\_ . Page 1, line 13, by striking the word "four"  
 6 and inserting in lieu thereof the word "five".  
 7 \_\_\_\_\_ . Page 1, line 33, by striking the word "four"  
 8 and inserting in lieu thereof the word "five".  
 9 \_\_\_\_\_ . Page 2, line 35, by striking the words and  
 10 figure "forty-five hundred (4,500)" and inserting  
 11 in lieu thereof the words "five thousand five hundred".  
 12 \_\_\_\_\_ . Page 3, lines 3 and 4, by striking the words  
 13 and figure "forty-five hundred (4,500)" and inserting  
 14 in lieu thereof the words "five thousand five hundred".  
 15 \_\_\_\_\_ . Page 4, line 1, by inserting after the period  
 16 the following: A homestead as defined in this section  
 17 shall not include any dwelling house located outside  
 18 the corporate limits of any city in the state."

H-4307 FILED *Motion to suspend rule* BY LIPSKY of Linn  
 MAY 19, 1977 *to consider loss (p. 2467)* HARVEY of Scott

HOUSE FILE 332

H-4294

1 Amend amendment H-4290 to Senate amendment  
 2 H-4176, to House File 332, as follows:  
 3 1. Page 3, line 24, by striking the words  
 4 "this section" and inserting in lieu thereof the  
 5 words "section four hundred forty-one point  
 6 twenty-one (441.21) of the Code".  
 7 2. Page 3, line 26, by striking the words  
 8 "this section" and inserting in lieu thereof the  
 9 words "section four hundred forty-one point  
 10 twenty-one (441.21) of the Code".

H-4294 FILED *Adopted 5/19* BY NORLAND of Worth  
 MAY 19, 1977 *(p. 2441)*

1 Amend the Senate amendment, H-4176, to House File  
2 332, as amended, passed, and reprinted by the House,  
3 as follows:  
4 1. Page 2, by inserting after line 5 the following  
5 sections:  
6 "Sec. 4. Sections five (5) through twenty-eight  
7 (28) of this Act shall be codified as a new division  
8 under chapter four hundred twenty-two (422) of the  
9 Code.  
10 Sec. 5. NEW SECTION. DEFINITIONS. As used in  
11 this Act, unless the context otherwise requires:  
12 1. "Income" means the sum of Iowa net income as  
13 defined in section four hundred twenty-two point seven  
14 (422.7) of the Code, plus all of the following to  
15 the extent not already included in Iowa net income:  
16 Capital gains, alimony, child support money, the gross  
17 amount of any pension or annuity including but not  
18 limited to railroad retirement benefits, all payments  
19 received under the federal social security Act, and  
20 all military retirement and veterans' disability  
21 pensions, interest received from the state or federal  
22 government or any of its instrumentalities, workmen's  
23 compensation, cash public assistance and relief  
24 including food stamps, financial assistance programs  
25 as approved by the higher education facilities  
26 commission, unemployment compensation, and the gross  
27 amount of disability income or "loss of time"  
28 insurance. "Income" does not include gifts from  
29 nongovernmental sources, or surplus foods or other  
30 relief in kind supplied by a governmental agency.  
31 2. "Household" means a claimant, spouse, and any  
32 person living with the claimant at least one hundred  
33 eighty-three consecutive days during the base year.  
34 3. "Household income" means all income of all  
35 persons residing in the household during the base  
36 year prorated according to the length of the period  
37 of occupancy.  
38 4. "Homestead" means the dwelling actually rented  
39 and used as a home by the claimant during all or part  
40 of the base year, and so much of the land surrounding  
41 it, not exceeding one acre, as is reasonably necessary  
42 for use of the dwelling as a home, and may consist  
43 of a part of a multidwelling or multipurpose building  
44 and a part of the land upon which it is built. It  
45 does not include personal property except that a  
46 mobile home may be a homestead. Any dwelling or a  
47 part of a multidwelling or multipurpose building which  
48 is exempt from taxation shall not qualify as a  
49 homestead under the provisions of this division.  
50 A homestead must be located in this state.

1       5. "Claimant" means a person claiming a credit  
2 under this division who is eighteen years of age or  
3 older on or before December thirty-first of the base  
4 year and has not been claimed as a dependent on a  
5 state income tax return filed in the preceding calendar  
6 year, has not received more than six hundred dollars  
7 in financial assistance exclusive of a financial aid  
8 program approved by the higher education facilities  
9 commission, and was domiciled in this state during  
10 the entire base year and is domiciled in this state  
11 at the time the claim is filed. "Claimant" does not  
12 include any person who has previously received or  
13 has filed during the base year a claim for  
14 reimbursement for property taxes paid or rent  
15 constituting property taxes paid under sections four  
16 hundred twenty-five point sixteen (425.16) through  
17 four hundred twenty-five point thirty-nine (425.39)  
18 of the Code. In the case of a claim for a credit  
19 for rent constituting property taxes paid, the claimant  
20 shall have rented the property during any part of  
21 the base year. When two persons of a household are  
22 able to meet the qualifications for a claimant, they  
23 may determine between them who will be the claimant.  
24 If they are unable to agree, the matter shall be  
25 referred to the director of revenue not later than  
26 April thirtieth of each year and his decision shall  
27 be final. If a homestead is occupied by two or more  
28 persons, and more than one person is able to qualify  
29 as a claimant, and some or all of the qualified persons  
30 are not related, the persons may determine among them  
31 who will be the claimant. If they are unable to  
32 agree, the matter shall be referred to the director  
33 of revenue not later than April thirtieth of each  
34 year and his decision shall be final.

35       6. "Rent constituting property taxes paid" means  
36 twenty-five percent of the gross rent actually paid  
37 in cash or its equivalent during the base year by  
38 the claimant or his household solely for the right  
39 of occupancy of their homestead in the base year,  
40 and which rent constitutes the basis, in the succeeding  
41 year, of a claim for reimbursement under this division  
42 by the claimant.

43       7. "Gross rent" means rental paid at arm's length  
44 solely for the right of occupancy of a homestead or  
45 mobile home, including rent for space occupied by  
46 a mobile home not to exceed one acre, exclusive of  
47 charges for any utilities, services, furniture,  
48 furnishings, or personal property appliances furnished  
49 by the landlord as a part of the rental agreement  
50 whether or not expressly set out in the rental

1 agreement. If the director of revenue determines  
2 that the landlord and tenant have not dealt with each  
3 other at arm's length, and the director of revenue  
4 is satisfied that the gross rent charged was excessive,  
5 he shall adjust the gross rent to a reasonable amount  
6 as determined by the director. If the landlord does  
7 not supply the charges for any utilities, services,  
8 furniture, furnishings, or personal property appliances  
9 furnished by him, or if the charges appear to be  
10 incorrect, the director of revenue may apply a  
11 percentage determined from samples of similar gross  
12 rents paid solely for the right of occupancy.

13 8. "Base year" means for a claimant filing a claim  
14 for rent constituting property taxes paid, the calendar  
15 year last ending before the claim is filed.

16 Sec. 6. NEW SECTION. CLAIM IS PERSONAL. The  
17 right to file a claim under this Act shall be personal  
18 to the claimant and shall not survive his death, but  
19 the right may be exercised on behalf of a claimant  
20 by his legal guardian or attorney. If a claimant  
21 dies after having filed a claim, the amount of the  
22 reimbursement may be paid to another member of the  
23 household as determined by the director. If the  
24 claimant was the only member of his household, the  
25 reimbursement may be paid to his executor or  
26 administrator, but if neither is appointed and  
27 qualified within one year from the date of the filing  
28 of the claim, the reimbursement shall escheat to the  
29 state.

30 Sec. 7. NEW SECTION. CLAIM AND REIMBURSEMENT.  
31 Subject to the limitations provided in this Act, a  
32 claimant may annually claim a reimbursement for rent  
33 constituting property taxes paid in the base year.  
34 The amount of the reimbursement for rent constituting  
35 property taxes paid shall be claimed by the claimant  
36 as a credit against the state individual income tax  
37 owed by the claimant on taxable income of the preceding  
38 year on which taxes are payable during the current  
39 year. If the claimant has no tax liability for the  
40 taxable year, the amount of the reimbursement for  
41 rent constituting property taxes paid shall be paid  
42 to the claimant as a rebate.

43 Sec. 8. NEW SECTION. FILING DATE. A claim for  
44 reimbursement for rent constituting property taxes  
45 paid shall not be paid or allowed, unless the claim  
46 is actually filed with the claimant's state income  
47 tax return and in the possession of the department  
48 of revenue on or before April thirtieth of the year  
49 following the base year, beginning April 30, 1980.

50 Sec. 9. NEW SECTION. SATISFACTION OF OUTSTANDING

1 TAX LIABILITIES. The amount of any claim for  
 2 reimbursement payable under this Act may be applied  
 3 by the department of revenue against any tax liability  
 4 outstanding on the books of the department against  
 5 the claimant, or against a spouse who was a member  
 6 of the claimant's household in the base year.

7 Sec. 10. NEW SECTION. ONE CLAIMANT PER HOUSEHOLD.  
 8 Only one claimant per household per year shall be  
 9 entitled to reimbursement under this Act.

10 Sec. 11. NEW SECTION. SCHEDULE FOR CLAIMS FOR  
 11 REIMBURSEMENT. The amount of any claim for  
 12 reimbursement filed under this Act shall be determined  
 13 as provided in this section.

14 1. The tentative reimbursement shall be determined  
 15 according to the following schedule:

	Percent of rent constituting
If the household	property taxes paid allowed
income is:	as a reimbursement:
19 \$ 0- 999.99 .....	100 %
20 1,000-1,999.99 .....	95
21 2,000-2,999.99 .....	85
22 3,000-3,999.99 .....	70
23 4,000-4,999.99 .....	55
24 5,000-5,999.99 .....	45
25 6,000-6,999.99 .....	35
26 7,000-7,999.99 .....	30
27 8,000-8,999.99 .....	25

28 Sec. 12. NEW SECTION. MAXIMUM PROPERTY TAX.  
 29 In any case in which rent constituting property taxes  
 30 paid in any base year for any household exceeds six  
 31 hundred dollars, the amount of rent constituting  
 32 property taxes paid shall be deemed to have been six  
 33 hundred dollars for purposes of this Act.

34 Sec. 13. NEW SECTION. CREDIT NOT ALLOWED. The  
 35 provisions of this Act shall not apply to any person  
 36 occupying property which is used exclusively for  
 37 essential public purposes and the property occupied  
 38 as a household is exempt from all taxes and special  
 39 assessments of the state or a political subdivision  
 40 of the state.

41 Sec. 14. NEW SECTION. ADMINISTRATION. The  
 42 director of revenue shall make available suitable  
 43 forms with instructions for claimants and shall be  
 44 included in the booklet distributed by the director  
 45 which contains the state income tax returns and the  
 46 instructions for filing the returns. The claim shall  
 47 be in such form as the director may prescribe and  
 48 shall be filed with the claimant's state individual  
 49 income tax return. The director may also devise a  
 50 tax reimbursement table, with amounts rounded to the

1 nearest whole dollar. Reimbursements in the amount  
2 of less than one dollar shall not be paid.

3 Sec. 15. NEW SECTION. PROOF OF CLAIM. Every  
4 claimant shall give the department of revenue, in  
5 support of his claim reasonable proof of:

6 1. Rent constituting property taxes paid, including  
7 the portion of gross rent paid for providing utilities,  
8 services, furniture, furnishings, and personal property  
9 appliances, and the name and address of the owner  
10 or manager of the property rented and a statement  
11 whether the claimant is related by blood, marriage  
12 or adoption to the owner or manager of the property  
13 rented;

14 2. Changes of homestead;

15 3. Household membership;

16 4. Household income;

17 5. Size and nature of property claimed as the  
18 homestead; and

19 The director may require any additional proof  
20 necessary to support a claim.

21 Sec. 16. NEW SECTION. AUDIT OF CLAIM. If on  
22 the audit of any claim for reimbursement under this  
23 Act, the director determines the amount of the claim  
24 to have been incorrectly calculated or that the claim  
25 is not allowable, he shall recalculate the claim and  
26 notify the claimant of the recalculation or denial  
27 and his reasons for it. The director shall not adjust  
28 any claim after three years from April thirtieth of  
29 the year in which the claim is filed. If the claim  
30 for reimbursement has been paid, the amount may be  
31 recovered by assessment in the same manner that in-  
32 come taxes are assessed under sections four hundred  
33 twenty-two point twenty-six (422.26) and four hundred  
34 twenty-two point thirty (422.30) of the Code. The  
35 recalculation of the claim shall be final unless  
36 appealed as provided in section four hundred twenty-  
37 five point thirty-one (425.31) of the Code. The  
38 provisions of section four hundred twenty-two point  
39 seventy (422.70) of the Code shall be applicable with  
40 respect to this Act.

41 Sec. 17. NEW SECTION. FALSE CLAIM--PENALTY.  
42 Any person making a false affidavit for the purpose  
43 of obtaining reimbursement provided for in this  
44 division or who knowingly receives the reimbursement  
45 credit without being legally entitled to it shall  
46 be guilty of a misdemeanor, and upon conviction shall  
47 be fined not more than one hundred dollars or  
48 imprisoned in the county jail for not more than thirty  
49 days or be subject to both such fine and imprisonment.  
50 An action under this section shall be brought in Polk

1 county. The claim for reimbursement shall be  
2 disallowed in full and if the claim has been paid  
3 the amount may be recovered by assessment in the  
4 manner that income taxes are assessed pursuant to  
5 sections four hundred twenty-two point twenty-six  
6 (422.26) and four hundred twenty-two point thirty  
7 (422.30) of the Code. The director of revenue shall  
8 send a notice of disallowance of the claim.

9 Sec. 18. NEW SECTION. NOTICES. Section four  
10 hundred twenty-two point fifty-seven (422.57),  
11 subsection one (1) of the Code, shall apply to all  
12 notices under this Act.

13 Sec. 19. NEW SECTION. APPEALS. Any person  
14 aggrieved by an act or decision of the director of  
15 revenue or the department of revenue under this Act  
16 shall have the same rights of appeal and review as  
17 provided in sections four hundred twenty-one point  
18 one (421.1) and four hundred twenty-two point fifty-  
19 five (422.55) of the Code and the rules of the  
20 department of revenue.

21 Sec. 20. NEW SECTION. DISALLOWANCE OF CERTAIN  
22 CLAIMS. A claim for reimbursement shall be disallowed  
23 if the department finds that the claimant or a person  
24 of his household received title to his homestead  
25 primarily for the purpose of receiving benefits under  
26 this Act.

27 Sec. 21. NEW SECTION. RULES. The director of  
28 revenue shall adopt rules in accordance with chapter  
29 seventeen A (17A) of the Code for the interpretation  
30 and proper administration of this Act, including rules  
31 to prevent and disallow duplication of benefits and  
32 to prevent any unreasonable hardship or advantage  
33 to any person."

34 2. Page 2, by inserting after line 5 the following:  
35 "\_\_\_\_\_. Page 4, line 23, by striking the word "forty-  
36 two" and inserting in lieu thereof the word "thirty-  
37 two"."

38 3. Renumber sections and correct internal  
39 references as necessary in accordance with this  
40 amendment.

41 4. Page 7, line 16 by inserting after the word  
42 "property," the words "providing for a credit for  
43 renters".

H-4293 FILED *last* BY  
MAY 19, 1977 5/19 (2450)

GILLOON of Dubuque  
KOOGLER of Mahaska  
BRANDT of Black Hawk  
CUSACK of Scott  
HORN of Linn  
WELLS of Linn  
HINES of Story  
SMALL of Johnson  
HIGGINS of Scott  
RINAS of Linn  
O'HALLORAN of Black Hawk  
WALTER of Pottawattamie  
BINA of Scott

JOCHUM of Dubuque  
KREWSON of Polk  
GENTLEMAN of Polk  
TAUKE of Dubuque  
PAVICH of Pottawattamie  
CONNORS of Polk  
HARGRAVE of Johnson

H-4291

1 Amend the Senate amendment, H-4176, to House File  
2 332, as amended, passed, and reprinted by the House,  
3 as follows:

4 1. Page 2, by inserting after line 30 the follow-  
5 ing new section:

6 "Sec. \_\_\_\_\_. Section four hundred twenty-seven point  
7 one (427.1), Code 1977, is amended by adding the  
8 following new subsection:

9 NEW SUBSECTION. Solar and wind energy devices  
10 and methane gas production systems.

11 a. Improvements to real property which constitute  
12 a solar or wind energy device or which are used to  
13 produce methane gas from organic wastes, not to exceed  
14 the actual value of the improvements, shall be exempt  
15 from taxation for the periods and to the extent  
16 provided in this subsection.

17 b. This exemption shall apply to new installations  
18 of the property for a period of five years beginning  
19 on January first after the construction or installation  
20 of the property is completed. The exemption under  
21 this subsection shall apply for a period of five years  
22 beginning on January 1, 1978 to property existing  
23 on the effective date of this Act if its construction  
24 or installation was completed after January 1, 1975.  
25 The exemption for existing property shall begin with  
26 respect to the assessment as of January 1, 1978, and  
27 the taxes payable on the basis of this assessment  
28 during the fiscal year beginning July 1, 1979.

29 c. The assessing authority shall assess and list  
30 any property exempt from taxation under this subsection  
31 in the same manner as other tax-exempt property is  
32 assessed and listed under section four hundred twenty-  
33 seven point one (427.1), subsection thirty-one (31)  
34 of the Code. Not later than the first of March of  
35 the year in which the property is first assessed and  
36 listed as tax-exempt property under this subsection,  
37 the assessing authority shall notify the owner in  
38 writing of the tax-exempt status for the property,  
39 the duration of the exemption, and the assessed value  
40 of the property. If the construction or the  
41 installation of property which is eligible for tax  
42 exemption under this subsection is unknown to the  
43 assessing authority on the first of January of the  
44 year following its completion or any subsequent year,  
45 the assessing authority, upon the discovery and  
46 assessment of such property, shall reduce the number  
47 of years that the property is eligible for the tax  
48 exemption by the number of assessment years that the  
49 property should have been assessed and listed as  
50 provided in this subsection. The determination of

1 eligibility for tax exemption shall be made by the  
 2 assessing authority. Judicial review of a  
 3 determination of the director of revenue under this  
 4 subsection may be sought in accordance with chapter  
 5 seventeen A (17A) of the Code. Review of a  
 6 determination by an assessing authority may be sought  
 7 from the board of review as provided in chapter four  
 8 hundred forty-one (441) of the Code.

9 d. The department of revenue shall adopt any rules  
 10 necessary to implement this subsection, including  
 11 rules on identification and valuation of the property,  
 12 but the rules shall not require a property owner to  
 13 apply for the tax exemption as a prerequisite to  
 14 eligibility. All rules adopted shall be subject to  
 15 the provisions of chapter seventeen A (17A) of the  
 16 Code.

17 e. As used in this subsection "solar or wind  
 18 energy device" means a man-made system for converting  
 19 or upgrading the natural energy of the sun or wind  
 20 into mechanical, electrical or heat energy which is  
 21 more useful to humans than the natural solar or wind  
 22 energy, and includes equipment used to store such  
 23 natural energy so converted or upgraded."

24 2. Renumber sections and correct internal  
 25 references as are necessary in accordance with this  
 26 amendment.

27 3. Page 7, line 16, by inserting after the word  
 28 "property," the words "providing an exemption from  
 29 property taxation for solar and wind energy devices  
 30 and methane gas production systems,".

H-4291 FILED *Filed* BY O'HALLORAN of Black Hawk  
 MAY 19, 1977 *not germane* ANDERSON of Jasper  
*Motion to suspend rules* DOYLE of Woodbury  
*last 5/19 (p. 2456) & (2458)* PELLETT of Cass  
 GRIFFEE of Chickasaw  
 BINNEBOESE of Plymouth  
 HOWELL of Floyd  
 VARLEY of Adair  
 BINA of Scott  
 CRAWFORD of Story  
 JOCHUM of Dubuque

HOUSE FILE 332

H-4292

1 Amend the Senate amendment H-4176 to House  
 2 File 332 as amended, passed and reprinted by the  
 3 House as follows:

4 1. Page 7, by inserting after line 7 the  
 5 following:

6 "\_\_\_\_\_". Page 6, by inserting after line 4 the  
 7 following:

8 Sec. \_\_\_\_\_. Chapter three hundred fifty (350),  
 9 Code of 1977, is repealed."

10 2. Page 7, by inserting after the word "appro-  
 11 priations," in line 17, the words "repealing the  
 12 property tax authorized to pay bounties on wild  
 13 animals and related sections."

H-4292 FILED *Not germane* BY KRAUSE of Kossuth  
 MAY 19, 1977 *5/19 (p. 2463)* CUSACK of Scott

## HOUSE FILE 332

H-4290

1 Amend the Senate amendment, H-4176, to House File  
2 332, as amended, passed, and reprinted by the House,  
3 as follows:

4 1. Page 1, line 8, by striking the words "any  
5 succeeding year" and inserting in lieu thereof the  
6 word and figures "January 1, 1979".

7 2. Page 3, line 17, by striking the figure "1978"  
8 and inserting in lieu thereof the figure "1979".

9 3. Page 3, by inserting after line 36 the following  
10 new section:

11 "Sec. \_\_\_\_ . Section four hundred twenty-seven A  
12 point thirteen (427A.13), Code 1977, is amended to  
13 read as follows:

14 427A.13 APPROPRIATION. There is hereby  
15 appropriated from the general fund of the state of  
16 Iowa to the personal property tax replacement fund  
17 the following sums, or so much thereof as may be  
18 necessary, to carry out the provisions of this chapter  
19 as amended by this division. For the fiscal year  
20 beginning July 1, 1973, and ending June 30, 1974,  
21 there is appropriated the sum of thirty-one million  
22 nine hundred thousand dollars. For the fiscal year  
23 beginning July 1, 1974, and ending June 30, 1975,  
24 and each succeeding fiscal year, there is appropriated  
25 the sum of thirty-five million seven hundred thousand  
26 dollars. For each year of the fiscal period beginning  
27 July 1, 1977 and ending June 30, 1979 the total  
28 appropriation shall be thirty-eight million six hundred  
29 thousand dollars and for each fiscal year for which  
30 an increase in the additional personal property tax  
31 credit becomes effective as provided in this division,  
32 the appropriation under this section shall be increased  
33 by three million eight hundred thousand dollars, and  
34 such increased appropriation shall continue for each  
35 succeeding fiscal year. For the fiscal year for which  
36 the ninth increase in the additional personal property  
37 tax credit becomes effective as provided in this  
38 division, and for each succeeding fiscal year, the  
39 total appropriation shall be sixty-eight million  
40 dollars per year."

41 4. Page 4, line 5, by striking the word  
42 "assessing" and inserting in lieu thereof the word  
43 "assessing".

44 5. Page 4, by inserting after line 13 the following  
45 new section:

46 "Sec. \_\_\_\_ . Section four hundred forty-one point  
47 twenty-one (441.21), subsection one (1), unnumbered  
48 paragraph seven (7), Code 1977, is amended to read  
49 as follows:

50 Notwithstanding any other provision of this section,

1 the actual value of any property shall not exceed  
2 its fair and reasonable market value. For agricultural  
3 property, the assessed value as determined under this  
4 section shall not exceed the actual value of such  
5 property and the assessed value of residential property  
6 as determined under this section shall not exceed  
7 the fair and reasonable market value of such property."

8 6. Page 4, line 21, by striking the word "such"  
9 and inserting in lieu thereof the words "each class  
10 of".

11 7. Page 4, line 22, by inserting after the word  
12 "determined" the words "for each class of property".

13 8. Page 4, line 23, by striking the words "each  
14 assessing jurisdiction in".

15 9. Page 4, line 29, by striking the words  
16 "assessing jurisdiction" and inserting in lieu thereof  
17 the word "state".

18 10. Page 4, line 32, by striking the word  
19 "assessor" and inserting in lieu thereof the word  
20 "assessors".

21 11. Page 4, line 33, by striking the words "seven  
22 and one-half" and inserting in lieu thereof the word  
23 "six".

24 12. Page 4, line 38, by striking the words  
25 "assessing jurisdiction" and inserting in lieu thereof  
26 the word "state".

27 13. Page 4, line 39, by striking the words  
28 "assessor on the abstract" and inserting in lieu  
29 thereof the words "assessors on the abstracts".

30 14. Page 4, line 47, by inserting after the words  
31 "The dividend" the words "for each class of property".

32 15. Page 4, line 47, by inserting after the word  
33 "determined" the words "for each class of property".

34 16. Page 5, line 3, by striking the words "assessor  
35 on the abstract" and inserting in lieu thereof the  
36 words "assessors on the abstracts".

37 17. Page 5, line 4, by striking the words "seven  
38 and one-half" and inserting in lieu thereof the word  
39 "six".

40 18. Page 5, line 5, by inserting after the word  
41 "divisor" the words "for each class of property".

42 19. Page 5, lines 6 and 7, by striking the words  
43 "assessing jurisdiction" and inserting in lieu thereof  
44 the word "state".

45 20. Page 5, line 8, by striking the words "assessor  
46 on the abstract" and inserting in lieu thereof the  
47 words "assessors on the abstracts".

48 21. Page 5, by striking lines 15 through 20.

49 22. Page 5, line 26, by striking the word "assessed"  
50 and inserting in lieu thereof the word "assessed".

B

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Page 3

1 22. Page 5, line 26, by striking the word "assessed"  
C 2 and inserting in lieu thereof the word "assessed".

B 3 23. Page 5, by inserting after line 33 the  
4 following:

5 "NEW UNNUMBERED PARAGRAPH. Beginning with valua-  
6 tions established as of January 1, 1978, the assessors  
7 shall report the aggregate taxable values and the  
8 number of dwellings located on agricultural land and  
9 the aggregate taxable value of all other structures  
10 on agricultural land. Beginning with valuations  
11 established as of January 1, 1980, such agricultural  
12 structures and agricultural dwellings located on  
13 agricultural land shall be valued at their market  
14 value as defined in this section and agricultural  
15 structures and agricultural dwellings shall each  
16 constitute a separate class of property."

D 17 24. Page 6, by inserting after line 6, the  
18 following new section:

19 "Sec. \_\_\_\_ Chapter four hundred forty-five (445),  
20 Code 1977, is amended by adding the following new  
21 section:

22 NEW SECTION. When agricultural land or residential  
23 property which is being or has been valued and assessed  
24 under the provisions of this section is no longer  
25 used for the purpose for which it was valued and  
26 assessed under the provisions of this section, such  
27 property shall be subject to an additional tax. The  
28 tax shall be computed by multiplying the consolidated  
29 levy for each of the five preceding years times the  
30 fair and reasonable market value for each of the five  
31 preceding years less the consolidated levy for the  
32 preceding five years by the assessed value of the  
33 property for the preceding five years. Such additional  
34 taxes shall be entered against the property on the  
35 tax list for the current year and shall constitute  
36 a lien against the property in the same manner as  
37 a lien for property taxes. The additional taxes shall  
38 be collected in the same manner as all other property  
39 taxes except that such taxes shall be credited to  
40 the general fund of the city if such taxes are  
41 collected on property located within the city or to  
42 the general fund of the county if such tax is collected  
43 on property located in the unincorporated area of  
44 the county."

B 45 25. Page 6, by striking lines 7 through 50.

46 26. Page 7, by striking lines 1 through 7.

E 47 27. Page 7, lines 16 and 17, by striking the words  
48 "creating a task force on taxation,".

H-4290 FILED BY NORLAND of Worth  
MAY 19, 1977 WEST of Marshall

HANSEN of O'Brien  
KRAUSE of Kossuth  
SPEAR of Lee

a. Adopted (2440)

NIELSEN of Polk

f. " (2441)

SCHROEDER of Pottawattamie HOWELL of Eloyd

D- " as amended  
by 4294 (2442)

AVENSON of Fayette

HULLINGER of Decatur

E- Adopted (2467)

STROMER of Hancock

ANDERSON of Jasper

C- Withdrawn (2441)

MILLER of Buchanan

GILLOON of Dubuque

B- Adopted (per Mich)

HALVORSON of Clayton

SMALL of Johnson

1 Amend the Senate amendment, H-4176, to House File  
2 332 as amended, passed and reprinted by the House  
3 as follows:

4 1. Page 7, by inserting after line 7 the follow-  
5 ing:

6 "\_\_\_\_. Page 6, by inserting after line 4 the follow-  
7 ing:

8 "DIVISION II

9 Section 1. NEW SECTION. SHORT TITLE. This divi-  
10 sion shall be known and may be cited as the cities  
11 tax coalition action group Act.

12 Sec. 2. NEW SECTION. LEGISLATIVE INTENT. The  
13 purpose of this division is to ensure effective and  
14 democratic representation of urban residential  
15 homeowners and taxpayers in matters of taxation before  
16 regulatory agencies, legislative bodies, and other  
17 public bodies by the creation of an efficient funding  
18 mechanism whereby those persons may voluntarily  
19 contribute money to not-for-profit corporations whose  
20 sole purpose is the representation of their interests.

21 Sec. 3. NEW SECTION. CERTIFICATE OF FUNDING.

22 1. Commencing January 1, 1978, any not-for-profit  
23 corporation organized under chapter five hundred four  
24 (504) of the Code whose sole purpose is the represen-  
25 tation of the interests of urban homeowners and tax-  
26 payers in matters relating to taxation may use the  
27 funding mechanism described in section six (6) of  
28 this item of this amendment after a certificate of  
29 funding has been issued by the director of revenue.

30 2. An application for a certificate of funding  
31 shall be in the form prescribed by the director of  
32 revenue and shall be accompanied by such information  
33 as may be required by the director of revenue to  
34 determine compliance with this division. In addition  
35 to the information which may be required by the  
36 director of revenue, the application must be  
37 accompanied by a signed and verified audit by a  
38 certified public accountant or by a public accountant  
39 qualified and licensed to practice accountancy in  
40 this state.

41 3. As a condition of any application for a certifi-  
42 cate of funding, the corporation shall agree that  
43 the director of revenue or a designated representative  
44 shall be permitted to have access at any time, with  
45 or without notice, to the financial books and records  
46 of the corporation for the purpose of performing an  
47 audit of the affairs of the corporation, and for the  
48 purpose of assuring compliance with this division.

49 4. The director of revenue shall render a decision  
50 on the application within thirty days of receipt.

1 A certificate valid for one year from date of issue,  
2 unless sooner revoked, shall be issued by the director  
3 of revenue if the director finds that:

4 a. It is the exclusive purpose and intent of the  
5 corporation to represent the interests of urban  
6 residential homeowners and taxpayers in matters  
7 relating to taxation before regulatory agencies,  
8 legislative bodies and other public agencies, and  
9 initiatives or referenda concerning those matters;

10 b. The corporation has a membership which consists  
11 solely of individual residents of this state  
12 and who are homeowners or taxpayers;

13 c. The corporation intends to conduct, support,  
14 and assist research, surveys, investigations, planning  
15 activities, conferences, demonstration projects, and  
16 public information activities concerning the interests  
17 referred to in paragraph a of this subsection.

18 d. The corporation may accept grants, contracts  
19 and contributions, except when prohibited by this  
20 division, to carry out its purposes;

21 e. The articles of incorporation provide that  
22 the corporation shall not sponsor, endorse, or  
23 otherwise support any political party or candidate,  
24 and that the corporation shall not oppose any political  
25 party or candidate;

26 f. Democratic accountability of the board of  
27 directors of the corporation to the will of its  
28 membership has been provided through:

29 (1) Open elections of directors with thorough  
30 financial disclosure requirements and campaign spend-  
31 ing limitations;

32 (2) Encouragement of active member participation  
33 in the processes of taxation through involvement in  
34 the activities of the corporation;

35 (3) The recall of directors; and

36 (4) An annual membership meeting.

37 g. The board of directors of the corporation con-  
38 sists of not less than seven residents of this state  
39 who are members of the corporation; and

40 h. The corporation has complied with the provisions  
41 of this division during the previous year of operation,  
42 if any, and neither the corporation nor any of its  
43 officers or directors has been found guilty of a  
44 violation of this division.

45 Sec. 4. NEW SECTION. REVOCATION OF CERTIFICATE.

46 The director of revenue, upon notice and hearing,  
47 may revoke the certificate of funding of any  
48 corporation which the director determines has used  
49 funds received under the provision of section six  
50 (6) of item one (1) of this amendment for purposes

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3 other than those permitted by this division. Upon  
4 notice and hearing the director also may revoke the  
5 certificate of funding of any corporation if the  
6 director determines that an officer or director of  
7 that corporation has been convicted of a violation  
8 of this division or has received a deferred judgment  
9 upon a charge of a violation of this division, and  
10 the officer or director has not been removed from  
11 office as a director or officer. A corporation whose  
12 certificate of funding has been revoked by the director  
13 shall not thereafter be entitled to receive a  
14 certificate of funding.

13 Sec. 5. NEW SECTION. MULTIPLE CORPORATIONS.

14 There shall be no limit on the number of corporations  
15 which may be issued certificates of funding under  
16 the provisions of this division. In the event more  
17 than one corporation applies for a certificate, the  
18 director of revenue, as provided in rules issued by  
19 the director under the provision of chapter seventeen  
20 A (17A) of the Code, may limit the distribution to  
21 each corporation under section six (6) of item one  
22 (1) of this amendment to the amount of funds which  
23 are derived from contributions of taxpayers residing  
24 within the geographic area to which the corporation  
25 is assigned by those rules.

26 Sec. 6. NEW SECTION. INCOME TAX CHECKOFF--FUND-  
27 -DISTRIBUTION--RESTRICTIONS ON USE.

28 1. Any individual who is a resident of this state  
29 and whose state income tax liability for any taxable  
30 year is one dollar or more may designate one dollar  
31 of such liability to be paid over to the cities tax  
32 coalition action group fund when submitting his state  
33 income tax return to the department of revenue. In  
34 the case of a joint return of husband and wife having  
35 a state income tax liability of two dollars or more,  
36 each spouse may designate that one dollar be paid  
37 to the fund. The director of revenue shall revise  
38 the income tax form to allow the designation of  
39 contributions to the fund on the face of the tax  
40 return and immediately above the signature lines.

41 2. The director of revenue shall provide space  
42 for this income tax checkoff on the most frequently  
43 used Iowa individual income tax form. An explanation  
44 shall be included which clearly states that this  
45 checkoff does not constitute an additional tax  
46 liability.

47 3. The cities tax coalition action group fund  
48 is created within the office of the treasurer of  
49 state. The fund shall consist of funds paid by persons  
50 pursuant to subsection one (1) of this section, and

1 the director of revenue shall remit funds collected  
2 to the treasurer of state who shall deposit such funds  
3 in the cities tax coalition action group fund. Any  
4 interest income received by the treasurer of state  
5 from investment of moneys deposited in the fund shall  
6 be deposited in the fund. Such funds shall be sub-  
7 ject to payment to corporations holding valid cer-  
8 tificates of funding issued under section four (4)  
9 of item one (1) of this amendment.

10 4. The state director of revenue, in cooperation  
11 with the state comptroller and campaign finance dis-  
12 closure commission, shall administer the provisions  
13 of this section and they shall promulgate all neces-  
14 sary rules in accordance with chapter seventeen A  
15 (17A) of the Code.

16 5. There is appropriated from the cities tax  
17 coalition action group fund within the office of the  
18 treasurer of state such funds as are legally payable  
19 from that fund in accordance with this division.

20 6. The money accumulated in the cities tax coali-  
21 tion action group fund as of June thirtieth of each  
22 year shall be remitted to corporations holding valid  
23 certificates of funding issued under section three  
24 (3) of item one (1) of this amendment as of that date,  
25 by warrant of the state comptroller drawn upon the  
26 fund in favor of each such corporation. Except as  
27 otherwise provided in section five (5) of item one  
28 (1) of this amendment, the money shall be distributed  
29 equally among all corporations holding such  
30 certificates.

31 7. In the event there is no corporation which  
32 holds a valid certificate of funding as of June  
33 thirtieth of any year, the money accumulated in the  
34 cities tax coalition acton group as of that date shall  
35 revert to the general fund of the state.

36 Sec. 7. NEW SECTION. PROHIBITED ACTS--PENALTIES.

37 1. A corporation, and an officer, director or  
38 agent of a corporation shall not offer anything of  
39 monetary value to, or accept anything of monetary  
40 value from any public official, except as specific-  
41 ally permitted by this division.

42 2. A corporation, and an officer, director or  
43 agent of a corporation shall not use any funds received  
44 under the provisions of section six (6) of item one  
45 (1) of this amendment for any purpose other than one  
46 specified in paragraph a of subsection four (4) of  
47 section three (3) of item one (1) of this amendment.

48 3. A public official shall not offer anything  
49 of monetary value to or accept anything of monetary  
50 value from a corporation which has been issued a

H-4283

1 certificate of funding under this division or officer  
2 or director thereof.

3 4. Any person who violates subsections one (1),  
4 two (2), or three (3) of this section is guilty of  
5 an aggravated misdemeanor."

6 \_\_\_\_\_. By renumbering sections of the bill and  
7 correcting internal references as necessary."

8 2. Page 7, line 18, by inserting after the word  
9 "retroactive" the words ", and providing for the  
10 certification of not-for-profit corporations organized  
11 to represent the interests of urban homeowners and  
12 taxpayers, for the funding of such corporations through  
13 an income tax checkoff whereby a portion of taxes  
14 paid by individuals may be distributed to such  
15 corporations, and providing penalties".

16 3. By renumbering items of the amendment and  
17 correcting internal references as necessary.

H-4283 FILED - *Bulch* BY  
MAY 19, 1977 *not germane*  
*5/19 (2462)*

*Motion to suspend rules lost*

BYERLY of Polk  
NIELSEN of Polk  
CHIODO of Polk  
WOODS of Polk  
WALTER of Pottawattamie  
TAUKE of Dubuque  
HORN of Linn  
SMALLEY of Polk  
HARVEY of Scott  
RINAS of Linn

HOUSE FILE 332

H-4277

1 Amend the Senate amendment, H-4176, to House File  
2 332, as amended, passed, and reprinted by the House,  
3 as follows:

4 1. Page 1, line 6, by striking the word "section"  
5 and inserting in lieu thereof the word "sections".

6 2. Page 1, by inserting after line 39 the  
7 following:

8 "Sec. \_\_\_\_\_. Notwithstanding the provisions of  
9 sections twenty-four point thirty-six (24.36), twenty-  
10 four point thirty-seven (24.37), and twenty-four point  
11 thirty-eight (24.38) of the Code relating to the  
12 maximum amount in dollars which may be levied for  
13 the property tax budget of the political subdivision,  
14 the allowable growth in the property tax budget for  
15 the fiscal year beginning July 1, 1978 shall not  
16 exceed one hundred seven percent of the base year's  
17 property tax budget plus an amount as determined in  
18 the manner provided in this section. The levy shall  
19 be computed on the property tax base of the political  
20 subdivision for the base year. Upon computing the  
21 property tax levy, the county auditor shall spread  
22 the levy against the assessed value of all taxable  
23 property in the political subdivision for the current  
24 tax year. The amount of property taxes levied against  
25 property which was not included in the property tax  
26 base of the political subdivision for the base year  
27 plus one hundred seven percent of the property tax  
28 budget for the year shall be the maximum allowable  
29 growth for the political subdivision's property tax  
30 budget."

31 3. Page 7, line 16, by inserting after the word  
32 "property," the words "relating to political sub-  
33 division property tax budgets,".

H-4277 FILED, NOT GERMANE BY HARVEY of Scott  
MAY 19, 1977 (p. 2435)

1 Amend the Senate amendment, H-4176, to House File  
2 332, as amended, passed, and reprinted by the House,  
3 as follows:

4 1. Page 1, line 8, by striking the words "any  
5 succeeding year" and inserting in lieu thereof the  
6 word and figures "January 1, 1979".

7 2. Page 3, line 17, by striking the figure "1978"  
8 and inserting in lieu thereof the figure "1979".

9 3. Page 3, by inserting after line 36 the following  
10 new section:

11 "Sec. \_\_\_\_\_. Section four hundred twenty-seven A  
12 point thirteen (427A.13), Code 1977, is amended to  
13 read as follows:

14 427A.13 APPROPRIATION. There is hereby  
15 appropriated from the general fund of the state of  
16 Iowa to the personal property tax replacement fund  
17 the following sums, or so much thereof as may be  
18 necessary, to carry out the provisions of this chapter  
19 as amended by this division. For the fiscal year  
20 beginning July 1, 1973, and ending June 30, 1974,  
21 there is appropriated the sum of thirty-one million  
22 nine hundred thousand dollars. For the fiscal year  
23 beginning July 1, 1974, and ending June 30, 1975,  
24 and each succeeding fiscal year, there is appropriated  
25 the sum of thirty-five million seven hundred thousand  
26 dollars. For each year of the fiscal period beginning  
27 July 1, 1977 and ending June 30, 1979 the total  
28 appropriation shall be thirty-eight million six hundred  
29 thousand dollars and for each fiscal year for which  
30 an increase in the additional personal property tax  
31 credit becomes effective as provided in this division,  
32 the appropriation under this section shall be increased  
33 by three million eight hundred thousand dollars, and  
34 such increased appropriation shall continue for each  
35 succeeding fiscal year. For the fiscal year for which  
36 the ninth increase in the additional personal property  
37 tax credit becomes effective as provided in this  
38 division, and for each succeeding fiscal year, the  
39 total appropriation shall be sixty-eight million  
40 dollars per year."

41 4. Page 4, line 5, by striking the word  
42 "assesssing" and inserting in lieu thereof the word  
43 "assessing".

44 5. Page 4, by inserting after line 13 the following  
45 new section:

46 "Sec. \_\_\_\_\_. Section four hundred forty-one point  
47 twenty-one (441.21), subsection one (1), unnumbered  
48 paragraph seven (7), Code 1977, is amended to read  
49 as follows:

50 Notwithstanding any other provision of this section,

1 the actual value of any property shall not exceed  
2 its fair and reasonable market value. For agricultural  
3 property, the assessed value as determined under this  
4 section shall not exceed the actual value of such  
5 property and the assessed value of residential property  
6 as determined under this section shall not exceed  
7 the fair and reasonable market value of such property."

8 6. Page 4, line 21, by striking the word "such"  
9 and inserting in lieu thereof the words "each class  
10 of".

11 7. Page 4, line 22, by inserting after the word  
12 "determined" the words "for each class of property".

13 8. Page 4, line 23, by striking the words "each  
14 assessing jurisdiction in".

15 9. Page 4, line 29, by striking the words  
16 "assessing jurisdiction" and inserting in lieu thereof  
17 the word "state".

18 10. Page 4, line 32, by striking the word  
19 "assessor" and inserting in lieu thereof the word  
20 "assessors".

21 11. Page 4, line 33, by striking the words "seven  
22 and one-half" and inserting in lieu thereof the word  
23 "six".

24 12. Page 4, line 38, by striking the words  
25 "assessing jurisdiction" and inserting in lieu thereof  
26 the word "state".

27 13. Page 4, line 39, by striking the words  
28 "assessor on the abstract" and inserting in lieu  
29 thereof the words "assessors on the abstracts".

30 14. Page 4, line 47, by inserting after the words  
31 "The dividend" the words "for each class of property".

32 15. Page 4, line 47, by inserting after the word  
33 "determined" the words "for each class of property".

34 16. Page 5, line 3, by striking the words "assessor  
35 on the abstract" and inserting in lieu thereof the  
36 words "assessors on the abstracts".

37 17. Page 5, line 4, by striking the words "seven  
38 and one-half" and inserting in lieu thereof the word  
39 "six".

40 18. Page 5, line 5, by inserting after the word  
41 "divisor" the words "for each class of property".

42 19. Page 5, lines 6 and 7, by striking the words  
43 "assessing jurisdiction" and inserting in lieu thereof  
44 the word "state".

45 20. Page 5, line 8, by striking the words "assessor  
46 on the abstract" and inserting in lieu thereof the  
47 words "assessors on the abstracts".

48 21. Page 5, by striking lines 15 through 20.

49 22. Page 5, line 26, by striking the word "assessed"  
50 and inserting in lieu thereof the word "assessed".

Page 3

1 23. Page 6, by striking lines 7 through 50.

2 24. Page 7, by striking lines 1 through 7.

3 25. Page 7, lines 16 and 17, by striking the words  
4 "creating a task force on taxation,".

1 Amend the Senate amendment, H-4176, to House File  
2 332, as amended, passed, and reprinted by the House,  
3 as follows:

4 1. Page 6, by inserting after line 6 the follow-  
5 ing new section:

6 "Sec. \_\_\_\_\_. The legislative council is directed  
7 to create a ten-member study committee which shall  
8 include members of the standing committees on ways  
9 and means of the senate and house of representatives  
10 representing both political parties, which committee  
11 shall conduct during the 1977 legislative interim  
12 a comprehensive study of the present taxing system  
13 in this state. The study shall include, but not be  
14 limited to, the following:

15 1. The present system of state and local taxes  
16 to determine the relative burden of the present tax  
17 structure on the various segments of the state's  
18 populace.

19 2. How different types and classes of property  
20 should be valued and equalized for property tax  
21 assessment purposes.

22 3. Whether budget limitations should be imposed  
23 permanently on the political subdivisions of this  
24 state.

25 4. Which taxes may presently bear too great a  
26 burden of the taxes and which taxes may bear too small  
27 a burden.

28 The study committee may employ consultants with  
29 the approval of the legislative council, to assist  
30 it in carrying out its duties and may request the  
31 assistance of any state agency to obtain such data  
32 and other information which the task force deems  
33 necessary to carry out its duties. Expenses of the  
34 study committee, including the cost for employing  
35 persons or business firms to assist the committee  
36 in its study shall be paid from funds available under  
37 section two point twelve (2.12) of the Code.

38 The study committee shall transmit copies of its  
39 final report to the governor and the members of the  
40 Sixty-seventh General Assembly, 1978 Session, not  
41 later than January 30, 1978. The final report shall  
42 include findings of fact and its recommendations."

43 2. Renumber sections and correct internal  
44 references as may be necessary in accordance with  
45 this amendment.

46 3. Amend the title, line 16, by inserting after  
47 the word "property," the words "creating a legislative  
48 study committee to study the present tax structure,".

H-4271

1 Amend the Senate amendment, H-4176, to House File 332,  
 2 as amended, passed, and reprinted by the House as follows:  
 3 1. Page 5, by inserting after line 33 the following new  
 4 unnumbered paragraph:

5 "NEW UNNUMBERED PARAGRAPH. When agricultural land or  
 6 residential property which is being or has been valued and  
 7 assessed under the provisions of this section is no longer  
 8 used for the purpose for which it was valued and assessed  
 9 under the provisions of this section such land shall be subject  
 10 to additional taxes equal to the difference between the taxes  
 11 levied on the assessed value as determined under the provisions  
 12 of this section and the taxes which would have been levied  
 13 had the assessed value been equal to its fair and reasonable  
 14 market value. Such additional taxes shall be entered against  
 15 such agricultural or residential property on the tax list  
 16 for the current year. However, interest or penalties shall  
 17 not be levied on such additional taxes if timely paid and  
 18 such additional taxes shall only be levied with respect to  
 19 the last five years that such property has been valued or  
 20 assessed under the provisions of this section. The additional  
 21 taxes shall be collected in the same manner as all other  
 22 property taxes except that such taxes shall be the personal  
 23 liability of the owner and shall be remitted upon collection  
 24 to the director of revenue to be deposited in the state general  
 25 fund."

26 2. Page 5, line 41, by inserting after the word "property"  
 27 the words ", the fair market value, the actual value and the  
 28 assessed value".

H-4271 FILED *Ruled out* BY  
 MAY 18, 1977 *of order*  
*5/19 (p. 2459)*

SMALL of Johnson  
 KRAUSE of Kossuth  
 CHIODO of Polk  
 DYRLAND of Clayton  
 BROCKETT of Marshall  
 SMALLEY of Polk  
 WOODS of Polk  
 SVOBODA of Iowa

H-4273

1 Amend Senate amendment H-4176 to House File 332,  
2 as amended, passed, and reprinted by the House, as  
3 follows:

4 1. Page 2, by striking lines 6 through 30 and  
5 inserting in lieu thereof the following:

6 "2. Page 4, line 17, by inserting after the word  
7 "LAND" the words "AND RESIDENTIAL PROPERTY".

8 3. Page 4, line 19, by inserting after the word  
9 "land" the words "and residential property".

10 4. Page 4, by inserting after line 34 the following  
11 new section:

12 "Sec. \_\_\_\_\_. Section four hundred twenty-six point  
13 two (426.2), Code 1977, is amended by adding the  
14 following new unnumbered paragraph:

15 NEW UNNUMBERED PARAGRAPH. "Residential property"  
16 as used in this chapter shall mean and include all  
17 tracts of land on which any person applies for and  
18 receives a homestead tax credit as provided for in  
19 chapter four hundred twenty-five (425) of the Code."

20 5. Page 5, line 2, by inserting after the word  
21 "land" the words "and residential property".

22 6. Page 5, line 5, by inserting after the word  
23 "lands" the words "and residential property".

24 7. Page 5, line 14, by inserting after the word  
25 "land" the words "and residential property".

26 8. Page 5, by inserting after line 21 the following  
27 new sections:

28 "Sec. \_\_\_\_\_. Section four hundred twenty-six point  
29 six (426.6), unnumbered paragraph one (1), Code 1977,  
30 is amended to read as follows:

31 The agricultural land and residential property  
32 tax credit allowed each year shall be computed as  
33 follows: On or before the first of June the county  
34 auditor shall list by school districts all tracts  
35 of agricultural lands and residential property which  
36 they are entitled to credit hereunder, together with  
37 the taxable value for the previous year, together  
38 with the budget from each school district for the  
39 previous year, and the tax rate determined for the  
40 general fund of the district in the manner prescribed  
41 in section 444.3 for the previous year, and if such  
42 tax rate is in excess of five dollars and forty cents  
43 per thousand dollars of assessed value he or she shall  
44 multiply the tax levy which is in excess of five  
45 dollars and forty cents per thousand dollars of  
46 assessed value by the total taxable value of the  
47 agricultural lands and residential property entitled  
48 to credit hereunder in the district, and on or before  
49 the first of June certify the amount thereof to the  
50 state comptroller.



HARGRAVE of Johnson  
 KREWSON of Polk  
 CONNORS of Polk  
 HARVEY of Scott  
 GARRISON of Black Hawk  
 MONROE of Des Moines  
 WELLS of Linn  
 PAVICH of Pottawattamie  
 HORN of Linn  
 LIPSKY of Linn  
 SMALLEY of Polk  
 WOODS of Polk  
 BROCKETT of Marshall  
 KOOGLER of Mahaska  
 HINES of Story  
 BRANDT of Black Hawk  
 CRAWFORD of Story  
 SMALL of Johnson  
 HIGGINS of Scott  
 TOFTE of Winneshiek  
 GILLOON of Dubuque  
 JESSE of Polk  
 CHIODO of Polk  
 O'HALLORAN of Black Hawk  
 CLARK of Cerro Gordo  
 HALVORSON of Clayton  
 CUSACK of Scott  
 GENTLEMAN of Polk  
 LONERGAN of Boone

## HOUSE FILE 332

H-4253

1 Amend the Senate amendment H-4176 to House  
 2 File 332 as amended, passed and reprinted by the  
 3 House as follows:

4 1. Page 7, by inserting after line 7 the  
 5 following:

6 "\_\_\_\_\_". Page 6, by inserting after line 4 the  
 7 following:

8 Sec. \_\_\_\_\_. Sections three hundred twenty-seven  
 9 H point one (327H.1), three hundred twenty-seven H  
 10 point two (327H.2), three hundred twenty-seven H  
 11 point three (327H.3), three hundred twenty-seven H  
 12 point four (327H.4), three hundred twenty-seven H  
 13 point five (327H.5), three hundred twenty-seven H  
 14 point six (327H.6), three hundred twenty-seven H  
 15 point seven (327H.7), three hundred twenty-seven H  
 16 point eight (327H.8), three hundred twenty-seven H  
 17 point nine (327H.9), three hundred twenty-seven H  
 18 point ten (327H.10), three hundred twenty-seven H  
 19 point eleven (327H.11), three hundred twenty-seven H  
 20 point twelve (327H.12), three hundred twenty-seven H  
 21 point thirteen (327H.13), three hundred twenty-seven H  
 22 point fourteen (327H.14), three hundred twenty-seven H  
 23 point fifteen (327H.15), three hundred twenty-seven H  
 24 point sixteen (327H.16), and three hundred twenty-  
 25 seven H point seventeen (327H.17), are repealed."

26 2. Page 7, by inserting after the word  
 27 "appropriations," in line 17, the words "repealing  
 28 the property tax authorized to aid a railroad, and  
 29 related sections,".

HOUSE FILE 332

H-4252

1 Amend the Senate amendment, H-4176, to House File  
2 332, as amended, passed, and reprinted by the House,  
3 as follows:

4 1. Page 2, by inserting after line 5 the following  
5 sections:

6 "Sec. 4. Sections five (5) through twenty-eight  
7 (28) of this Act shall be codified as a new division  
8 under chapter four hundred twenty-two (422) of the  
9 Code.

10 Sec. 5. NEW SECTION. DEFINITIONS. As used in  
11 this Act, unless the context otherwise requires:

12 1. "Income" means the sum of Iowa net income as  
13 defined in section four hundred twenty-two point seven  
14 (422.7) of the Code, plus all of the following to  
15 the extent not already included in Iowa net income:  
16 Capital gains, alimony, child support money, the gross  
17 amount of any pension or annuity including but not  
18 limited to railroad retirement benefits, all payments  
19 received under the federal social security Act, and  
20 all military retirement and veterans' disability  
21 pensions, interest received from the state or federal  
22 government or any of its instrumentalities, workmen's  
23 compensation, cash public assistance and relief  
24 including food stamps, financial assistance programs  
25 as approved by the higher education facilities  
26 commission, unemployment compensation, and the gross  
27 amount of disability income or "loss of time"  
28 insurance. "Income" does not include gifts from  
29 nongovernmental sources, or surplus foods or other  
30 relief in kind supplied by a governmental agency.

31 2. "Household" means a claimant, spouse, and any  
32 person living with the claimant at least one hundred  
33 eighty-three consecutive days during the base year.

34 3. "Household income" means all income of all  
35 persons residing in the household during the base  
36 year prorated according to the length of the period  
37 of occupancy.

38 4. "Homestead" means the dwelling actually rented  
39 and used as a home by the claimant during all or part  
40 of the base year, and so much of the land surrounding  
41 it, not exceeding one acre, as is reasonably necessary  
42 for use of the dwelling as a home, and may consist  
43 of a part of a multidwelling or multipurpose building  
44 and a part of the land upon which it is built. It  
45 does not include personal property except that a  
46 mobile home may be a homestead. Any dwelling or a  
47 part of a multidwelling or multipurpose building which  
48 is exempt from taxation shall not qualify as a  
49 homestead under the provisions of this division.  
50 A homestead must be located in this state.

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1 5. "Claimant" means a person claiming a credit  
2 under this division who is eighteen years of age or  
3 older on or before December thirty-first of the base  
4 year and has not been claimed as a dependent on a  
5 state income tax return filed in the preceding calendar  
6 year, has not received more than six hundred dollars  
7 in financial assistance exclusive of a financial aid  
8 program approved by the higher education facilities  
9 commission, and was domiciled in this state during  
10 the entire base year and is domiciled in this state  
11 at the time the claim is filed. "Claimant" does not  
12 include any person who has previously received or  
13 has filed during the base year a claim for  
14 reimbursement for property taxes paid or rent  
15 constituting property taxes paid under sections four  
16 hundred twenty-five point sixteen (425.16) through  
17 four hundred twenty-five point thirty-nine (425.39)  
18 of the Code. In the case of a claim for a credit  
19 for rent constituting property taxes paid, the claimant  
20 shall have rented the property during any part of  
21 the base year. When two persons of a household are  
22 able to meet the qualifications for a claimant, they  
23 may determine between them who will be the claimant.  
24 If they are unable to agree, the matter shall be  
25 referred to the director of revenue not later than  
26 April thirtieth of each year and his decision shall  
27 be final. If a homestead is occupied by two or more  
28 persons, and more than one person is able to qualify  
29 as a claimant, and some or all of the qualified persons  
30 are not related, the persons may determine among them  
31 who will be the claimant. If they are unable to  
32 agree, the matter shall be referred to the director  
33 of revenue not later than April thirtieth of each  
34 year and his decision shall be final.

35 6. "Rent constituting property taxes paid" means  
36 twenty-five percent of the gross rent actually paid  
37 in cash or its equivalent during the base year by  
38 the claimant or his household solely for the right  
39 of occupancy of their homestead in the base year,  
40 and which rent constitutes the basis, in the succeeding  
41 year, of a claim for reimbursement under this division  
42 by the claimant.

43 7. "Gross rent" means rental paid at arm's length  
44 solely for the right of occupancy of a homestead or  
45 mobile home, including rent for space occupied by  
46 a mobile home not to exceed one acre, exclusive of  
47 charges for any utilities, services, furniture,  
48 furnishings, or personal property appliances furnished  
49 by the landlord as a part of the rental agreement  
50 whether or not expressly set out in the rental

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1 agreement. If the director of revenue determines  
2 that the landlord and tenant have not dealt with each  
3 other at arm's length, and the director of revenue  
4 is satisfied that the gross rent charged was excessive,  
5 he shall adjust the gross rent to a reasonable amount  
6 as determined by the director. If the landlord does  
7 not supply the charges for any utilities, services,  
8 furniture, furnishings, or personal property appliances  
9 furnished by him, or if the charges appear to be  
10 incorrect, the director of revenue may apply a  
11 percentage determined from samples of similar gross  
12 rents paid solely for the right of occupancy.

13 8. "Base year" means for a claimant filing a claim  
14 for rent constituting property taxes paid, the calendar  
15 year last ending before the claim is filed.

16 9. "Investment income" means that income derived  
17 from rental property, income received from the  
18 investment of such income which is received in the  
19 form of interest or dividends and any other income  
20 received from the investment of capital whether or  
21 not such income is subject to taxation.

22 Sec. 6. NEW SECTION. CLAIM IS PERSONAL. The  
23 right to file a claim under this Act shall be personal  
24 to the claimant and shall not survive his death, but  
25 the right may be exercised on behalf of a claimant  
26 by his legal guardian or attorney. If a claimant  
27 dies after having filed a claim, the amount of the  
28 reimbursement may be paid to another member of the  
29 household as determined by the director. If the  
30 claimant was the only member of his household, the  
31 reimbursement may be paid to his executor or  
32 administrator, but if neither is appointed and  
33 qualified within one year from the date of the filing  
34 of the claim, the reimbursement shall escheat to the  
35 state.

36 Sec. 7. NEW SECTION. CLAIM AND REIMBURSEMENT.  
37 Subject to the limitations provided in this Act, a  
38 claimant may annually claim a reimbursement for rent  
39 constituting property taxes paid in the base year.  
40 The amount of the reimbursement for rent constituting  
41 property taxes paid shall be claimed by the claimant  
42 as a credit against the state individual income tax  
43 owed by the claimant on taxable income of the preceding  
44 year on which taxes are payable during the current  
45 year. If the claimant has no tax liability for the  
46 taxable year, the amount of the reimbursement for  
47 rent constituting property taxes paid shall be paid  
48 to the claimant as a rebate.

49 Sec. 8. NEW SECTION. FILING DATE. A claim for  
50 reimbursement for rent constituting property taxes

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1 paid shall not be paid or allowed, unless the claim  
2 is actually filed with the claimant's state income  
3 tax return and in the possession of the department  
4 of revenue on or before April thirtieth of the year  
5 following the base year, beginning April 30, 1980.

6 Sec. 9. NEW SECTION. SATISFACTION OF OUTSTANDING  
7 TAX LIABILITIES. The amount of any claim for  
8 reimbursement payable under this Act may be applied  
9 by the department of revenue against any tax liability  
10 outstanding on the books of the department against  
11 the claimant, or against a spouse who was a member  
12 of the claimant's household in the base year.

13 Sec. 10. NEW SECTION. ONE CLAIMANT PER HOUSEHOLD.  
14 Only one claimant per household per year shall be  
15 entitled to reimbursement under this Act.

16 Sec. 11. NEW SECTION. SCHEDULE FOR CLAIMS FOR  
17 REIMBURSEMENT. The amount of any claim for  
18 reimbursement filed under this Act shall be determined  
19 as provided in this section.

20 1. The tentative reimbursement shall be determined  
21 according to the following schedule:

	Percent of rent constituting
If the household	property taxes paid allowed
income is:	as a reimbursement:
25 \$ 0- 999.99 .....	100 %
26 1,000-1,999.99 .....	95
27 2,000-2,999.99 .....	85
28 3,000-3,999.99 .....	70
29 4,000-4,999.99 .....	55
30 5,000-5,999.99 .....	45
31 6,000-6,999.99 .....	35
32 7,000-7,999.99 .....	30
33 8,000-8,999.99 .....	25

34 Sec. 12. NEW SECTION. MAXIMUM PROPERTY TAX.  
35 In any case in which rent constituting property taxes  
36 paid in any base year for any household exceeds six  
37 hundred dollars, the amount of rent constituting  
38 property taxes paid shall be deemed to have been six  
39 hundred dollars for purposes of this Act.

40 Sec. 13. NEW SECTION. CREDIT NOT ALLOWED. The  
41 provisions of this Act shall not apply to any person  
42 occupying property which is used exclusively for  
43 essential public purposes and the property occupied  
44 as a household is exempt from all taxes and special  
45 assessments of the state or a political subdivision  
46 of the state.

47 Sec. 14. NEW SECTION. ADMINISTRATION. The  
48 director of revenue shall make available suitable  
49 forms with instructions for claimants and shall be  
50 included in the booklet distributed by the director

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1 which contains the state income tax returns and the  
2 instructions for filing the returns. The claim shall  
3 be in such form as the director may prescribe and  
4 shall be filed with the claimant's state individual  
5 income tax return. The director may also devise a  
6 tax reimbursement table, with amounts rounded to the  
7 nearest whole dollar. Reimbursements in the amount  
8 of less than one dollar shall not be paid.

9 Sec. 15. NEW SECTION. PROOF OF CLAIM. Every  
10 claimant shall give the department of revenue, in  
11 support of his claim reasonable proof of:

12 1. Rent constituting property taxes paid, including  
13 the portion of gross rent paid for providing utilities,  
14 services, furniture, furnishings, and personal property  
15 appliances, and the name and address of the owner  
16 or manager of the property rented and a statement  
17 whether the claimant is related by blood, marriage  
18 or adoption to the owner or manager of the property  
19 rented;

20 2. Changes of homestead;

21 3. Household membership;

22 4. Household income;

23 5. Size and nature of property claimed as the  
24 homestead; and

25 The director may require any additional proof  
26 necessary to support a claim.

27 Sec. 16. NEW SECTION. AUDIT OF CLAIM. If on  
28 the audit of any claim for reimbursement under this  
29 Act, the director determines the amount of the claim  
30 to have been incorrectly calculated or that the claim  
31 is not allowable, he shall recalculate the claim and  
32 notify the claimant of the recalculation or denial  
33 and his reasons for it. The director shall not adjust  
34 any claim after three years from April thirtieth of  
35 the year in which the claim is filed. If the claim  
36 for reimbursement has been paid, the amount may be  
37 recovered by assessment in the same manner that in-  
38 come taxes are assessed under sections four hundred  
39 twenty-two point twenty-six (422.26) and four hundred  
40 twenty-two point thirty (422.30) of the Code. The  
41 recalculation of the claim shall be final unless  
42 appealed as provided in section four hundred twenty-  
43 five point thirty-one (425.31) of the Code. The  
44 provisions of section four hundred twenty-two point  
45 seventy (422.70) of the Code shall be applicable with  
46 respect to this Act.

47 Sec. 17. NEW SECTION. FALSE CLAIM--PENALTY.

48 Any person making a false affidavit for the purpose  
49 of obtaining reimbursement provided for in this  
50 division or who knowingly receives the reimbursement

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1 credit without being legally entitled to it shall  
2 be guilty of a misdemeanor, and upon conviction shall  
3 be fined not more than one hundred dollars or  
4 imprisoned in the county jail for not more than thirty  
5 days or be subject to both such fine and imprisonment.  
6 An action under this section shall be brought in Polk  
7 county. The claim for reimbursement shall be  
8 disallowed in full and if the claim has been paid  
9 the amount may be recovered by assessment in the  
10 manner that income taxes are assessed pursuant to  
11 sections four hundred twenty-two point twenty-six  
12 (422.26) and four hundred twenty-two point thirty  
13 (422.30) of the Code. The director of revenue shall  
14 send a notice of disallowance of the claim.

15 Sec. 18. NEW SECTION. NOTICES. Section four  
16 hundred twenty-two point fifty-seven (422.57),  
17 subsection one (1) of the Code, shall apply to all  
18 notices under this Act.

19 Sec. 19. NEW SECTION. APPEALS. Any person  
20 aggrieved by an act or decision of the director of  
21 revenue or the department of revenue under this Act  
22 shall have the same rights of appeal and review as  
23 provided in sections four hundred twenty-one point  
24 one (421.1) and four hundred twenty-two point fifty-  
25 five (422.55) of the Code and the rules of the  
26 department of revenue.

27 Sec. 20. NEW SECTION. DISALLOWANCE OF CERTAIN  
28 CLAIMS. A claim for reimbursement shall be disallowed  
29 if the department finds that the claimant or a person  
30 of his household received title to his homestead  
31 primarily for the purpose of receiving benefits under  
32 this Act.

33 Sec. 21. NEW SECTION. RULES. The director of  
34 revenue shall adopt rules in accordance with chapter  
35 seventeen A (17A) of the Code for the interpretation  
36 and proper administration of this Act, including rules  
37 to prevent and disallow duplication of benefits and  
38 to prevent any unreasonable hardship or advantage  
39 to any person."

40 2. Page 2, by inserting after line 7 the fol-  
41 lowing section:

42 "Sec. 32. Section four hundred twenty-six point  
43 six (426.6), unnumbered paragraph one (1), Code 1977,  
44 is amended to read as follows:

45 The agricultural land tax credit allowed each year  
46 shall be computed as follows: On or before the first  
47 of ~~June~~ September the county auditor shall list by  
48 school districts all tracts of agricultural lands  
49 for which a claim for the credit has been filed and  
50 which they are entitled to a credit hereunder, together

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with the taxable value for the previous year, together with the budget from each school district for the previous year, and the tax rate determined for the general fund of the district in the manner prescribed in section 444.3 for the previous year, and if such tax rate is in excess of five dollars and forty cents per thousand dollars of assessed value he shall multiply the tax levy which is in excess of five dollars and forty cents per thousand dollars of assessed value by the total taxable value of the agricultural lands entitled to credit hereunder in the district, and on or before the first of ~~June~~ September certify the amount thereof to the state comptroller."

3. Page 2, by inserting after line 30 the following sections:

"Sec. 34. Chapter four hundred twenty-six (426), Code 1977, is amended by adding sections forty-one (41) through forty-six (46) of this Act.

Sec. 35. NEW SECTION. CLAIM FOR CREDIT. Effective January 1, 1978, the credit allowed on agricultural land under this chapter shall only be granted upon agricultural land for which an application for the credit has been filed. To apply for the credit, a person shall each year on or before July first deliver to the assessor, on forms furnished by the assessor, a verified statement and designation of agricultural land for which the credit is claimed. A person shall only be allowed to claim the credit on the first two hundred thousand dollars of assessed value of agricultural land. The assessor shall return the statement and designation on July second of each year to the county auditor with a recommendation for allowance or disallowance. If the owner of the agricultural land is in active service in the armed forces of this state or of the United States the statement and designation may be signed and delivered by any member of the owner's family.

If a person filing a claim owns agricultural land in two or more counties, the person shall file a claim for the credit in each county in which he owns agricultural land. The claim filed in each county shall also include a description of property for which a claim is or will be filed in another county, the valuation of the property upon which a claim is filed in another county, and the name of the county in which the claim has been filed.

Sec. 36. NEW SECTION. VERIFICATION BY BOARD. The county board of supervisors in each county shall examine all claims, delivered to the assessors, and shall either allow or disallow said claims, and in

1 the event of disallowance notice thereof shall be  
2 sent by certified mail to claimant at the claimant's  
3 last known address.

4 Sec. 37. NEW SECTION. APPEALS PERMITTED.

5 1. Any person whose claim is denied under the  
6 provisions of this chapter may appeal from the action  
7 of the board of supervisors to the district court  
8 of the county in which the claimed agricultural land  
9 is situated by giving written notice of such appeal  
10 to the county auditor of said county within twenty  
11 days from the date of mailing of notice of such action  
12 by the board of supervisors.

13 2. Should the director of revenue determine, upon  
14 investigation, that any claim for agricultural land  
15 tax credit has been allowed by any board of supervisors  
16 which is not justifiable under the law and not  
17 substantiated by proper facts, the director may, at  
18 any time within twenty-four months from July first  
19 of the year in which the claim is filed, set aside  
20 such allowance. Notice of such disallowance shall  
21 be given to the county auditor of the county in which  
22 such claim has been improperly granted and a written  
23 notice of such disallowance shall also be addressed  
24 to the claimant at the claimant's last known address.  
25 Such claimant, or the board of supervisors, may seek  
26 judicial review of the action of the director of  
27 revenue in accordance with the terms of the Iowa ad-  
28 ministrative procedure Act. In any case where a claim  
29 is so disallowed by the director of revenue and no  
30 petition for judicial review is filed with respect  
31 to such disallowance, any amounts of credits allowed  
32 and paid from the agricultural land credit fund shall  
33 become a lien upon the property on which said credit  
34 was originally granted, if still in the hands of the  
35 claimant, and not in the hands of a bona fide  
36 purchaser, and any amount so erroneously paid shall  
37 be collected by the county treasurer in the same  
38 manner as other taxes and such collections shall be  
39 returned to the department of revenue and credited  
40 to the agricultural land credit fund. The director  
41 of revenue shall also have the authority to institute  
42 legal proceedings against a agricultural land credit  
43 claimant for the collection of all payments made on  
44 such disallowed credits.

45 Sec. 38. NEW SECTION. CERTIFICATION TO STATE  
46 COMPTRROLLER. All claims which have been received  
47 by the assessor shall be certified on or before  
48 September first of each year, by the county auditor  
49 to the state comptroller.

50 Sec. 39. NEW SECTION. FORM FOR FILING. The forms

1 prescribed by the director of revenue shall include  
2 the following information:

- 3 1. The name and address of the claimant.
- 4 2. A description of the agricultural land for  
5 which the credit is claimed.
- 6 3. The name of the county and school district  
7 in which the agricultural land is located.
- 8 4. The valuation of the agricultural land as  
9 determined and certified by the assessor as of January  
10 first of the preceding calendar year.

11 The director of revenue may require such additional  
12 information which he deems necessary.

13 Sec. 40. NEW SECTION. RULES. The director of  
14 revenue shall adopt rules in accordance with chapter  
15 seventeen A (17A) of the Code for the interpretation  
16 and proper administration of this Act.

17 Sec. 41. Chapter four hundred twenty-seven (427),  
18 Code 1977, is amended by adding the following new  
19 section:

20 NEW SECTION. There is granted against the assessed  
21 value of each homestead for which a homestead tax  
22 credit is applied for and approved on or after January  
23 1, 1978 under chapter four hundred twenty-five (425)  
24 of the Code, an amount equal to one thousand five  
25 hundred dollars."

26 4. Page 3, line 17, by striking the numeral "1978"  
27 and inserting in lieu thereof the numeral "1979".

28 5. Page 3, by inserting after line 36 the fol-  
29 lowing section:

30 "Sec. \_\_\_\_ . Section four hundred twenty-seven A  
31 point thirteen (427A.13), Code 1977, is amended to  
32 read as follows:

33 427A.13 APPROPRIATION. There is hereby  
34 appropriated from the general fund of the state of  
35 Iowa to the personal property tax replacement fund  
36 the following sums, or so much thereof as may be  
37 necessary, to carry out the provisions of this chapter  
38 as amended by this division. For the fiscal year  
39 beginning July 1, 1973, and ending June 30, 1974,  
40 there is appropriated the sum of thirty-one million  
41 nine hundred thousand dollars. For the fiscal year  
42 beginning July 1, 1974, and ending June 30, 1975,  
43 and each succeeding fiscal year, there is appropriated  
44 the sum of thirty-five million seven hundred thousand  
45 dollars. For each year of the fiscal period beginning  
46 July 1, 1977 and ending June 30, 1979 the total  
47 appropriation shall be thirty-eight million six hundred  
48 thousand dollars and for each fiscal year for which  
49 an increase in the additional personal property tax  
50 credit becomes effective as provided in this division,

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1 the appropriation under this section shall be increased  
2 by three million eight hundred thousand dollars, and  
3 such increased appropriation shall continue for each  
4 succeeding fiscal year. For the fiscal year for which  
5 the ninth increase in the additional personal property  
6 tax credit becomes effective as provided in this  
7 division, and for each succeeding fiscal year, the  
8 total appropriation shall be sixty-eight million  
9 dollars per year."

10 6. Page 3, by inserting after line 49 the following  
11 sections:

12 "Sec. \_\_\_\_\_. Section four hundred forty-one point  
13 twenty-one (441.21), subsection one (1), unnumbered  
14 paragraph five (5), Code 1977, is amended to read  
15 as follows:

16 In assessing and determining the actual value of  
17 agricultural property ~~fifty-percent-consideration~~  
18 ~~shall-be-given-to-each-of-the-following-factors:~~

19 a.---~~The~~ the value shall be determined on the basis  
20 of the productivity and net earning capacity determined  
21 on the basis of the use of the property for  
22 agricultural purposes capitalized at a rate  
23 representing a fair return on the investment, such  
24 rate to be established by the state board of tax  
25 review and applied uniformly among counties and among  
26 classes of property.

27 b.---~~The fair and reasonable market value of such~~  
28 ~~property as defined herein but such market value shall~~  
29 ~~be based only on its current use and not on its~~  
30 ~~potential value for other uses.~~

31 Sec. \_\_\_\_\_. Section four hundred forty-one point  
32 twenty-one (441.21), subsection one (1), unnumbered  
33 paragraph seven (7), Code 1977, is amended to read  
34 as follows:

35 Notwithstanding any other provision of this section,  
36 the actual value of any property shall not exceed  
37 its fair and reasonable market value. For agricultural  
38 property, the assessed value as determined under this  
39 section shall not exceed the actual value of such  
40 property and the assessed value of residential property  
41 as determined under this section shall not exceed  
42 the fair and reasonable market value of such property.

43 Sec. \_\_\_\_\_. Section four hundred forty-one point  
44 twenty-one (441.21), subsection one (1), Code 1977,  
45 is amended by inserting after unnumbered paragraph  
46 five (5) the following new unnumbered paragraph:

47 NEW UNNUMBERED PARAGRAPH. Beginning with valuations  
48 established as of January 1, 1980, the actual value  
49 of agricultural land shall be computed on the basis  
50 of the productivity and net earning capacity of the

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1 land determined on the basis of its use for  
2 agricultural purposes capitalized at a rate  
3 representing a fair return on the investment, such  
4 rate to be established by the state board of tax  
5 review and applied uniformly among counties and among  
6 classes of property. Structures located on  
7 agricultural land shall be valued at their market  
8 value as defined in this subsection."

9 7. Page 4, line 23, by striking the words "each  
10 assessing jurisdiction in".

11 8. Page 4, line 33, by striking the words "seven  
12 and one-half" and inserting in lieu thereof the word  
13 "twelve".

14 9. Page 4, line 34, by inserting after the word  
15 "property" the words "excluding that amount of  
16 valuation which will be exempted from taxes due to  
17 the exemption of one thousand five hundred dollars  
18 granted on each homestead for which a homestead tax  
19 credit is claimed on or after January 1, 1978 and  
20 approved".

21 10. Page 4, line 38, by striking the words  
22 "assessing jurisdiction" and inserting in lieu thereof  
23 the word "state".

24 11. Page 4, line 39, by striking the words  
25 "assessor on the abstract" and inserting in lieu  
26 thereof the words "assessors on the abstracts".

27 12. Page 4, line 43, by inserting after the numeral  
28 "1979," the words "and each succeeding year".

29 13. Page 4, line 48, by striking the words and  
30 numerals "January 1, 1978" and inserting in lieu  
31 thereof the words "January first of the preceding  
32 year".

33 14. Page 5, line 3, by striking the words "assessor  
34 on the abstract" and inserting in lieu thereof the  
35 words "assessors on the abstracts".

36 15. Page 5, line 4, by striking the words and  
37 numeral "1978, plus seven and one-half" and inserting  
38 in lieu thereof the words "the preceding year, plus  
39 five".

40 16. Page 5, line 6, by striking the word  
41 "assessing".

42 17. Page 5, line 7, by striking the word  
43 "jurisdiction" and inserting in lieu thereof the word  
44 "state".

45 18. Page 5, line 8, by striking the words "assessor  
46 on the abstract" and inserting in lieu thereof the  
47 words "assessors on the abstracts".

48 19. Page 5, line 9, by striking the numeral "1978"  
49 and inserting in lieu thereof the words "the preceding  
50 year".

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1 20. Page 5, line 11, by striking the numeral  
2 "1979" and inserting in lieu thereof the words "the  
3 current year".

4 21. Page 5, line 22, by striking the word and  
5 numerals "November 1, 1979" and inserting in lieu  
6 thereof the words "November first of each succeeding  
7 year".

8 22. Page 5, by striking lines 34 through 41 and  
9 inserting in lieu thereof the following:

10 "Sec. \_\_\_\_\_. Section four hundred forty-one point  
11 twenty-three (441.23), Code 1977, is amended to read  
12 as follows:

13 441.23 NOTICE OF VALUATION. If there has been  
14 an increase or decrease in the valuation of the  
15 property, or upon the written request of the person  
16 assessed, the assessor shall, at the time of making  
17 the assessment, inform the person assessed, in writing,  
18 of the valuation put upon his property, and notify  
19 him, if he feels aggrieved, to appear before the board  
20 of review and show why the assessment should be  
21 changed. ~~In odd-numbered years, the~~ The owners of  
22 real property shall be notified ~~not later than April~~  
23 ~~15 of any adjustment of the real property assessment.~~  
24 ~~In even-numbered years, the notice~~ of an increase  
25 or decrease in the valuation of the property shall  
26 ~~be provided to the owners of real property~~ not later  
27 than June 30 thirtieth as provided in section 441.49.

28 Sec. \_\_\_\_\_. Section four hundred forty-one point  
29 twenty-six (441.26), Code 1977, is amended to read  
30 as follows:

31 441.26 ASSESSMENT ROLLS AND BOOKS. The director  
32 of revenue shall each year prescribe the form of  
33 assessment roll to be used by all assessors in  
34 assessing real and personal property, including moneys  
35 and credits, in this state, also the form of pages  
36 of the assessor's assessment book. Such assessment  
37 rolls shall be in such form as will permit entering  
38 thereon, separately, the names of all persons,  
39 partnerships, corporations, or associations assessed;  
40 shall contain a form of oath or affirmation to be  
41 administered to each person assessed, and shall also  
42 contain a notice in substantially the following form:

43 "If you are not satisfied that the foregoing  
44 assessment is correct, you may file a protest against  
45 such assessment with the board of review on or after  
46 ~~April 16~~ July first, to and including ~~May 5~~ July  
47 twentieth, of the year of the assessment, such protest  
48 to be confined to the grounds specified in section  
49 441.37. Dated ..... day of ....., 19.....,  
50 ..... County/City Assessor."

~~The dates specified in the notice sent to the owner of property in even-numbered years shall contain the dates for filing of protests as provided in section 444.49.~~

Such assessment rolls shall be used in listing the property and showing the values affixed to such property of all persons, partnerships, corporations, or associations assessed, which rolls shall be made in duplicate. Said duplicate roll shall be signed by the assessor, detached from the original and delivered to the person assessed if there has been an increase or decrease in the valuation of the property, or upon the written request of the person assessed. It shall be lawful to combine the affidavit or form of oath or affirmation with reference to real and personal property, and the affidavit or form of oath or affirmation as to moneys and credits, into one affidavit or form of oath or affirmation, and only the one such affidavit or form of oath or affirmation shall be sufficient on the assessment roll. The pages of the assessor's assessment book shall contain columns ruled and headed for the information required by this chapter and that which the director of revenue may deem essential in the equalization work of the director. The assessor shall return all assessment rolls and any schedules therewith to the county auditor, along with the completed assessment book, as provided in this chapter, and the county auditor shall carefully keep and preserve all such rolls, schedules and book for a period of five years from the time of filing of the same in his office. Beginning with valuations for January 1, 1977 and each succeeding year, for each parcel of property entered in the assessment book, the assessor shall list the classification of the property.

Sec. \_\_\_\_ . Section four hundred forty-one point twenty-eight (441.28), Code 1977, is amended to read as follows:

441.28 ASSESSMENT ROLLS--CHANGE--NOTICE TO TAXPAYER. The assessment shall be completed not later than ~~April 15 in odd-numbered years and not later than May 15 in even-numbered years~~ fifteenth. If the assessor makes any change in an assessment after it has been entered on the assessor's rolls, he shall note on said roll, together with the original assessment, the new assessment and the reason for the change, together with his signature and the date of the change. Provided, however, in the event the assessor increases any assessment he shall give notice in writing thereof to the taxpayer by mail prior to

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1 the meeting of the board of review. No changes shall  
2 be made on the assessment rolls after ~~April 15~~ in  
3 ~~odd-numbered years and~~ after May 15 in even-numbered  
4 years fifteenth except by order of the board of review  
5 or by decree of court.

6 Sec. \_\_\_\_\_. Section four hundred forty-one point  
7 thirty (441.30), unnumbered paragraph one (1), Code  
8 1977, is amended to read as follows:

9 The assessment shall be completed by ~~the first~~  
10 ~~day of May in odd-numbered years or June 1 in even-~~  
11 ~~numbered years~~ May fifteenth, and the assessor shall  
12 attach to the assessment rolls his oath in the  
13 following form:

14 Sec. \_\_\_\_\_. Section four hundred forty-one point  
15 thirty-three (441.33), Code 1977, is amended to read  
16 as follows:

17 441.33 SESSIONS OF BOARD OF REVIEW. The board  
18 of review shall be in session from ~~May 1~~ July fifteenth  
19 ~~to May 31~~ August fifteenth in each ~~odd-numbered~~ year  
20 and for such additional period as may be required  
21 under section 441.37 and shall hold as many meetings  
22 as are necessary to discharge its duties. On ~~June~~  
23 ~~1~~ August fifteenth in any ~~odd-numbered~~ year in which  
24 a session has not been extended as required under  
25 section 441.37, said board shall return all books,  
26 records and papers to the assessor except undisposed  
27 of protests and records pertaining thereto. If it  
28 has not completed its work ~~prior to June 1~~ on or  
29 before August fifteenth, in those years in which the  
30 session has not been extended under section 441.37  
31 the director of revenue may authorize the board of  
32 review to continue in session for such period as is  
33 necessary to complete its work, but in no event shall  
34 the director of revenue approve a continuance extending  
35 beyond ~~July 15~~ October first. On ~~June 1~~ August  
36 fifteenth or on the final day of any extended session  
37 required under section 441.37 or authorized by the  
38 director of revenue as herein provided the board of  
39 review shall be adjourned until ~~May 1~~ July fifteenth  
40 of the following year. It shall adopt its own rules  
41 of procedure, elect its own chairman from its  
42 membership, and keep minutes of its meetings. The  
43 board shall appoint a clerk who may be a member of  
44 such board or any other qualified person, except the  
45 assessor or any member of his staff. It may be  
46 reconvened by the director of revenue. All undisposed  
47 protests in its hands on ~~July 15~~ the final day of  
48 the session shall be automatically overruled and  
49 returned to the assessor together with its other  
50 records.

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~~1 In even-numbered years, the board of review shall  
2 be in session at the times designated in section  
3 441.49.~~

4 Within fifteen days following the adjournment of  
5 any regular or special session, the board of review  
6 shall submit to the director of revenue, on forms  
7 prescribed by the director, a report of any actions  
8 taken during that session.

9 Sec. \_\_\_\_\_. Section four hundred forty-one point  
10 thirty-seven (441.37), unnumbered paragraph one (1),  
11 Code 1977, is amended to read as follows:

12 Any property owner or aggrieved taxpayer who is  
13 dissatisfied with his assessment may file a protest  
14 against such assessment with the board of review on  
15 or after ~~April 16~~ July first, to and including May  
16 5 July twentieth, of the year of the assessment.

~~17 In any county which has been declared to be a disaster  
18 area by proper federal authorities after March 1 and  
19 prior to May 20 of said year of assessment, the time  
20 for filing a protest shall be extended to and include  
21 the period from May 25 to June 5 of such year. Said~~

22 protest shall be in writing and signed by the one  
23 protesting or by his duly authorized agent. ~~The dates~~

~~24 specified in this section shall apply only in odd-  
25 numbered years. The time for filing of protests in  
26 even-numbered years shall be as provided in section~~

~~27 441.49.~~ Taxpayer may have an oral hearing thereon  
28 if request therefor in writing is made at the time  
29 of filing the protest. Said protest must be confined  
30 to one or more of the following grounds:

31 Sec. \_\_\_\_\_. Section four hundred forty-one point  
32 forty-five (441.45), Code 1977, is amended to read  
33 as follows:

34 441.45 ABSTRACT TO STATE DEPARTMENT OF REVENUE.

35 The county assessor of each county and each city  
36 assessor shall, on or before ~~July 1~~ in odd-numbered  
37 years and on before September 15 ~~in even-numbered~~  
38 years fifteenth, make out and transmit to the  
39 department of revenue an abstract of the real and  
40 personal property in his county or city, as the case  
41 may be, and file a copy thereof with the county  
42 auditor, in which he shall set forth:

43 1. The number of acres of land and the aggregate  
44 taxable values of the same, exclusive of city lots,  
45 returned by the assessors, as corrected by the board  
46 of review.

47 2. The aggregate taxable values of real estate  
48 by class in each school district, township and city  
49 in the county, returned as corrected by the board  
50 of review.

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1 3. The aggregate taxable values of personal  
2 property.

3 4. Other facts as may be required by the director  
4 of revenue.

5 In any case where a board of review continues in  
6 session beyond ~~June 17, in any odd-numbered year, or~~  
7 ~~beyond August 15, in even-numbered years~~ fifteenth,  
8 under provisions of sections 441.33 and 441.37 the  
9 abstract of the real and personal property shall be  
10 made out and transmitted to the department of revenue  
11 within fifteen days after the date of final adjournment  
12 by said board.

13 Sec. \_\_\_\_\_. Section four hundred forty-one point  
14 forty-seven (441.47), Code 1977, is amended to read  
15 as follows:

16 441.47 ADJUSTED VALUATIONS. The director of  
17 revenue on or about August 15, 1977 and ~~every two~~  
18 ~~years~~ each year thereafter shall order the equalization  
19 of the levels of assessment of each class of property  
20 in the several assessing jurisdictions by adding to  
21 or deducting from the valuation of each class of  
22 property such percentage in each case as may be  
23 necessary to bring the same to its taxable value as  
24 fixed in this chapter and chapters 427 to 443,  
25 inclusive. The director shall adjust to actual value  
26 the valuation of any class of property as set out  
27 in the abstract of assessment when the valuation is  
28 at least five percent above or below actual value  
29 as determined by the director. For purposes of such  
30 value adjustments and before such equalization the  
31 director shall adopt, in the manner prescribed by  
32 chapter 17A, such rules as may be necessary to  
33 determine the level of assessment for each class of  
34 property in each county. The rules shall cover:  
35 (1) The proposed use of the assessment-sales ratio  
36 study set out in section 421.17, subsection 6; (2)  
37 the proposed use of any state-wide income  
38 capitalization studies; (3) the proposed use of other  
39 methods that would assist the director in arriving  
40 at the accurate level of assesment of each class of  
41 property in each assessing jurisdiction.

42 Sec. \_\_\_\_\_. Section four hundred forty-one point  
43 forty-nine (441.49), Code 1977, is amended to read  
44 as follows:

45 441.49 ADJUSTMENT BY ASSESSOR. The director shall  
46 keep a record of the review and adjustment proceedings  
47 and finish such proceedings on or before October 4  
48 first unless for good cause the proceedings cannot  
49 be completed by that date. The director shall notify  
50 each assessor by mail of the final action taken at

1 the proceedings and specify any adjustments in the  
2 valuations of any class of property to be made  
3 effective for the assessing jurisdiction.

4 The assessor shall prior to May 15 fifteenth of  
5 the year following, ~~in completing the reassessment~~  
6 ~~of real estate as provided in section 428.4 take into~~  
7 ~~consideration~~ the final equalization order of the  
8 director to the end that the aggregate actual valuation  
9 for each class of property affected by the order will  
10 be the amount determined by the director. In making  
11 the adjustments the assessor shall see to it that  
12 in no case shall the assessed value of an individual  
13 property exceed one hundred percent of its actual  
14 value determined in accordance with section 441.21.  
15 Not later than May 20 twentieth, the assessor shall  
16 submit to the director of revenue, on forms prescribed  
17 by the director, a report of all actions he has taken  
18 to comply with the equalization order issued to him  
19 in October of the preceding year.

20 If the director of revenue determines that the  
21 assessor has complied with the equalization order,  
22 he shall on or about June 4 first notify the assessor  
23 to proceed with the issuance of assessment rolls as  
24 provided in section 441.26, except that the rolls  
25 shall contain the statement that protests against  
26 the assessment may be filed with the board of review  
27 between July 4 first and July 20 twentieth. All  
28 assessment rolls shall be delivered not later than  
29 June 30 thirtieth.

30 ~~In each even-numbered year the board of review~~  
31 ~~shall be in regular session from July 15 to August~~  
32 ~~15 for purposes of performing its functions as defined~~  
33 ~~in sections 441.33 to 441.37. The director of revenue~~  
34 ~~may authorize the board of review to continue in~~  
35 ~~session for such period as may be necessary to complete~~  
36 ~~its work, but the director shall not approve a~~  
37 ~~continuance extending beyond October 15.~~

38 If the director of revenue determines that the  
39 assessor has not complied with the equalization order  
40 by making the necessary adjustments in valuation,  
41 he shall on or about June 4 first reconvene the local  
42 board of review in special session. During this  
43 special session, the board of review shall, by  
44 resolution, make the adjustments necessary to comply  
45 with the equalization order. The board shall not  
46 later than June 30 thirtieth notify, by mail in the  
47 form and manner prescribed by the director, all  
48 taxpayers in the classes of property affected by the  
49 board's action with respect to the implementation  
50 of the equalization order. The notice shall contain

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1 a statement of the assessed valuation of their  
 2 property, that they may protest the valuations to  
 3 the board of review between the dates of July 4 first  
 4 and July 20 twentieth, and that the board will act  
 5 on such protests during its July session. Not later  
 6 than June 30 thirtieth, the board of review shall  
 7 submit to the director of revenue, on forms prescribed  
 8 by the director, of its actions taken to comply with  
 9 the director's equalization order. The director shall  
 10 have the authority under chapter 421 to make any  
 11 orders to a board of review or otherwise take whatever  
 12 actions deemed necessary to ensure the implementation  
 13 of the final equalization order.

14 ~~In each even-numbered year, the abstract of~~  
 15 ~~assessment provided for in section 444.45 shall be~~  
 16 ~~submitted to the director by not later than September~~  
 17 ~~15. If the session of a board of review is extended~~  
 18 ~~beyond August 15 of a reassessment year, the abstract~~  
 19 ~~of assessment for the assessing jurisdiction shall~~  
 20 ~~be submitted to the director within fifteen days after~~  
 21 ~~the final adjournment of the board.~~

22 Not later than twenty days after the date the final  
 23 equalization order is issued, the assessor of the  
 24 affected assessor jurisdiction may appeal the final  
 25 equalization order to the state board of tax review.

26 ~~The dates contained in this section pertaining~~  
 27 ~~to the completion of the assessment, notification~~  
 28 ~~of taxpayers, the filing of protests with local boards~~  
 29 ~~of review, the sessions of board of review, and the~~  
 30 ~~abstracts of assessment, shall pertain only to even-~~  
 31 ~~numbered years. In odd-numbered years, the dates~~  
 32 ~~pertaining to the completion of the assessment,~~  
 33 ~~notification of taxpayers, filing of protest with~~  
 34 ~~local boards of review, the sessions of local boards~~  
 35 ~~of review, and the abstracts of assessment, shall~~  
 36 ~~be those dates contained in sections 444.23, 444.26,~~  
 37 ~~444.28, 444.30, 444.33, 444.37, and 444.45."~~

38 23. Page 6, by striking lines 7 through 50.

39 24. Page 7, by striking lines 1 through 7.

40 25. Page 7, by inserting after line 7 the  
 41 following:

42 "\_\_\_\_. Page 6, by inserting after line 4 the  
 43 following new sections:

44 "Sec. \_\_\_\_\_. The provisions of sections four (4)  
 45 through twenty-one (21) of this Act are effective  
 46 January 1, 1979 and for which claims may be filed  
 47 in 1980.

48 Sec. \_\_\_\_\_. The provisions of sections thirty-two  
 49 (32) and thirty-four (34) through forty (40) of this  
 50 Act are effective January 1, 1978."

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- 1 26. Renumber sections and correct internal
- 2 references as necessary in accordance with this
- 3 amendment.
- 4 27. Page 7, lines 16 and 17, by striking the words
- 5 "creating a task force on taxation" and inserting
- 6 in lieu thereof the words "providing for a credit
- 7 for renters".

H-4252 FILED - *N. D. 5/19* BY NORLAND of Worth  
MAY 18, 1977 (*p. 2434*)

Thursday, May 19, 1977

HOUSE FILE 332

-4247

1 Amend Senate amendment, H-4176, to House File 332;  
2 as amended, passed, and reprinted by the House, as  
3 follows:

4 1. Page 6, by inserting after line 6 the following  
5 sections:

6 "Sec. \_\_\_\_ . NEW SECTION. AUTHORIZATION--ELECTION--  
7 -IMPOSITION.

8 1. A county may impose a local sales and service  
9 tax authorized by and subject to the provisions of  
10 this Act.

11 2. A local sales and service tax may be imposed  
12 originally or after a period of discontinuance, only  
13 after an election at which a majority of those voting  
14 on the question favors imposition, and shall then  
15 be imposed for a period not to exceed seven years.

16 3. A county board of supervisors may direct the  
17 county commissioner of elections to submit at an elec-  
18 tion, to be held on the first Tuesday after the first  
19 Monday in November, the question of imposition of  
20 a local sales and service tax to the eligible electors  
21 of the county on its own motion, and shall do so  
22 within thirty days from the date of receipt of either  
23 a petition signed by eligible electors of the county  
24 equal in number to two percent or more of the persons  
25 who voted in the county for president or governor  
26 as the case may be at the last preceding general  
27 election, as defined in section thirty-nine point  
28 three (39.3) of the Code, or a petition signed by  
29 city councils of cities within the county representing  
30 thirty percent of the population of the county, as  
31 determined by the most recent certified federal census,  
32 which requests countywide imposition of a local sales  
33 and service tax. However, a county board which submits  
34 the question on its own motion shall do so not later  
35 than sixty days before the date of an election, and  
36 a petition must be filed with the board not later  
37 than ninety days before the date of an election.  
38 Before the question of the imposition of a local sales  
39 and service tax may be placed on the ballot the county  
40 board of supervisors and each city council of each  
41 incorporated city within the county shall publish,  
42 as provided in subsection four (4) of this section,  
43 a plan for its respective jurisdiction of how the  
44 revenue generated by the local sales and service tax  
45 will be used.

46 4. The plan required by subsection three (3) of  
47 this section, if the plan is by the county board,  
48 shall be published in at least one newspaper of general  
49 circulation in the county. If the plan is by a city  
50 council; it shall be published in a local newspaper,

1 or if there is no local newspaper, then in a newspaper  
2 which is circulated within that city or by posting  
3 in three public places in the city which have been  
4 permanently designated by ordinance. The plan shall  
5 be published at least twice before the election.  
6 The first publication shall be made not earlier than  
7 thirty days before the election.

8 5. The local sales and service tax shall be  
9 discontinued by resolution of the board of supervisors  
10 at the end of the period for which the tax had been  
11 imposed unless the question of continuing the imposi-  
12 tion of a local sales and service tax is submitted  
13 to the eligible electors of the county and favored  
14 by a majority of those voting at an election preceding  
15 the end of the period for which the tax had been  
16 imposed. Before the question of continuing the  
17 imposition of the tax may be submitted to the eligible  
18 electors, the procedures set out in subsections three  
19 (3) and four (4) of this section must be followed.

20 6. If a city is located in more than one county,  
21 it shall be deemed to be in the county in which the  
22 largest portion of its population resides, for purposes  
23 of the imposition of a local sales and service tax.

24 7. For purposes of this Act, the term "city" shall  
25 include a special charter city.

26 Sec.         . NEW SECTION. LOCAL SALES AND SERVICE  
27 TAX. A local sales and service tax at a rate of one  
28 percent may be imposed by a county on the gross  
29 receipts, except the gross receipts from the sale  
30 of any motor vehicle, machine or equipment exclusively  
31 designed for and used for agricultural purposes, taxed  
32 by the state under chapter four hundred twenty-two  
33 (422), division four (IV), of the Code. A local sales  
34 and service tax shall be imposed on the same basis  
35 as the state sales and service tax and shall not be  
36 imposed on the sale of any property or service not  
37 taxed by the state. A local sales and service tax  
38 is applicable only to transactions within the county  
39 imposing it and shall be collected by all persons  
40 required to collect state sales and service taxes.

41 The amount of the sale or service, for purposes  
42 of determining the amount of the local sales and  
43 service tax, does not include the amount of any state  
44 gross receipts tax.

45 No tax permit other than the state tax permit  
46 required under section four hundred twenty-two point  
47 fifty-three (422.53) of the Code may be required by  
48 local authorities.

49 Sec.         . NEW SECTION. ADMINISTRATION. A local  
50 sales and service tax shall be imposed on July first

1 following a favorable election by resolution of the  
2 board of supervisors.

3 The director of revenue shall administer the  
4 provisions of a local sales and service tax as nearly  
5 as possible in conjunction with the administration  
6 of state sales and service tax laws. The director  
7 shall provide appropriate forms, or provide on the  
8 regular state tax forms, for reporting local sales  
9 and service tax liability.

10 A resolution of a county board of supervisors  
11 imposing a local sales and service tax shall adopt  
12 by reference the applicable provisions of the  
13 appropriate sections of chapter four hundred twenty-  
14 two (422), division four (IV), of the Code for a local  
15 sales and service tax, and all powers of the director  
16 and requirements of the director in administering  
17 the state sales and service tax law are applicable  
18 to the administration of a local sales and service  
19 tax law including but not limited to powers to impose  
20 interest and penalties, and requirements for hearing  
21 and appeal. Local officials shall confer with the  
22 director of revenue and obtain assistance in drafting  
23 the resolution imposing a local sales and service  
24 tax. A certified copy of the resolution imposing  
25 a local sales and service tax shall be filed with  
26 the director as soon as possible after passage.

27 The director, in consultation with local officials,  
28 shall collect and account for a local sales and service  
29 tax. The director shall not retain for the use of  
30 the department of revenue any sales and service tax  
31 receipts to cover administrative expense. All local  
32 sales and service tax receipts shall be credited to  
33 a "local tax fund" hereby established in the office  
34 of the treasurer of state.

35 Sec. \_\_\_\_ . NEW SECTION. COUNTYWIDE SHARES. The  
36 treasurer of state shall credit the local sales and  
37 service tax receipts to a joint account in the local  
38 tax fund and shall remit quarterly to each city in  
39 the county a pro rata share of the joint account,  
40 based upon the percentage of its population residing  
41 in the county to the total population of the county,  
42 and to the board of supervisors a pro rata share of  
43 the joint account based upon the percentage of  
44 population in the county outside of cities, all  
45 according to the population determined by the most  
46 recent certified federal census.

47 During the last quarter of the year at the end  
48 of which the local sales and service tax will be  
49 discontinued, the treasurer of state shall withhold  
50 a percentage, as determined by the director, of the

1 local sales and service tax receipts credited to each  
2 special account. Such percentage shall be used to  
3 refund to eligible retailers any local sales and  
4 service tax paid which such retailers would be entitled  
5 to have refunded under the state sales and service  
6 tax. The treasurer of state shall withhold the  
7 percentage for one year after the discontinuance  
8 of the local sales and service tax. However, if the  
9 local sales and service tax is continued as provided  
10 in this Act, the treasurer of state shall remit the  
11 percentage withheld to the respective jurisdiction  
12 at the next quarterly remittance after the favorable  
13 election for the continuance of the local sales and  
14 service tax.

15 Sec. \_\_\_\_ . NEW SECTION. PAYMENT TO LOCAL  
16 GOVERNMENTS. The treasurer of state shall remit  
17 quarterly to the counties, and the cities within those  
18 counties, which have imposed a local sales and service  
19 tax and which have qualified under this Act, their  
20 share of the balance in the local tax fund. The local  
21 tax fund is appropriated for this purpose.

22 Sec. \_\_\_\_ . NEW SECTION. CITY PROPERTY TAX RELIEF.  
23 All local sales and service tax moneys received by  
24 a city shall be deposited in the general fund of the  
25 city and may be expended for any lawful city purpose.  
26 However, the city treasurer, or another city official  
27 designated by the council, shall credit at least fifty  
28 percent of all local sales and service tax moneys  
29 received to a special account for property tax relief.  
30 The moneys deposited in the special account for  
31 property tax relief shall be used to provide property  
32 tax relief by one of the following means:

33 1. A special homestead tax credit for each  
34 homestead which qualified for the homestead tax credit  
35 granted pursuant to section four hundred twenty-five  
36 point one (425.1) of the Code may be granted. The  
37 county auditor shall, upon the request of the city  
38 treasurer, certify to the city treasurer the number  
39 of homesteads within the limits of the city which  
40 have qualified for the homestead tax credit and a  
41 description of each qualified homestead. The city  
42 treasurer shall divide the total amount of dollars  
43 in the special account for property tax relief by  
44 the number of qualified homesteads within the corporate  
45 limits of the city to determine the pro rata amount  
46 of the special homestead tax credit to be granted  
47 to each qualified homestead, except that a taxpayer  
48 shall not receive credits in excess of his or her  
49 property tax liability. Any such excess credit shall  
50 be credited proportionately to the other qualified

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1 homesteads. The city treasurer shall certify to the  
2 county auditor the description of each qualified  
3 homestead and the amount of additional homestead tax  
4 credit each qualified homestead shall receive.

5 In any special charter city which levies and  
6 collects its own taxes, the county auditor shall,  
7 upon the request of the city clerk, certify to the  
8 city clerk the number of homesteads within the limits  
9 of the special charter city which have qualified for  
10 the homestead tax credit and a description of each  
11 qualified homestead. The city clerk shall divide  
12 the total amount of dollars in the special account  
13 for property tax relief by the number of qualified  
14 homesteads within the corporate limits of the special  
15 charter city to determine the pro rata amount of the  
16 special homestead tax credit to be granted to each  
17 qualified homestead, except that a taxpayer shall  
18 not receive credits in excess of his or her property  
19 tax liability. Any such excess credit shall be  
20 credited proportionately to the other qualified  
21 homesteads. The city clerk shall certify to the city  
22 treasurer the amount of additional homestead tax  
23 credit each qualified homestead shall receive.

24 2. Before the levies authorized under section  
25 three hundred eighty-four point one (384.1) of the  
26 Code are certified to the county auditor, the  
27 certifying official shall subtract from the total  
28 amount computed in dollars, as provided in section  
29 four hundred forty-four point two (444.2) of the Code,  
30 an amount equal to the amount credited to the special  
31 account for property tax relief during the last  
32 preceding twelve-month period, and shall certify only  
33 the net amount to the county auditor and board of  
34 supervisors. Before the levies authorized under  
35 section three hundred eighty-four point one (384.1)  
36 of the Code are certified by the city clerk in any  
37 special charter city which levies and collects its  
38 own taxes, the certifying official shall subtract  
39 from the total amount computed in dollars, as provided  
40 in section four hundred forty-four point two (444.2)  
41 of the Code, an amount equal to the amount credited  
42 to the special account for property tax relief during  
43 the last preceding twelve-month period, and shall  
44 certify only the net amount to the city treasurer  
45 and city council. The limit on a city's tax levy  
46 for the general fund, as stated in section three  
47 hundred eighty-four point one (384.1) of the Code,  
48 shall be reduced each year by the levy which would  
49 be necessary to replace the amount credited to the  
50 special account for property tax relief during the

1 last preceding twelve-month period. The county auditor  
 2 shall base the levies authorized under section four  
 3 hundred forty-four point three (444.3) of the Code  
 4 upon the net amount so computed.

5 In order for a city to be qualified to receive  
 6 remittances from the treasurer of state under this  
 7 Act, the city clerk, before July fifteenth of each  
 8 year, shall certify to the treasurer of state that  
 9 property tax relief has been provided as required  
 10 under this section.

11 Sec. \_\_\_\_ . NEW SECTION. COUNTY PROPERTY TAX RELIEF.

12 All local sales and service tax moneys received by  
 13 a county may be expended for any lawful county  
 14 government purpose. However, the county treasurer  
 15 shall credit at least fifty percent of all local sales  
 16 and service tax moneys received to a special account  
 17 for property tax relief. The moneys deposited in  
 18 the special account for property tax relief shall  
 19 be used to provide property tax relief by one of the  
 20 following means:

21 1. A special homestead tax credit for each  
 22 homestead in the entire county which qualified for  
 23 the homestead tax credit granted pursuant to section  
 24 four hundred twenty-five point one (425.1) of the  
 25 Code shall be granted. The county auditor shall  
 26 divide the total amount of dollars in the special  
 27 account for property tax relief by the number of  
 28 qualified homesteads within the entire county to  
 29 determine the pro rata amount of the special homestead  
 30 tax credit to be granted to each qualified homestead,  
 31 except that a taxpayer shall not receive credits in  
 32 excess of his or her property tax liability. Any  
 33 such excess credit shall be credited proportionately  
 34 to the other qualified homesteads.

35 2. Before the levies authorized under section  
 36 four hundred forty-four point nine (444.9) of the  
 37 Code are made, the board of supervisors shall subtract  
 38 from the total amount computed in dollars, as provided  
 39 in section four hundred forty-four point two (444.2)  
 40 of the Code, an amount equal to the amount credited  
 41 to the special account for property tax relief during  
 42 the last preceding twelve-month period, and shall  
 43 base the levies authorized under section four hundred  
 44 forty-four point nine (444.9) of the Code upon the  
 45 net amount so computed.

46 In order for a county to be qualified to receive  
 47 remittances from the treasurer of state under this  
 48 Act, the board of supervisors, before July fifteenth  
 49 of each year, shall certify to the treasurer of state  
 50 that property tax relief has been provided as required

Page 7

1 under this section."

2 2. Page 7, line 16, by inserting after the word  
 3 "property," the words "providing for local option  
 4 tax with revenues to provide property tax relief."

H-4247 FILED *Rule 11 not* BY BINA of Scott  
 MAY 18, 1977 *quorum* GILLOON of Dubuque  
*Motion to dispend*  
*rules lost 5/19 (p. 2460)* KREWSON of Polk  
*Re. lost (p. 2471)* WALTER of Pottawattamie  
 RINAS of Linn  
 GENTLEMAN of Polk

1 Amend House File 332, 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 "Sec. \_\_\_\_ Chapter twenty-four (24), Code 1977,  
6 is amended by adding the following new section:

7 NEW SECTION. If the property tax valuations  
8 effective January 1, 1978, or any succeeding year,  
9 are reduced or there is an unusually low growth rate  
10 in the property tax base of a political subdivision,  
11 the political subdivision may appeal to the state  
12 appeal board to request suspension of the statutory  
13 property tax levy limitations to continue to fund  
14 the present services provided. A political subdivision  
15 may also appeal to the state appeal board where the  
16 property tax base of the political subdivision has  
17 been reduced or there is an unusually low growth rate  
18 for any of the following reasons:

19 1. Any unusual increase in population as determined  
20 by the preceding certified federal census.

21 2. Natural disasters or other emergencies.

22 3. Unusual problems relating to major new functions  
23 required by state law.

24 4. Unusual staffing problems.

25 5. Unusual need for additional funds to permit  
26 continuance of a program which provides substantial  
27 benefit to its residents.

28 6. Unusual need for a new program which will  
29 provide substantial benefit to residents, if the  
30 political subdivision establishes the need and the  
31 amount of the necessary increased cost.

32 The state appeal board may approve or modify the  
33 request of the political subdivision for suspension  
34 of the statutory property tax levy limitations.

35 Upon decision of the state appeal board, the state  
36 comptroller shall make the necessary changes in the  
37 total budget of the political subdivision and certify  
38 the total budget to the governing body of the political  
39 subdivision and the appropriate county auditors.

40 Sec. \_\_\_\_ Chapter three hundred thirty-three  
41 (333), Code 1977, is amended by adding the following  
42 new section:

43 NEW SECTION. Each year on or before December  
44 first, the county auditor shall report to the state  
45 comptroller the valuation by class of property for  
46 each taxing district in the county on forms prescribed  
47 by the state comptroller. The valuations reported  
48 shall be those valuations used for determining the  
49 levy rates necessary to fund the budgets of the taxing  
50 districts for the following fiscal year.

1 Each county auditor shall certify to the governing  
2 body of each taxing district in the county not later  
3 than January first of each year the assessed valuations  
4 of taxable property for each taxing authority within  
5 the county as reported to the state comptroller."

6 2. Page 5, by inserting after line 21 the follow-  
7 ing new section:

8 "Sec. \_\_\_\_\_. Section four hundred twenty-six point  
9 seven (426.7), Code 1977, is amended to read as  
10 follows:

11 426.7 WARRANTS DRAWN BY COMPTROLLER. After  
12 receiving from the several county auditors of the  
13 state the certifications provided for in section  
14 426.6, and ~~on or before September 15 of~~ during the  
15 following fiscal year, the state comptroller shall  
16 draw warrants on the agricultural land credits fund  
17 created by this chapter, payable to the county  
18 treasurers of the several counties of the state in  
19 the total amount certified by the county auditors  
20 of the respective counties and mail said warrants  
21 to the county auditors of said counties in two equal  
22 payments on or before September fifteenth and March  
23 fifteenth of each fiscal year, provided that in the  
24 event the agricultural land credits fund is  
25 insufficient to pay in full the total of the amounts  
26 certified to the state comptroller on the first of  
27 June, he the state comptroller shall prorate the fund  
28 to the several county treasurers and notify the several  
29 county auditors of the pro rata percentage on or  
30 before August 4 first."

31 3. Page 5, by inserting after line 26 the following  
32 new sections:

33 "Sec. \_\_\_\_\_. Section four hundred twenty-seven A  
34 point one (427A.1), subsections three (3) and four  
35 (4), Code 1977, are amended to read as follows:

36 3. Notwithstanding the definition of "attached"  
37 in subsection 2, property of a household is neither  
38 not "attached" nor "placed for use upon the land"  
39 if it is a kind of property which would ordinarily  
40 be removed when the owner of the property moves to  
41 another location. In making this determination the  
42 assessing authority shall not take into account the  
43 intent of the particular owner.

44 4. Notwithstanding the other provisions of this  
45 section, property described in this section, if held  
46 solely for sale, lease or rent as part of a business  
47 regularly engaged in selling, leasing or renting such  
48 property, and if the property is not yet sold, leased,  
49 rented or used by any person, shall not be assessed  
50 and taxed as real property. This subsection does

not apply to any land or building.

Sec. \_\_\_\_\_. Section four hundred twenty-seven A point nine (427A.9), unnumbered paragraph two (2), Code 1977, is amended to read as follows:

The amount of the additional personal property tax credit shall be a fixed amount for each tax year. The amount of the additional personal property tax credit shall be increased for the extended tax year beginning January 1, 1974, and ending June 30, 1975, and shall be increased for each tax year immediately following a tax year in which the growth of state general fund revenues, adjusted for changes in rate or basis, exceeds five and one-half percent, except that the amount of the additional personal property tax credit for taxes payable in each year of the fiscal period beginning July 1, 1977 and ending June 30, 1978 shall not exceed the amount of the additional personal property tax credit allowed for taxes payable in the fiscal year beginning July 1, 1976 and ending June 30, 1977. An increase in the additional personal property tax credit, once granted, shall continue for each succeeding tax year. For the purposes of this chapter the state comptroller may estimate the state percent of growth if necessary to avoid delay in the collection of taxes. After nine such increases have been made, all taxes on personal property shall be repealed as provided in the following section. The director of revenue and the state comptroller, jointly, shall determine the amount of the credit for each such tax year. Such amount shall be the maximum amount, rounded to the nearest ten dollars, which will permit complete funding of the replacement obligation under this division, including the replacement obligation for the tax credit granted pursuant to sections 427A.1 to 427A.5, out of the appropriation provided in this chapter.

Sec. \_\_\_\_\_. Section four hundred forty-one point twenty-one (441.21), subsection one (1), unnumbered paragraph one (1), Code 1977, is amended to read as follows:

All real and tangible personal property subject to taxation shall be valued at its actual value which shall be entered opposite each item, and except as otherwise provided herein for agricultural and residential property shall be assessed at one hundred percent of such actual value, and such value so assessed shall be taken and considered as the assessed value and taxable value of such property upon which the levy shall be made.

Sec. \_\_\_\_\_. Section four hundred forty-one point

1 twenty-one (441.21), subsection one (1), Code 1977,  
2 is amended by inserting after unnumbered paragraph  
3 five (5) the following new unnumbered paragraph:

4 NEW UNNUMBERED PARAGRAPH. Notwithstanding the  
5 provisions of this section, in assessing and  
6 determining the actual value of agricultural property  
7 as of January 1, 1978, and January 1, 1979, the actual  
8 value of agricultural property shall be determined  
9 on the basis of productivity and net earning capacity  
10 of the property determined on the basis of its use  
11 for agricultural purposes capitalized at a rate of  
12 seven percent and applied uniformly among counties  
13 and among classes of property.

14 Sec. \_\_\_\_\_. Section four hundred forty-one point  
15 twenty-one (441.21), subsection one (1), Code 1977,  
16 is amended by adding the following new unnumbered  
17 paragraphs:

18 NEW UNNUMBERED PARAGRAPH. For valuations  
19 established as of January 1, 1978, agricultural and  
20 residential property shall be assessed at a percentage  
21 of the actual value of such property. The percentage  
22 shall be determined by the director of revenue for  
23 each assessing jurisdiction in the state in accordance  
24 with the provisions of this section. For valuations  
25 established as of January 1, 1978, the percentage  
26 shall be the quotient of the dividend and divisor  
27 as defined in this section. The dividend shall be  
28 the total equalized value of such property in the  
29 assessing jurisdiction in 1975, adjusted for additions  
30 or deletions to said value, excluding those resulting  
31 from the revaluation of existing properties, as  
32 reported by the assessor on the abstracts of assessment  
33 submitted in 1976 and 1977, plus ~~seven and one-half~~  
34 percent of the 1975 equalized value of such property  
35 or the amount of value added by the revaluation of  
36 existing properties in 1976, 1977 and 1978 whichever  
37 is less. The divisor shall be the total value of  
38 such property in the assessing jurisdiction as reported  
39 by the assessor on the abstract of assessment submitted  
40 in 1977, plus the amount of value added in 1978 by  
41 the revaluation of existing properties.

42 NEW UNNUMBERED PARAGRAPH. For valuations  
43 established as of January 1, 1979, the percentage  
44 of actual value at which agricultural and residential  
45 property shall be assessed shall be the quotient of  
46 the dividend and divisor as defined in this section.  
47 The dividend shall be the dividend as determined for  
48 valuations established as of January 1, 1978, adjusted  
49 by the product obtained by multiplying the percentage  
50 determined for that year by the amount of any additions

1 or deletions to actual value, excluding those resulting  
2 from the revaluation of existing properties, as  
3 reported by the assessor on the abstract of assessment  
4 for 1978, plus seven and one-half percent of the  
5 amount so determined. The divisor shall be the total  
6 actual value of all such property in the assessing  
7 jurisdiction in the preceding year, as reported by  
8 the assessor on the abstract of assessment submitted  
9 for 1978, plus the amount of value added to said total  
10 actual value by the revaluation of existing properties  
11 in 1979. The director shall utilize information  
12 reported on abstracts of assessment submitted pursuant  
13 to section four hundred forty-one point forty-five  
14 (441.45) of the Code in determining such percentage.

15 NEW UNNUMBERED PARAGRAPH. For valuations estab-  
16 lished as of January 1, 1980 and succeeding years,  
17 the percentage of actual value at which agricultural  
18 structures shall be assessed shall be the same  
19 percentage applied to compute the assessed value of  
20 residential property.

21 NEW UNNUMBERED PARAGRAPH. Not later than November  
22 1, 1978, and November 1, 1979, the director shall  
23 certify to the county auditor of each county the  
24 percentages of actual value at which residential and  
25 agricultural property in each assessing jurisdiction  
26 in the county shall be assessed for taxation. The  
27 county auditor shall proceed to determine the assessed  
28 values of agricultural and residential property by  
29 applying such percentages to the current actual value  
30 of such property, as reported to the county auditor  
31 by the assessor, and the assessed values so determined  
32 shall be the taxable values of such properties upon  
33 which the levy shall be made.

34 Sec. \_\_\_\_\_. Section four hundred forty-one point  
35 twenty-six (441.26), Code 1977, is amended by adding  
36 the following new unnumbered paragraph:

37 NEW UNNUMBERED PARAGRAPH. Beginning with valuations  
38 for January 1, 1977 and each succeeding year, for  
39 each parcel of property entered in the assessment  
40 book, the assessor shall list the classification of  
41 the property.

42 Sec. \_\_\_\_\_. Section four hundred forty-two point  
43 two (442.2), unnumbered paragraph one (1), Code 1977,  
44 is amended to read as follows:

45 Each school district shall cause to be levied each  
46 year, for the school general fund, a foundation prop-  
47 erty tax of five dollars and forty cents per thousand  
48 dollars of assessed valuation on all taxable property  
49 in the district. For the purpose of this chapter,  
50 a school district is defined as a school corporation

1 organized under chapter 274. Each county auditor  
2 shall certify to each school district within the  
3 county and to the state comptroller, not later than  
4 January 1 each year, the assessed valuation of taxable  
5 property for the current year in each school district  
6 within the county.

7 Sec. \_\_\_\_\_. TASK FORCE CREATED. There is established  
8 a task force on taxation composed of six members.

9 Of the six members, three shall be appointed by the  
10 governor and three shall be appointed by the  
11 legislative council. All members shall be appointed  
12 not later than June 30, 1977. Any vacancy in the  
13 membership of the task force shall be filled by  
14 appointment in the same manner as the original  
15 appointments.

16 Members of the task force shall receive a per diem  
17 of forty dollars and their actual and necessary  
18 expenses.

19 Sec. \_\_\_\_\_. DUTIES. The task force on taxation  
20 shall conduct a study of the present taxing system  
21 in this state. The study shall include, but not be  
22 limited to, the following:

23 1. The present system of state and local taxes  
24 to determine the relative burden of the present tax  
25 structure on the various segments of the state's  
26 populace.

27 2. How different types and classes of property  
28 should be valued and equalized for property tax  
29 assessment purposes.

30 3. Whether budget limitations should be imposed  
31 permanently on the political subdivisions of this  
32 state.

33 4. Which taxes may presently bear too great a  
34 burden of the taxes and which taxes may bear too small  
35 a burden.

36 Sec. \_\_\_\_\_. STAFF. The task force on taxation shall  
37 employ a consultant to assist it in carrying out its  
38 duties and may request the assistance of any state  
39 agency to obtain such data and other information which  
40 the task force deems necessary to carry out its duties.

41 Sec. \_\_\_\_\_. REPORT. The task force shall transmit  
42 copies of its final report to the governor and the  
43 members of the Sixty-seventh General Assembly not  
44 later than June 30, 1978. The final report shall  
45 include findings of fact and its recommendations.

46 Sec. \_\_\_\_\_. APPROPRIATION. There is appropriated  
47 from the general fund of the state to the office of  
48 the state comptroller the sum of two hundred thousand  
49 (200,000) dollars, or so much thereof as may be  
50 necessary, for the fiscal year beginning July 1, 1977

1 and ending June 30, 1978, for the purpose of the  
2 employment of such professional, technical and  
3 administrative staff and assistance on such basis  
4 as shall be determined by the task force and for such  
5 other expenses as shall be necessary to accomplish  
6 the purpose of this Act, including per diem and actual  
7 expenses incurred by task force members."

8 4. Amend the title, line 1, by striking everything  
9 after the word "Act" and inserting in lieu thereof  
10 the words "relating to property taxation by providing  
11 additional property tax credits for property owners  
12 by increasing the homestead tax credit and the  
13 agricultural land tax credit, providing a temporary  
14 delay in the phaseout of personal property taxes,  
15 making changes in the procedures for assessment and  
16 valuation of certain taxable property, creating a  
17 task force on taxation, making appropriations, and  
18 making certain provisions of this Act retroactive."

H-4176 FILED  
RECEIVED FROM SENATE  
MAY 13, 1977

*added (4274, 4290, 4294, 4308) and concurred 5/19 (p. 2472)*

H-4203

HOUSE FILE 332

1 Amend the Senate amendment H-4176 to House  
2 File 332 as amended, passed, and reprinted by the  
3 House as follows:  
4 1. Page 7, by inserting after line 7 the  
5 following:

6 "\_\_\_\_\_. Page 5, by inserting after line 26 the  
7 following:  
8 Sec. \_\_\_\_\_. Chapter six hundred ten (610), Code  
9 1977, is amended by adding the following new  
10 section:

11 NEW SECTION. Whenever a written opinion respect-  
12 ing the history or present condition of, or the  
13 status with reference to liens or encumbrances upon,  
14 the title to real property, commonly known as a title  
15 opinion, is issued by an attorney in connection with  
16 the execution of a mortgage upon real property located  
17 in this state, the warranties contained in that  
18 opinion shall extend to both the mortgagor and the  
19 mortgagee, whether or not in privity of contract with  
20 the attorney. The provisions of this section shall  
21 not be subject to limitation or modification by  
22 agreement."

H-4203 FILED - *W. D. 5/19*  
MAY 16, 1977 (*p. 2462*)

BY CONNORS of Polk

S-3587

1 Amend the Rodgers et al. amendment, S-3570, to  
 2 House File 332, as amended, passed and reprinted by  
 3 the House as follows:

4 1. Page 6, by striking lines 47 through page  
 5 7, line 7 and inserting in lieu thereof the following:  
 6 "a task force on taxation composed of the state  
 7 comptroller, the director of the department of revenue  
 8 and the director of the legislative fiscal bureau."

9 2. Page 7, lines 25 and 26, by striking the words  
 10 "shall employ a" and inserting in lieu thereof the  
 11 words "may request the assistance of any".

12 3. Page 7, line 33, by striking the word and  
 13 figure "June 30" and inserting in lieu thereof the  
 14 word and figure "January 9".

15 4. Page 7, lines 45 and 46, by striking the words  
 16 ", including per diem and actual expenses incurred  
 17 by task force members".

S-3587 FILED & LOST (1492) BY DALE L. TIEDEN  
 MAY 12, 1977

## HOUSE FILE 332

H-4226

1 Amend the Senate amendment, H-4176, to House File  
 2 332, as amended, passed, and reprinted by the House,  
 3 as follows:

4 1. Page 3, line 44, by striking the words  
 5 "agricultural and".

6 2. Page 4, line 19, by striking the words  
 7 "agricultural and".

8 3. Page 4, line 44, by striking the words  
 9 "agricultural and".

10 4. Page 5, lines 24 and 25, by striking the words  
 11 "and agricultural".

12 5. Page 5, line 28, by striking the words  
 13 "agricultural and".

H-4226 FILED *Lost 5/19* BY LIPSKY of Linn  
 MAY 17, 1977 *(p. 2457)*

S-3588

1 Amend the Rodgers et al amendment, S-3570, to House  
2 File 332, as amended, passed, and reprinted by the  
3 House, as follows:

4 1. Page 3, by striking lines 21 through 46 and  
5 inserting in lieu thereof the following:

6 "427A.13 APPROPRIATION. There is hereby  
7 appropriated from the general fund of the state of  
8 Iowa to the personal property tax replacement fund  
9 the following sums, or so much thereof as may be  
10 necessary, to carry out the provisions of this chapter  
11 as amended by this division. For the fiscal year  
12 beginning July 1, 1973, and ending June 30, 1974,  
13 there is appropriated the sum of thirty-one million  
14 nine hundred thousand dollars. For the fiscal year  
15 beginning July 1, 1974, and ending June 30, 1975,  
16 and each succeeding fiscal year, there is appropriated  
17 the sum of thirty-five million seven hundred thousand  
18 dollars. For each year of the fiscal period beginning  
19 July 1, 1977 and ending June 30, 1978 the total  
20 appropriation shall be thirty-eight million six hundred  
21 thousand dollars and for each fiscal year for which  
22 an increase in the additional personal property tax  
23 credit becomes effective as provided in this division,  
24 the appropriation under this section shall be increased  
25 by three million eight hundred thousand dollars, and  
26 such increased appropriation shall continue for each  
27 succeeding fiscal year. For the fiscal year for which  
28 the ninth increase in the additional personal property  
29 tax credit becomes effective as provided in this  
30 division, and for each succeeding fiscal year, the  
31 total appropriation shall be sixty-eight million  
32 dollars per year."

S-3588 FILED - *Out of order* BY NORMAN G. RODGERS  
MAY 12, 1977 *5/12 (P. 1495)*

1 Amend House File 332, as amended, passed, and re-  
2 printed by the House, as follows:

3 1. Page 4, by inserting after line 1, the follow-  
4 ing sections:

5 "Sec. \_\_\_\_\_. Section four hundred twenty-five point  
6 seventeen (425.17), subsections five (5) and nine  
7 (9), Code 1977, are amended to read as follows:

8 5. "Claimant" means a person filing a claim for  
9 reimbursement under this division who has attained  
10 the age of ~~sixty-five~~ eighteen years on or before  
11 December 31 ~~thirty-first~~ of the base year or who is  
12 ~~a surviving spouse having attained the age of fifty-~~  
13 ~~five years on or before December 31 of the base year,~~  
14 ~~or who is totally disabled and was totally disabled~~  
15 ~~on or before December 31 of the base~~ and has not been  
16 claimed as a dependent by another person on a state  
17 income tax return filed in the preceding calendar  
18 year, and was domiciled in this state during the  
19 entire base year and is domiciled in this state at  
20 the time the claim is filed. "Claimant" includes  
21 a vendee in possession under a contract for deed and  
22 may include one or more joint tenants or tenants in  
23 common. In the case of a claim for rent constituting  
24 property taxes paid, the claimant shall have rented  
25 the property during any part of the base year. When  
26 two persons of a household are able to meet the  
27 qualifications for a claimant, they may determine  
28 between them who will be the claimant. If they are  
29 unable to agree, the matter shall be referred to the  
30 director of revenue not later than July 31 ~~thirty-~~  
31 first of each year and his decision shall be final.  
32 If a homestead is occupied by two or more persons,  
33 and more than one person is able to qualify as a  
34 claimant, and some or all of the qualified persons  
35 are not related, the persons may determine among them  
36 who will be the claimant. If they are unable to  
37 agree, the matter shall be referred to the director  
38 of revenue not later than July 31 ~~thirty-first~~ of  
39 each year and his decision shall be final.

40 9. "Property taxes paid" means property taxes  
41 including one-half of any special assessments, but  
42 exclusive of delinquent interest and charges for  
43 services, paid on a claimant's homestead in this  
44 state, but includes only property taxes for which  
45 the claimant was liable and which were actually paid  
46 by the claimant. If the property taxes have actually  
47 been paid, they shall be deemed to have been paid  
48 when due, regardless of the date of actual payment.  
49 "Property taxes paid" shall be computed with no  
50 deduction for any credit under this division or for

1 any homestead credit allowed under section 425.1.  
2 Claims for property tax reimbursement filed in 1974  
3 shall be based upon the property taxes paid in 1973.  
4 Claims for property tax reimbursement filed in 1975  
5 shall be limited to two-thirds of the property taxes  
6 paid in 1974 and the first one-half of 1975. Each  
7 year thereafter, each claim shall be based upon the  
8 taxes paid during the base year. If a homestead is  
9 owned by two or more persons as joint tenants or  
10 tenants in common, and one or more persons are not  
11 a member of claimant's household, "property taxes  
12 paid" is that part of property taxes paid on the  
13 homestead which equals the ownership percentage of  
14 the claimant and his household. The county treasurer  
15 shall include with the tax receipt a statement that  
16 if the owner of the property is sixty-five eighteen  
17 years of age or over or is totally disabled, or is  
18 a surviving spouse of such person who is over the  
19 age of fifty-five years of age and has not been claimed  
20 as a dependent by another person on a state income  
21 tax return filed in the preceding calendar year, the  
22 person may be eligible for the credit allowed under  
23 this division. If a claimant changes his homestead,  
24 this shall not prevent him from filing a claim based  
25 on property taxes for which the claimant was liable  
26 and which were actually paid by the claimant, but  
27 duplication of claims shall not be allowed. If a  
28 homestead is an integral part of a farm, the claimant  
29 may use the total property taxes paid for the larger  
30 unit, but not exceeding forty acres of land. If a  
31 homestead is an integral part of a multidwelling or  
32 multipurpose building the property taxes paid for  
33 the purpose of this subsection shall be prorated to  
34 reflect the portion which the value of the property  
35 that the household occupies as its homestead is to  
36 the value of the entire structure. For purposes of  
37 this subsection, "unit" refers to that parcel of  
38 property covered by a single tax statement of which  
39 the homestead is a part.

40 Sec. \_\_\_\_\_. Section four hundred twenty-five point  
41 seventeen (425.17), Code 1977, is amended by adding  
42 the following new subsection:

43 NEW SUBSECTION. "Investment income" means that  
44 income derived from rental property, income which  
45 is received in the form of interest or dividends and  
46 any other income received from the investment of  
47 capital whether or not such income is subject to  
48 taxation.

49 Sec. \_\_\_\_\_. Section four hundred twenty-five point  
50 seventeen (425.17), Code 1977, is amended by striking

1 subsection six (6).

2 Sec. \_\_\_\_\_. Section four hundred twenty-five point  
3 twenty-three (425.23), subsection one (1), Code 1977,  
4 is amended by striking the subsection and inserting  
5 in lieu thereof the following:

6 1. The tentative reimbursement shall be determined  
7 according to the following schedule:

8	9	10	Percent of property taxes paid or rent consti-					
			tuting property taxes paid allowed as a reim-					
11	12	13	bursement for various household sizes:					
14	15	16	1 per-	2 per-	3 per-	4 per-	5 per-	6 or more
17	18	19	son-	sons-	sons-	sons	sons-	persons
20	\$ - 0-	999.99..	100%	100%	100%	100%	100%	100%
21	1,000-	1,999.99..	100	100	100	100	100	100
22	2,000-	2,999.99..	90	90	90	90	90	90
23	3,000-	3,999.99..	75	80	80	80	80	85
24	4,000-	4,999.99..	60	65	65	70	75	80
25	5,000-	5,999.99..	45	55	55	60	65	70
26	6,000-	6,999.99..	30	40	45	50	55	60
27	7,000-	7,999.99..	---	30	40	45	50	55
28	8,000-	8,999.99..	---	25	35	40	45	50
29	9,000-	9,999.99..	---	---	30	35	40	45
30	10,000-	10,999.99..	---	---	25	30	35	40
31	11,000-	11,999.99..	---	---	---	25	30	35
32	12,000-	12,999.99..	---	---	---	---	25	30
33	13,000-	13,999.99..	---	---	---	---	---	25

34 Sec. \_\_\_\_\_. Section four hundred twenty-five point  
35 twenty-six (425.26), subsection one (1), Code 1977,  
36 is amended to read as follows:

37 1. ~~Age and total disability, if any;~~

38 Sec. \_\_\_\_\_. Section four hundred twenty-five point  
39 twenty-six (425.26), Code 1977, is amended by striking  
40 subsection nine (9)."

41 2. Page 4, line 3, by striking the word "section"  
42 and inserting in lieu thereof the word "sections".

43 3. Page 4, by inserting after line 3, the follow-  
44 ing:

45 "NEW SECTION. INVESTMENT INCOME. If a claimant  
46 receives investment income in excess of two thousand  
47 five hundred dollars during the base year, an amount  
48 equal to ten percent of the investment income shall  
49 be credited against the amount of property taxes paid  
50 or rent constituting property taxes paid during the  
base year or the maximum property tax provided in  
section four hundred twenty-five point twenty-four  
(425.24) of the Code, whichever is less, and the  
amount of reimbursement for property taxes paid or  
rent constituting property taxes paid shall be computed  
on the difference."

4. Page 5, by inserting after line 21 the following

S-3585

PAGE 4

1 new section:

2 "Sec. \_\_\_\_\_. Chapter four hundred twenty-six (426),  
3 Code 1977, is amended by adding the following new  
4 section:

5 NEW SECTION. The credit authorized under this  
6 chapter shall only be applied to those agricultural  
7 lands operated as a family farm or by a family farm  
8 corporation as defined in section one hundred seventy-  
9 two C point one (172C.1) of the Code. For purposes  
10 of this chapter, "family farm" means a farming  
11 operation owned and operated by persons related to  
12 each other as spouse, parent, grandparent, lineal  
13 ascendants of grandparents or their spouses and other  
14 lineal descendants of the grandparents or their  
15 spouses, or persons acting in a fiduciary capacity  
16 for persons so related and engaged in farming as  
17 defined in section one hundred seventy-two C point  
18 one (172C.1) of the Code."

S-3585 FILED & LOST (p. 1496) BY JOAN ORR  
MAY 12, 1977 MINNETTE DODERER

HOUSE FILE 332

S-3586

1 Amend the Rodgers, et. al. amendment, S-3570,  
2 to House File 332, as amended, passed, and reprinted  
3 by the House, as follows:  
4 1. Page 6, by striking line 46 through page 7,  
5 line 46.  
6 2. Page 8, lines 5 and 6, by striking the  
7 words, "creating a task force on taxation,".

S-3586 FILED & LOST (1491) BY ROLF V. CRAFT  
MAY 12, 1977

S-3584

1 Amend the Rodgers et al amendment, S-3570, to House  
2 File 332, as amended, passed, and reprinted by the  
3 House, as follows:

4 1. Page 3, by striking lines 21 through 46 and  
5 inserting in lieu thereof the following:

6 "427A.13 APPROPRIATION. There is hereby  
7 appropriated from the general fund of the state of  
8 Iowa to the personal property tax replacement fund  
9 the following sums, or so much thereof as may be  
10 necessary, to carry out the provisions of this chapter  
11 as amended by this division. For the fiscal year  
12 beginning July 1, 1973, and ending June 30, 1974,  
13 there is appropriated the sum of thirty-one million  
14 nine hundred thousand dollars. For the fiscal year  
15 beginning July 1, 1974, and ending June 30, 1975,  
16 and each succeeding fiscal year, there is appropriated  
17 the sum of thirty-five million seven hundred thousand  
18 dollars. For each year of the fiscal period beginning  
19 July 1, 1977 and ending June 30, 1979 the total  
20 appropriation shall be thirty-eight million six hundred  
21 thousand dollars and for each fiscal year for which  
22 an increase in the additional personal property tax  
23 credit becomes effective as provided in this division,  
24 the appropriation under this section shall be increased  
25 by three million eight hundred thousand dollars, and  
26 such increased appropriation shall continue for each  
27 succeeding fiscal year. For the fiscal year for which  
28 the ninth increase in the additional personal property  
29 tax credit becomes effective as provided in this  
30 division, and for each succeeding fiscal year, the  
31 total appropriation shall be sixty-eight million  
32 dollars per year."

S-3584 FILED & ADOPTED BY NORMAN G. RODGERS  
MAY 12, 1977 (p. 1491)

*Reconsidered & Withdrawn (p. 1494)*

HOUSE FILE 332

S-3583

1 Amend the Rodgers et al. amendment, S-3570, to  
2 House File 332, as amended, passed and reprinted by  
3 the House as follows:

4 1. Page 2, line 4, by striking the word  
5 "district" and inserting in lieu thereof the word  
6 "authority".

S-3583 FILED & ADOPTED (1491) BY EARL M. WILLITS  
MAY 12, 1977 NORMAN G. RODGERS

S-3582

- 1 Amend the Rodgers et al amendment, S-3570, to House  
2 File 332, as amended, passed, and reprinted by the  
3 House, as follows:
- 4 1. Page 4, by striking lines 10 through 35.
  - 5 2. Page 4, by striking lines 40 through 49 and  
6 inserting in lieu thereof the following:  
7 "NEW UNNUMBERED PARAGRAPH. Notwithstanding the  
8 provisions of this section, in assessing and  
9 determining the actual value of agricultural property  
10 as of January 1, 1978, and January 1, 1979, the actual  
11 value of agricultural property shall be determined  
12 on the basis of productivity and net earning capacity  
13 of the property determined on the basis of its use  
14 for agricultural purposes capitalized at a rate of  
15 seven percent and applied uniformly among counties  
16 and among classes of property."
  - 17 3. Page 5, line 29, by striking the words "and  
18 each succeeding".
  - 19 4. Page 5, line 30, by striking the word "year,".
  - 20 5. Page 5, line 35, by striking the words "January  
21 first of the preceding year" and inserting in lieu  
22 thereof the word and figures "January 1, 1978".
  - 23 6. Page 5, line 37, by striking the word  
24 "preceding" and inserting in lieu thereof the word  
25 "that".
  - 26 7. Page 5, line 41, by striking the words "the  
27 preceding year" and inserting in lieu thereof the  
28 figure "1978".
  - 29 8. Page 5, line 46, by striking the words "the  
30 preceding year" and inserting in lieu thereof the  
31 figure "1978".
  - 32 9. Page 5, lines 48 and 49, by striking the words  
33 "the current year" and inserting in lieu thereof the  
34 figure "1979".
  - 35 10. Page 6, line 10, by striking the words  
36 "November first of each succeeding year" and inserting  
37 in lieu thereof the word and figures "November 1,  
38 1979".

S-3582 FILED & ADOPTED (1490) BY GEORGE R. KINLEY  
MAY 12, 1977 PHILIP B. HILL

HOUSE FILE 332

S-3580

- 1 Amend the Rodgers et al amendment, S-3570, to House
- 2 File 332, as amended, passed, and reprinted by the
- 3 House, as follows:
- 4 1. Page 5, line 29, by striking the words "and
- 5 each succeeding".
- 6 2. Page 5, line 30, by striking the word "year,".
- 7 3. Page 5, line 35, by striking the words "January
- 8 first of the preceding year" and inserting in lieu
- 9 thereof the word and figures "January 1, 1978".
- 10 4. Page 5, line 37, by striking the word
- 11 "preceding" and inserting in lieu thereof the word
- 12 "that".
- 13 5. Page 5, line 41, by striking the words "the
- 14 preceding year" and inserting in lieu thereof the
- 15 figure "1978".
- 16 6. Page 5, line 46, by striking the words "the
- 17 preceding year" and inserting in lieu thereof the
- 18 figure "1978".
- 19 7. Page 5, lines 48 and 49, by striking the words
- 20 "the current year" and inserting in lieu thereof the
- 21 figure "1979".
- 22 8. Page 6, line 10, by striking the words "November
- 23 first of each succeeding year" and inserting in lieu
- 24 thereof the word and figures "November 1, 1979".

S-3580 FILED & WITHDRAWN  
MAY 12, 1977

BY GEORGE R. KINLEY  
PHILIP B. HILL

HOUSE FILE 332

S-3581

- 1 Amend the Rodgers et al. amendment, S-3570 to
- 2 House File 332, as amended, passed and reprinted by
- 3 the House as follows:
- 4 1. Page 4, by striking lines 29 through 31
- 5 and inserting in lieu thereof the following:
- 6 ~~"Notwithstanding-any-other-provision-of-this~~
- 7 ~~section,-the-actual-value-of-any-property-shall-not~~
- 8 ~~exceed-its-fair-and-reasonable-market-value".~~
- 9 2. Page 4, line 35, by striking the period
- 10 and inserting in lieu thereof the following: "-".

S-3581 FILED & ADOPTED (p. 14 90) BY EUGENE M. HILL  
MAY 12, 1977

HOUSE FILE 332

S-3574

1 Amend the Senate Amendment S-3570 to House File 332,  
2 as amended, passed, and reprinted by the House, as  
3 follows:  
4 1. Page 1, by striking lines 7 through 14 and  
5 inserting in lieu thereof the following:  
6 NEW SECTION. If the property tax valuations effec-  
7 tive January 1, 1978, or any succeeding year, are  
8 reduced or there is an unusually low growth rate in  
9 the property tax base of the political subdivision,  
10 the political subdivision may exceed the statutory  
11 property tax levy limitations to the extent that the  
12 budget does not exceed the allowable growth authorized  
13 by Chapter One Thousand Sixty-seven (1067), Acts of  
14 the Sixty-sixth General Assembly, 1976 Session. A  
15 political subdivision

S-3574 FILED & WITHDRAWN BY C. W. HUTCHINS  
MAY 12, 1977 (p. 1489)

HOUSE FILE 332

S-3577

1 Amend the Rodgers et al amendment S-3570 to House  
2 File 332, as amended, passed, and reprinted by the House  
3 as follows:  
4 1. Page 2, line 48, by striking the figure "1979"  
5 and inserting in lieu thereof the figure "1978".  
6 2. Page 3, line 44, by striking the figure "1979"  
7 and inserting in lieu thereof the figure "1978".

S-3577 FILED & LOST (p. 1489) BY BASS VAN GILST  
MAY 12, 1977 JOHN NYSTROM  
RECONSIDERED & ADOPTED (p. 1494) MILO MERRITT  
KEVIN KELLY  
WILLARD HANSEN  
CLOYD ROBINSON

1 Amend House File 332, as amended, passed, and re-  
2 printed by the House, as follows:

3 1. Page 4, by inserting after line 1, the follow-  
4 ing sections:

5 "Sec. \_\_\_\_\_. Section four hundred twenty-five point  
6 seventeen (425.17), subsections five (5) and nine  
7 (9), Code 1977, are amended to read as follows:

8 5. "Claimant" means a person filing a claim for  
9 reimbursement under this division who has attained  
10 the age of ~~sixty-five~~ eighteen years on or before  
11 December 31 ~~thirty-first~~ of the base year or who is  
12 ~~a surviving spouse having attained the age of fifty-~~  
13 ~~five years on or before December 31 of the base year~~  
14 ~~or who is totally disabled and was totally disabled~~  
15 ~~on or before December 31 of the base~~ and has not been  
16 claimed as a dependant by another person on a state  
17 income tax return filed in the preceding calendar  
18 year, and was domiciled in this state during the  
19 entire base year and is domiciled in this state at  
20 the time the claim is filed. "Claimant" includes  
21 a vendee in possession under a contract for deed and  
22 may include one or more joint tenants or tenants in  
23 common. In the case of a claim for rent constituting  
24 property taxes paid, the claimant shall have rented  
25 the property during any part of the base year. When  
26 two persons of a household are able to meet the  
27 qualifications for a claimant, they may determine  
28 between them who will be the claimant. If they are  
29 unable to agree, the matter shall be referred to the  
30 director of revenue not later than July 31 ~~thirty-~~  
31 ~~first~~ of each year and his decision shall be final.  
32 If a homestead is occupied by two or more persons,  
33 and more than one person is able to qualify as a  
34 claimant, and some or all of the qualified persons  
35 are not related, the persons may determine among them  
36 who will be the claimant. If they are unable to  
37 agree, the matter shall be referred to the director  
38 of revenue not later than July 31 ~~thirty-first~~ of  
39 each year and his decision shall be final.

40 9. "Property taxes paid" means property taxes  
41 including one-half of any special assessments, but  
42 exclusive of delinquent interest and charges for  
43 services, paid on a claimant's homestead in this  
44 state, but includes only property taxes for which  
45 the claimant was liable and which were actually paid  
46 by the claimant. If the property taxes have actually  
47 been paid, they shall be deemed to have been paid  
48 when due, regardless of the date of actual payment.  
49 "Property taxes paid" shall be computed with no  
50 deduction for any credit under this division or for

1 any homestead credit allowed under section 425.1.  
2 Claims for property tax reimbursement filed in 1974  
3 shall be based upon the property taxes paid in 1973.  
4 Claims for property tax reimbursement filed in 1975  
5 shall be limited to two-thirds of the property taxes  
6 paid in 1974 and the first one-half of 1975. Each  
7 year thereafter, each claim shall be based upon the  
8 taxes paid during the base year. If a homestead is  
9 owned by two or more persons as joint tenants or  
10 tenants in common, and one or more persons are not  
11 a member of claimant's household, "property taxes  
12 paid" is that part of property taxes paid on the  
13 homestead which equals the ownership percentage of  
14 the claimant and his household. The county treasurer  
15 shall include with the tax receipt a statement that  
16 if the owner of the property is ~~sixty-five~~ eighteen  
17 ~~years of age or over or is totally disabled, or is~~  
18 ~~a surviving spouse of such person who is over the~~  
19 ~~age of fifty-five years of age~~ and has not been claimed  
20 as a dependent by another person on a state income  
21 tax return filed in the preceding calendar year, the  
22 person may be eligible for the credit allowed under  
23 this division. If a claimant changes his homestead,  
24 this shall not prevent him from filing a claim based  
25 on property taxes for which the claimant was liable  
26 and which were actually paid by the claimant, but  
27 duplication of claims shall not be allowed. If a  
28 homestead is an integral part of a farm, the claimant  
29 may use the total property taxes paid for the larger  
30 unit, but not exceeding forty acres of land. If a  
31 homestead is an integral part of a multidwelling or  
32 multipurpose building the property taxes paid for  
33 the purpose of this subsection shall be prorated to  
34 reflect the portion which the value of the property  
35 that the household occupies as its homestead is to  
36 the value of the entire structure. For purposes of  
37 this subsection, "unit" refers to that parcel of  
38 property covered by a single tax statement of which  
39 the homestead is a part.

40 Sec. \_\_\_\_\_. Section four hundred twenty-five point  
41 seventeen (425.17), Code 1977, is amended by adding  
42 the following new subsection:

43 NEW SUBSECTION. "Investment income" means that  
44 income derived from rental property, income which  
45 is received in the form of interest or dividends and  
46 any other income received from the investment of  
47 capital whether or not such income is subject to  
48 taxation.

49 Sec. \_\_\_\_\_. Section four hundred twenty-five point  
50 seventeen (425.17), Code 1977, is amended by striking

S-3576  
PAGE 3

1 subsection six (6).

2 Sec. \_\_\_\_\_. Section four hundred twenty-five point  
3 twenty-three (425.23), subsection one (1), Code 1977,  
4 is amended by striking the subsection and inserting  
5 in lieu thereof the following:

6 1. The tentative reimbursement shall be determined  
7 according to the following schedule:

		Percent of property taxes paid or rent consti- tuting property taxes paid allowed as a reim- bursement for various household sizes:					
If the household income is:		1 per-	2 per-	3 per-	4 per-	5 per-	6 or more
		<u>son</u>	<u>sons</u>	<u>sons</u>	<u>sons</u>	<u>sons</u>	<u>persons</u>
\$	0- 999.99..	100%	100%	100%	100%	100%	100%
	1,000- 1,999.99..	100	100	100	100	100	100
	2,000- 2,999.99..	90	90	90	90	90	90
	3,000- 3,999.99..	75	80	80	80	80	85
	4,000- 4,999.99..	60	65	65	70	75	80
	5,000- 5,999.99..	45	55	55	60	65	70
	6,000- 6,999.99..	30	40	45	50	55	60
	7,000- 7,999.99..	--	30	40	45	50	55
	8,000- 8,999.99..	--	25	35	40	45	50
	9,000- 9,999.99..	--	--	30	35	40	45
	10,000-10,999.99..	--	--	25	30	35	40
	11,000-11,999.99..	--	--	--	25	30	35
	12,000-12,999.99..	--	--	--	--	25	30
	13,000-13,999.99..	--	--	--	--	--	25

27 Sec. \_\_\_\_\_. Section four hundred twenty-five point  
28 twenty-six (425.26), subsection one (1), Code 1977,  
29 is amended to read as follows:

30 1. ~~Age and total disability, if any;~~

31 Sec. \_\_\_\_\_. Section four hundred twenty-five point  
32 twenty-six (425.26), Code 1977, is amended by striking  
33 subsection nine (9)."

34 2. Page 4, line 3, by striking the word "section"  
35 and inserting in lieu thereof the word "sections".

36 3. Page 4, by inserting after line 3, the follow-  
37 ing:

38 "NEW SECTION. INVESTMENT INCOME. If a claimant  
39 receives investment income in excess of two thousand  
40 five hundred dollars during the base year, an amount  
41 equal to ten percent of the investment income shall  
42 be credited against the amount of property taxes paid  
43 or rent constituting property taxes paid during the  
44 base year or the maximum property tax provided in  
45 section four hundred twenty-five point twenty-four  
46 (425.24) of the Code, whichever is less, and the  
47 amount of reimbursement for property taxes paid or  
48 rent constituting property taxes paid shall be computed  
49 on the difference."

50 4. Page 5, by inserting after line 21 the following

1 new section:

2 "Sec. \_\_\_\_\_. Chapter four hundred twenty-six (426),  
3 Code 1977, is amended by adding the following new  
4 subsection:

5 NEW SUBSECTION. The credit authorized under this  
6 chapter shall only be applied to those agricultural  
7 lands operated as a family farm or by a family farm  
8 corporation as defined in section one hundred seventy-  
9 two C point one (172C.1) of the Code."

S-3576 FILED & WITHDRAWN  
MAY 12, 1977

BY JOAN ORR  
MINNETTE DODERER

1 Amend House File 332, 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 "Sec. \_\_\_\_\_. Chapter twenty-four (24), Code 1977,  
6 is amended by adding the following new section:

7 NEW SECTION. If the property tax valuations  
8 effective January 1, 1978, or any succeeding year,  
9 are reduced or there is an unusually low growth rate  
10 in the property tax base of a political subdivision,  
11 the political subdivision may appeal to the state  
12 appeal board to request suspension of the statutory  
13 property tax levy limitations to continue to fund  
14 the present services provided. A political subdivision  
15 may also appeal to the state appeal board where the  
16 property tax base of the political subdivision has  
17 been reduced or there is an unusually low growth rate  
18 for any of the following reasons:

19 1. Any unusual increase in population as determined  
20 by the preceding certified federal census.

21 2. Natural disasters or other emergencies.

22 3. Unusual problems relating to major new functions  
23 required by state law.

24 4. Unusual staffing problems.

25 5. Unusual need for additional funds to permit  
26 continuance of a program which provides substantial  
27 benefit to its residents.

28 6. Unusual need for a new program which will  
29 provide substantial benefit to residents, if the  
30 political subdivision establishes the need and the  
31 amount of the necessary increased cost.

32 The state appeal board may approve or modify the  
33 request of the political subdivision for suspension  
34 of the statutory property tax levy limitations.

35 Upon decision of the state appeal board, the state  
36 comptroller shall make the necessary changes in the  
37 total budget of the political subdivision and certify  
38 the total budget to the governing body of the political  
39 subdivision and the appropriate county auditors.

40 Sec. \_\_\_\_\_. Chapter three hundred thirty-three  
41 (333), Code 1977, is amended by adding the following  
42 new section:

43 NEW SECTION. Each year on or before December  
44 first, the county auditor shall report to the state  
45 comptroller the valuation by class of property for  
46 each taxing district in the county on forms prescribed  
47 by the state comptroller. The valuations reported  
48 shall be those valuations used for determining the  
49 levy rates necessary to fund the budgets of the taxing  
50 districts for the following fiscal year.

1 Each county auditor shall certify to the governing  
2 body of each taxing district in the county not later  
3 than January first of each year the assessed valuations  
4 of taxable property for each taxing district within  
5 the county as reported to the state comptroller."

6 2. Page 5, by inserting after line 21 the follow-  
7 ing new section:

8 "Sec. \_\_\_\_ . Section four hundred twenty-six point  
9 seven (426.7), Code 1977, is amended to read as  
10 follows:

11 426.7 WARRANTS DRAWN BY COMPTROLLER. After  
12 receiving from the several county auditors of the  
13 state the certifications provided for in section  
14 426.6, and ~~on or before September 15 of~~ during the  
15 following fiscal year, the state comptroller shall  
16 draw warrants on the agricultural land credits fund  
17 created by this chapter, payable to the county  
18 treasurers of the several counties of the state in  
19 the total amount certified by the county auditors  
20 of the respective counties and mail said warrants  
21 to the county auditors of said counties in two equal  
22 payments on or before September fifteenth and March  
23 fifteenth of each fiscal year, provided that in the  
24 event the agricultural land credits fund is  
25 insufficient to pay in full the total of the amounts  
26 certified to the state comptroller on the first of  
27 June, ~~he~~ the state comptroller shall prorate the fund  
28 to the several county treasurers and notify the several  
29 county auditors of the pro rata percentage on or  
30 before August 4 first."

31 3. Page 5, by inserting after line 26 the following  
32 new sections:

33 "Sec. \_\_\_\_ . Section four hundred twenty-seven A  
34 point nine (427A.9), unnumbered paragraph two (2),  
35 Code 1977, is amended to read as follows:

36 The amount of the additional personal property  
37 tax credit shall be a fixed amount for each tax year.  
38 The amount of the additional personal property tax  
39 credit shall be increased for the extended tax year  
40 beginning January 1, 1974, and ending June 30, 1975,  
41 and shall be increased for each tax year immediately  
42 following a tax year in which the growth of state  
43 general fund revenues, adjusted for changes in rate  
44 or basis, exceeds five and one-half percent, except  
45 that the amount of the additional personal property  
46 tax credit for taxes payable in each year of the  
47 fiscal period beginning July 1, 1977 and ending June  
48 30, 1979 shall not exceed the amount of the additional  
49 personal property tax credit allowed for taxes payable  
50 in the fiscal year beginning July 1, 1976 and ending

1 June 30, 1977. An increase in the additional personal  
2 property tax credit, once granted, shall continue  
3 for each succeeding tax year. For the purposes of  
4 this chapter the state comptroller may estimate the  
5 state percent of growth if necessary to avoid delay  
6 in the collection of taxes. After nine such increases  
7 have been made, all taxes on personal property shall  
8 be repealed as provided in the following section.  
9 The director of revenue and the state comptroller,  
10 jointly, shall determine the amount of the credit  
11 for each such tax year. Such amount shall be the  
12 maximum amount, rounded to the nearest ten dollars,  
13 which will permit complete funding of the replacement  
14 obligation under this division, including the  
15 replacement obligation for the tax credit granted  
16 pursuant to sections 427A.1 to 427A.5, out of the  
17 appropriation provided in this chapter.

18 Sec. \_\_\_\_\_. Section four hundred twenty-seven A  
19 point thirteen (427A.13), Code 1977, is amended to  
20 read as follows:

21 427A.13 APPROPRIATION. There is hereby  
22 appropriated from the general fund of the state of  
23 Iowa to the personal property tax replacement fund  
24 the following sums, or so much thereof as may be  
25 necessary, to carry out the provisions of this chapter  
26 as amended by this division. ~~For the fiscal year~~  
27 ~~beginning July 1, 1973, and ending June 30, 1974,~~  
28 ~~there is appropriated the sum of thirty-one million~~  
29 ~~nine hundred thousand dollars. For the fiscal year~~  
30 ~~beginning July 1, 1974, and ending June 30, 1975,~~  
31 ~~and each succeeding fiscal year, there is appropriated~~  
32 ~~the sum of thirty-five million seven hundred thousand~~  
33 ~~dollars. For each fiscal year for which an increase~~  
34 ~~in the additional personal property tax credit becomes~~  
35 ~~effective as provided in this division, the~~  
36 ~~appropriation under this section shall be increased~~  
37 ~~by three million eight hundred thousand dollars, and~~  
38 ~~such increased appropriation shall continue for each~~  
39 ~~succeeding fiscal year. For the fiscal year for which~~  
40 ~~the ninth increase in the additional personal property~~  
41 ~~tax credit becomes effective as provided in this~~  
42 ~~division, and for each succeeding fiscal year of the~~  
43 fiscal period beginning July 1, 1977 and ending June  
44 30, 1979, the total appropriation shall be ~~sixty-eight~~  
45 thirty-eight million six hundred thousand dollars  
46 per year.

47 Sec. \_\_\_\_\_. Section four hundred forty-one point  
48 twenty-one (441.21), subsection one (1), unnumbered  
49 paragraph one (1), Code 1977, is amended to read as  
50 follows:

1 All real and tangible personal property subject  
2 to taxation shall be valued at its actual value which  
3 shall be entered opposite each item, and except as  
4 otherwise provided herein for agricultural and  
5 residential property shall be assessed at one hundred  
6 percent of such actual value, and such value so  
7 assessed shall be taken and considered as the assessed  
8 value and taxable value of such property upon which  
9 the levy shall be made.

10 Sec. \_\_\_\_ . Section four hundred forty-one point  
11 twenty-one (441.21), subsection one (1), unnumbered  
12 paragraphs five (5) and seven (7), Code 1977, are  
13 amended to read as follows:

14 In assessing and determining the actual value of  
15 agricultural property ~~fifty-percent-consideration~~  
16 ~~shall-be-given-to-each-of-the-following-factors:~~

17 a--~~The~~ the value shall be determined on the basis  
18 of the productivity and net earning capacity of the  
19 property determined on the basis of the use for  
20 agricultural purposes capitalized at a rate  
21 representing a fair return on the investment, such  
22 rate to be established by the state board of tax  
23 review of seven percent and applied uniformly among  
24 counties and among classes of property.

25 b--~~The fair and reasonable market value of such~~  
26 ~~property as defined herein, but such market value~~  
27 ~~shall be based only on its current use and not on~~  
28 ~~its potential value for other uses.~~

29 Notwithstanding any other provision of this section,  
30 the actual value of any property shall not exceed  
31 its fair and reasonable market value and the assessed  
32 value of property as determined under this section  
33 shall not exceed the actual value or fair and  
34 reasonable market value as determined under this  
35 section.

36 Sec. \_\_\_\_ . Section four hundred forty-one point  
37 twenty-one (441.21), subsection one (1), Code 1977,  
38 is amended by inserting after unnumbered paragraph  
39 five (5) the following new unnumbered paragraph:

40 NEW UNNUMBERED PARAGRAPH. Beginning with valuations  
41 established as of January 1, 1980, the actual value  
42 of agricultural land shall be computed on the basis  
43 of the productivity and net earning capacity of the  
44 land determined on the basis of its use for  
45 agricultural purposes capitalized at a rate of seven  
46 percent and applied uniformly among counties and among  
47 classes of property. Structures located on  
48 agricultural land shall be valued at their market  
49 value as defined in this subsection.

50 Sec. \_\_\_\_ . Section four hundred forty-one point

1 twenty-one (441.21), subsection one (1), Code 1977,  
2 is amended by adding the following new unnumbered  
3 paragraphs:

4 NEW UNNUMBERED PARAGRAPH. For valuations  
5 established as of January 1, 1978, agricultural and  
6 residential property shall be assessed at a percentage  
7 of the actual value of such property. The percentage  
8 shall be determined by the director of revenue for  
9 each assessing jurisdiction in the state in accordance  
10 with the provisions of this section. For valuations  
11 established as of January 1, 1978, the percentage  
12 shall be the quotient of the dividend and divisor  
13 as defined in this section. The dividend shall be  
14 the total equalized value of such property in the  
15 assessing jurisdiction in 1975, adjusted for additions  
16 or deletions to said value, excluding those resulting  
17 from the revaluation of existing properties, as  
18 reported by the assessor on the abstracts of assessment  
19 submitted in 1976 and 1977, plus seven and one-half  
20 percent of the 1975 equalized value of such property  
21 or the amount of value added by the revaluation of  
22 existing properties in 1976, 1977 and 1978 whichever  
23 is less. The divisor shall be the total value of  
24 such property in the assessing jurisdiction as reported  
25 by the assessor on the abstract of assessment submitted  
26 in 1977, plus the amount of value added in 1978 by  
27 the revaluation of existing properties.

28 NEW UNNUMBERED PARAGRAPH. For valuations  
29 established as of January 1, 1979, and each succeeding  
30 year, the percentage of actual value at which  
31 agricultural and residential property shall be assessed  
32 shall be the quotient of the dividend and divisor  
33 as defined in this section. The dividend shall be  
34 the dividend as determined for valuations established  
35 as of January first of the preceding year, adjusted  
36 by the product obtained by multiplying the percentage  
37 determined for the preceding year by the amount of  
38 any additions or deletions to actual value, excluding  
39 those resulting from the revaluation of existing  
40 properties, as reported by the assessor on the abstract  
41 of assessment for the preceding year, plus seven and  
42 one-half percent of the amount so determined. The  
43 divisor shall be the total actual value of all such  
44 property in the assessing jurisdiction in the preceding  
45 year, as reported by the assessor on the abstract  
46 of assessment submitted for the preceding year, plus  
47 the amount of value added to said total actual value  
48 by the revaluation of existing properties in the  
49 current year. The director shall utilize information  
50 reported on abstracts of assessment submitted pursuant

1 to section four hundred forty-one point forty-five  
2 (441.45) of the Code in determining such percentage.  
3 NEW UNNUMBERED PARAGRAPH. For valuations estab-  
4 lished as of January 1, 1980 and succeeding years,  
5 the percentage of actual value at which agricultural  
6 structures shall be assessed shall be the same  
7 percentage applied to compute the assessed value of  
8 residential property.

9 NEW UNNUMBERED PARAGRAPH. Not later than November  
10 1, 1978, and November first of each succeeding year,  
11 the director shall certify to the county auditor of  
12 each county the percentages of actual value at which  
13 residential and agricultural property in each assessing  
14 jurisdiction in the county shall be assessed for  
15 taxation. The county auditor shall proceed to  
16 determine the assessed values of agricultural and  
17 residential property by applying such percentages  
18 to the current actual value of such property, as  
19 reported to the county auditor by the assessor, and  
20 the assessed values so determined shall be the taxable  
21 values of such properties upon which the levy shall  
22 be made.

23 Sec. \_\_\_\_\_. Section four hundred forty-one point  
24 twenty-six (441.26), Code 1977, is amended by adding  
25 the following new unnumbered paragraph:

26 NEW UNNUMBERED PARAGRAPH. Beginning with valuations  
27 for January 1, 1977 and each succeeding year, for  
28 each parcel of property entered in the assessment  
29 book, the assessor shall list the classification of  
30 the property.

31 Sec. \_\_\_\_\_. Section four hundred forty-two point  
32 two (442.2), unnumbered paragraph one (1), Code 1977,  
33 is amended to read as follows:

34 Each school district shall cause to be levied each  
35 year, for the school general fund, a foundation prop-  
36 erty tax of five dollars and forty cents per thousand  
37 dollars of assessed valuation on all taxable property  
38 in the district. For the purpose of this chapter,  
39 a school district is defined as a school corporation  
40 organized under chapter 274. ~~Each county auditor~~  
41 ~~shall certify to each school district within the~~  
42 ~~county and to the state comptroller, not later than~~  
43 ~~January 1 each year, the assessed valuation of taxable~~  
44 ~~property for the current year in each school district~~  
45 ~~within the county.~~

46 Sec. \_\_\_\_\_. TASK FORCE CREATED. There is established  
47 a task force on taxation composed of six members.  
48 Of the six members, three shall be appointed by the  
49 governor and three shall be appointed by the  
50 legislative council. All members shall be appointed

1 not later than June 30, 1977. Any vacancy in the  
2 membership of the task force shall be filled by  
3 appointment in the same manner as the original  
4 appointments.

5 Members of the task force shall receive a per diem  
6 of forty dollars and their actual and necessary  
7 expenses.

8 Sec. \_\_\_\_\_. DUTIES. The task force on taxation  
9 shall conduct a study of the present taxing system  
10 in this state. The study shall include, but not be  
11 limited to, the following:

12 1. The present system of state and local taxes  
13 to determine the relative burden of the present tax  
14 structure on the various segments of the state's  
15 populace.

16 2. How different types and classes of property  
17 should be valued and equalized for property tax  
18 assessment purposes.

19 3. Whether budget limitations should be imposed  
20 permanently on the political subdivisions of this  
21 state.

22 4. Which taxes may presently bear too great a  
23 burden of the taxes and which taxes may bear too small  
24 a burden.

25 Sec. \_\_\_\_\_. STAFF. The task force on taxation shall  
26 employ a consultant to assist it in carrying out its  
27 duties and may request the assistance of any state  
28 agency to obtain such data and other information which  
29 the task force deems necessary to carry out its duties.

30 Sec. \_\_\_\_\_. REPORT. The task force shall transmit  
31 copies of its final report to the governor and the  
32 members of the Sixty-seventh General Assembly not  
33 later than June 30, 1978. The final report shall  
34 include findings of fact and its recommendations.

35 Sec. \_\_\_\_\_. APPROPRIATION. There is appropriated  
36 from the general fund of the state to the office of  
37 the state comptroller the sum of two hundred thousand  
38 (200,000) dollars, or so much thereof as may be  
39 necessary, for the fiscal year beginning July 1, 1977  
40 and ending June 30, 1978, for the purpose of the  
41 employment of such professional, technical and  
42 administrative staff and assistance on such basis  
43 as shall be determined by the task force and for such  
44 other expenses as shall be necessary to accomplish  
45 the purpose of this Act, including per diem and actual  
46 expenses incurred by task force members."

47 4. Amend the title, line 1, by striking everything  
48 after the word "Act" and inserting in lieu thereof  
49 the words "relating to property taxation by providing  
50 additional property tax credits for property owners

1 by increasing the homestead tax credit and the  
2 agricultural land tax credit, providing a temporary  
3 delay in the phaseout of personal property taxes,  
4 making changes in the procedures for assessment and  
5 valuation of certain taxable property, creating a  
6 task force on taxation, making appropriations, and  
7 making certain provisions of this Act retroactive."

S-3570 FILED  
MAY 12, 1977  
& ADOPTED *as*

*amended by 3572,  
3573, 3575, 3577, 3581,  
3582, 3583, 5/12 (p. 1495)*

BY NORMAN G. RODGERS  
BERL E. PRIEBE  
ALVIN V. MILLER  
LOUIS P. CULVER  
BASS VAN GILST  
JAMES V. GALLAGHER  
C.W. HUTCHINS  
LOWELL L. JUNKINS  
C. JOSEPH COLEMAN  
JOHN R. SCOTT  
MILO MERRITT  
JAMES CALHOON  
ROGER J. SHAFF  
CALVIN O. HULTMAN  
RAY TAYLOR  
DALE L. TIEDEN  
ROLF V. CRAFT  
CLIFF BURROUGHS  
STEPHEN W. BIENIUS  
LUCAS J. DE KOSTER  
RICHARD R. RAMSEY  
MERLIN D. HULSE  
IRVIN L. BERGMAN  
ELIZABETH R. MILLER  
RICHARD F. DRAKE  
JAMES E. BRILES  
FORREST V. SCHWENGELS  
JOHN N. NYSTROM

House File 332

S-3561

1 Amend House File 332 as amended, passed and  
2 reprinted by the House as follows:  
3 1. Page 4, by striking from lines 30 and 31  
4 the following words "buildings or other structures  
5 located on such land" and inserting the words  
6 "residential buildings on which homestead has been  
7 paid".

S-3561 FILED & LOST (p. 1497) BY ROGER J. SHAFF  
MAY 12, 1977

HOUSE FILE 332

S-3572

- 1 Amend the Rodgers et al. amendment, S-3570, to  
2 House File 332 as amended, passed and reprinted by  
3 the House as follows:  
4 1. Page 3, by striking lines 18 through 46.

S-3572 FILED & LOST (1489) BY E. KEVIN KELLY  
MAY 12, 1977  
RECONSIDERED & ADOPTED (p. 1495)

HOUSE FILE 332

S-3573

- 1 Amend the Rodgers et al amendment, S-3570, to House  
2 File 332, as amended, passed, and reprinted by the  
3 House, as follows:  
4 1. Page 2, by inserting after line 32 the following  
5 new section:  
6 "Sec. \_\_\_\_ . Section four hundred twenty-seven A  
7 point one (427A.1), subsections three (3) and four  
8 (4), Code 1977, are amended to read as follows:  
9 3. Notwithstanding the definition of "attached"  
10 in subsection 2, property of a household is neither  
11 not "attached" nor "placed for use upon the land"  
12 if it is a kind of property which would ordinarily  
13 be removed when the owner of the property moves to  
14 another location. In making this determination the  
15 assessing authority shall not take into account the  
16 intent of the particular owner.  
17 4. Notwithstanding the other provisions of this  
18 section, property described in this section, if held  
19 solely for sale, lease or rent as part of a business  
20 regularly engaged in selling, leasing or renting such  
21 property, and if the property is not yet sold, leased,  
22 rented or used by any person, shall not be assessed  
23 and taxed as real property. This subsection does  
24 not apply to any land or building."

S-3573 FILED & ADOPTED (1488) BY NORMAN G. RODGERS  
MAY 12, 1977

HOUSE FILE 332

S-3575

- 1 Amend the Rodgers et al amendment, S-3570, to  
2 House File 332 as amended, passed and reprinted by  
3 the House as follows:  
4 1. Page 4, line 31 by striking the words "and the  
5 assessed".  
6 2. Page 4, by striking lines 32 through 34.  
7 3. Page 4, line 35, by striking the word "section".

S-3575 FILED & ADOPTED BY EUGENE M. HILL  
MAY 12, 1977 (p. 1489)

S-3410

- 1 Amend the Committee on Ways and Means amendment,  
 2 S-3389, to House File 332, as amended, passed, and  
 3 reprinted by the House, as follows:  
 4 1. Page 1, by inserting after line 4 the following  
 5 new section:  
 6 "Sec. \_\_\_\_ Section four hundred twenty-seven A  
 7 point one (427A.1), subsections three (3) and four (4),  
 8 Code 1977, are amended to read as follows:  
 9 3. Notwithstanding the definition of "attached" in  
 10 subsection 2, property of a household is neither not  
 11 "attached" nor "placed-for-use-upon-the-land" if it is a  
 12 kind of property which would ordinarily be removed when  
 13 the owner of the property moves to another location. In  
 14 making this determination the assessing authority shall  
 15 not take into account the intent of the particular owner.  
 16 4. Notwithstanding the other provisions of this  
 17 section, property described in this section, if held  
 18 solely for sale, lease or rent as part of a business  
 19 regularly engaged in selling, leasing or renting such  
 20 property, and if the property is not yet sold, leased,  
 21 ~~rented or used by any person~~, shall not be assessed  
 22 and taxed as real property. This subsection does not  
 23 apply to any land or building."

S-3410 FILED - *Out of order* BY COMMITTEE ON BUDGET  
 APRIL 21, 1977 *with adoption* WILLIAM D. PALMER, CHAIRMAN  
*of 3570 5/12*

## House File 332

S-3466

- 1 Amend the Committee on Ways and Means amend-  
 2 ment, S-3389, to House File 332, as amended, passed,  
 3 and reprinted by the House, as follows:  
 4 1. Page 2, line 24, by striking the words  
 5 "seven and one-half", and inserting in lieu thereof  
 6 the word "five".  
 7 2. Page 2, by striking line 49 through page  
 8 3, line 49.  
 9 3. Page 4, lines 8 and 9, by striking the  
 10 words "creating a task force on taxation,".

S-3466 FILED - *Out of order* BY ROGER J. SHAFF  
 APRIL 29, 1977 *with adoption*  
*of 3570 5/12*

S-3389

1 Amend House File 332, as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. Page 5, by inserting after line 26 the following  
4 new sections:

5 "Sec. \_\_\_\_\_. Section four hundred twenty-seven A  
6 point nine (427A.9), unnumbered paragraph two (2),  
7 Code 1977, is amended to read as follows:

8 The amount of the additional personal property  
9 tax credit shall be a fixed amount for each tax year.  
10 The amount of the additional personal property tax  
11 credit shall be increased for the extended tax year  
12 beginning January 1, 1974, and ending June 30, 1975,  
13 and shall be increased for each tax year immediately  
14 following a tax year in which the growth of state  
15 general fund revenues, adjusted for changes in rate  
16 or basis, exceeds five and one-half percent, except  
17 that the amount of the additional personal property  
18 tax credit shall not be increased for the personal  
19 property assessed and valued on January 1, 1976 and  
20 the amount of the personal property tax credit for  
21 the fiscal year beginning July 1, 1977 and ending  
22 June 30, 1978 shall not exceed the amount of the  
23 personal property tax credit allowed for the fiscal  
24 year beginning July 1, 1976 and ending June 30, 1977.  
25 An increase in the additional personal property tax  
26 credit, once granted, shall continue for each  
27 succeeding tax year. For the purposes of this chapter  
28 the state comptroller may estimate the state percent  
29 of growth if necessary to avoid delay in the collection  
30 of taxes. After nine such increases have been made,  
31 all taxes on personal property shall be repealed as  
32 provided in the following section. The director of  
33 revenue and the state comptroller, jointly, shall  
34 determine the amount of the credit for each such tax  
35 year. Such amount shall be the maximum amount, rounded  
36 to the nearest ten dollars, which will permit complete  
37 funding of the replacement obligation under this  
38 division, including the replacement obligation for  
39 the tax credit granted pursuant to sections 427A.1  
40 to 427A.5, out of the appropriation provided in this  
41 chapter.

42 Sec. \_\_\_\_\_. Section four hundred forty-one point  
43 twenty-one (441.21), subsection one (1), unnumbered  
44 paragraph one (1), Code 1977, is amended to read as  
45 follows:

46 All real and tangible personal property subject  
47 to taxation shall be valued at its actual value which  
48 shall be entered opposite each item, and except as  
49 otherwise provided herein for agricultural and  
50 residential property shall be assessed at one hundred

1 percent of such actual value, and such value so  
2 assessed shall be taken and considered as the assessed  
3 value and taxable value of such property upon which  
4 the levy shall be made.

5 Sec. \_\_\_\_\_. Section four hundred forty-one point  
6 twenty-one (441.21), subsection one (1), Code 1977,  
7 is amended by adding the following new unnumbered  
8 paragraphs:

9 NEW UNNUMBERED PARAGRAPH. For valuations  
10 established as of January 1, 1978, agricultural and  
11 residential property shall be assessed at a percentage  
12 of the actual value of such property. The percentage  
13 shall be determined by the director of revenue for  
14 each assessing jurisdiction in the state in accordance  
15 with the provisions of this section. For valuations  
16 established as of January 1, 1978, the percentage  
17 shall be the quotient of the dividend and divisor  
18 as defined in this section. The dividend shall be  
19 the total equalized value of such property in the  
20 assessing jurisdiction in 1975, adjusted for additions  
21 or deletions to said value, excluding those resulting  
22 from the revaluation of existing properties, as  
23 reported by the assessor on the abstracts of assessment  
24 submitted in 1976 and 1977, plus seven and one-half  
25 percent of the 1975 equalized value of such property  
26 or the amount of value added by the revaluation of  
27 existing properties in 1976, 1977 and 1978 whichever  
28 is less. The divisor shall be the total value of  
29 such property in the assessing jurisdiction as reported  
30 by the assessor on the abstract of assessment submitted  
31 in 1977, plus the amount of value added in 1978 by  
32 the revaluation of existing properties. The dividend  
33 of said computation shall be known as the modified  
34 assessed value of such property in the assessing  
35 jurisdiction.

36 NEW UNNUMBERED PARAGRAPH. Not later than November  
37 1, 1978, the director shall certify to the county  
38 auditor of each county the percentages of actual value  
39 at which residential and agricultural property in  
40 each assessing jurisdiction in the county shall be  
41 assessed for taxation. The county auditor shall proceed  
42 to determine the assessed values of agricultural and  
43 residential property by applying such percentages  
44 to the current actual value of such property, as  
45 reported to the county auditor by the assessor, and  
46 the assessed values so determined shall be the taxable  
47 values of such properties upon which the levy shall  
48 be made.

49 Sec. \_\_\_\_\_. TASK FORCE CREATED. There is established  
50 a task force on taxation composed of six members.

1 Of the six members, three shall be appointed by the  
2 governor and three shall be appointed by the  
3 legislative council. All members shall be appointed  
4 not later than June 30, 1977. Any vacancy in the  
5 membership of the task force shall be filled by  
6 appointment in the same manner as the original  
7 appointments.

8 Members of the task force shall receive a per diem  
9 of forty dollars ad their actual and necessary  
10 expenses.

11 Sec. \_\_\_\_\_. DUTIES. The task force on taxation  
12 shall conduct a study of the present taxing system  
13 in this state. The study shall include, but not be  
14 limited to, the following:

15 1. The present system of state and local taxes  
16 to determine the relative burden of the present tax  
17 structure on the various segments of the state's  
18 populace.

19 2. How different types and classes of property  
20 should be valued and equalized for property tax  
21 assessment purposes.

22 3. Whether budget limitations should be imposed  
23 permanently on the political subdivisions of this  
24 state.

25 4. Which taxes may presently bear too great a  
26 burden of the taxes and which taxes may bear too small  
27 a burden.

28 Sec. \_\_\_\_\_. STAFF. The task force on taxation shall  
29 employ a consultant to assist it in carrying out its  
30 duties and may request the assistance of any state  
31 agency to obtain such data and other information which  
32 the task force deems necessary to carry out its duties.

33 Sec. \_\_\_\_\_. REPORT. The task force shall transmit  
34 copies of its final report to the governor and the  
35 members of the Sixty-seventh General Assembly not  
36 later than June 30, 1978. The final report shall  
37 include findings of fact and its recommendations.

38 Sec. \_\_\_\_\_. APPROPRIATION. There is appropriated  
39 from the general fund of the state to the office of  
40 the state comptroller the sum of two hundred thousand  
41 (200,000) dollars, or so much thereof as may be  
42 necessary, for the fiscal year beginning July 1, 1977  
43 and ending June 30, 1978, for the purpose of the  
44 employment of such professional, technical and  
45 administrative staff and assistance on such basis  
46 as shall be determined by the task force and for such  
47 other expenses as shall be necessary to accomplish  
48 the purpose of this Act, including per diem and actual  
49 expenses incurred by task force members."

50 2. Amend the title, line 1, by striking everything

1 after the word "Act" and inserting in lieu thereof  
2 the words "relating to property taxation by providing  
3 additional property tax credits for property owners  
4 by increasing the homestead tax credit and the  
5 agricultural land tax credit, providing a temporary  
6 delay in the phaseout of personal property taxes,  
7 making changes in the procedures for assessment and  
8 valuation of certain taxable property, creating a  
9 task force on taxation, making appropriations, and  
10 making certain provisions of this Act retroactive."

S-3389 FILED *Out of order* BY COMMITTEE ON WAYS AND MEANS  
APRIL 20, 1977 *will be adopted* NORMAN G. RODGERS, CHAIRPERSON  
*of 3570 5/12*  
*(p. 1496)*

## HOUSE FILE 332

## AN ACT

RELATING TO PROPERTY TAXATION BY PROVIDING ADDITIONAL PROPERTY TAX CREDITS FOR PROPERTY OWNERS BY INCREASING THE HOMESTEAD TAX CREDIT AND THE AGRICULTURAL LAND TAX CREDIT, PROVIDING A TEMPORARY DELAY IN THE PHASEOUT OF PERSONAL PROPERTY TAXES, MAKING CHANGES IN THE PROCEDURES FOR ASSESSMENT AND VALUATION OF CERTAIN TAXABLE PROPERTY, CREATING A LEGISLATIVE STUDY COMMITTEE TO STUDY THE PRESENT TAX STRUCTURE, MAKING APPROPRIATIONS, AND MAKING CERTAIN PROVISIONS OF THIS ACT RETROACTIVE.

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

Section 1. Chapter twenty-four (24), Code 1977, is amended by adding the following new section:

NEW SECTION. If the property tax valuations effective January 1, 1978, or January 1, 1979, are reduced or there is an unusually low growth rate in the property tax base of a political subdivision, the political subdivision may appeal to the state appeal board to request suspension of the statutory property tax levy limitations to continue to fund the present services provided. A political subdivision may also appeal to the state appeal board where the property tax base of the political subdivision has been reduced or there is an unusually low growth rate for any of the following reasons:

1. Any unusual increase in population as determined by the preceding certified federal census.
2. Natural disasters or other emergencies.
3. Unusual problems relating to major new functions required by state law.
4. Unusual staffing problems.
5. Unusual need for additional funds to permit continuance of a program which provides substantial benefit to its

residents.

6. Unusual need for a new program which will provide substantial benefit to residents, if the political subdivision establishes the need and the amount of the necessary increased cost.

The state appeal board may approve or modify the request of the political subdivision for suspension of the statutory property tax levy limitations.

Upon decision of the state appeal board, the state comptroller shall make the necessary changes in the total budget of the political subdivision and certify the total budget to the governing body of the political subdivision and the appropriate county auditors.

Sec. 2. Chapter three hundred thirty-three (333), Code 1977, is amended by adding the following new section:

NEW SECTION. Each year on or before December first, the county auditor shall report to the state comptroller the valuation by class of property for each taxing district in the county on forms prescribed by the state comptroller. The valuations reported shall be those valuations used for determining the levy rates necessary to fund the budgets of the taxing districts for the following fiscal year.

Each county auditor shall certify to the governing body of each taxing district in the county not later than January first of each year the assessed valuations of taxable property for each taxing authority within the county as reported to the state comptroller.

Sec. 3. Section four hundred twenty-five point one (425.1), subsections two (2), three (3), and four (4), Code 1977, are amended to read as follows:

2. The homestead credit fund shall be apportioned each year ~~as hereinafter provided~~ so as to give a credit against the tax on each eligible homestead in the state, ~~as defined herein, the amount of such credit to be in the same proportion that the assessed valuation of each eligible homestead in the state in an amount not to exceed nine thousand two hundred~~

~~sixty-dollars-bears-to-the-total-assessed-valuation-of-all eligible-homesteads-in-the-state in an amount not-to-exceed nine-thousand-two-hundred-sixty-dollars equal to the actual levy on the first four thousand five hundred dollars of actual value for each homestead.~~

3. The revenue distributable from the homestead credit fund, as provided for in subsection 1 hereof, shall be allocated every six months to the several counties of the state ~~in-the-same-proportion-that-the-assessed-valuation-of all-eligible-homesteads-in-each-county-in-an-amount-not-to exceed-nine-thousand-two-hundred-sixty-dollars-for-each homestead,~~ bears to the total assessed valuation of all eligible homesteads in the state in an amount not to exceed nine thousand two hundred sixty dollars for each homestead. Every six months the department of revenue shall certify and remit to the county treasurer of each county in the state the total amount of money which has been apportioned or is then apportionable to that county.

4. Annually the department of revenue shall estimate the credit not to exceed ~~six-dollars-and-seventy-five-cents-per thousand-dollars-of-assessed-value-to-be-given-to-each-dollar of-eligible-homestead-valuation-based-upon-the-estimated revenue-that-may-be-distributable-from-the-homestead-credit fund-for-the-ensuing-year~~ the actual levy on the first four thousand five hundred dollars of actual value of each eligible homestead, and shall certify to the county auditor of each county such credit and the amount in dollars thereof. Each county auditor shall then enter such credit against the tax levied on each eligible homestead in each county payable during the ensuing year, designating on the tax lists such credit as being from the homestead credit fund, and credit shall then be given to the several taxing districts in which such eligible homesteads are located in an amount equal to the credits allowed on the taxes of such homesteads. The amount of said credits shall be apportioned by each county treasurer to the several taxing districts as provided by law,

in the same manner as though the amount of the credit had been paid by the owners of said homesteads; provided, however, that the several taxing districts shall not be permitted to draw the funds so credited until after the semiannual allocations have been received by the county treasurer, as provided in this chapter. Each county treasurer shall show on each tax receipt the amount of credit received from the homestead credit fund.

Sec. 4. Section four hundred twenty-five point one (425.1), Code 1977, is amended by adding the following new subsections:

NEW SUBSECTION. If the homestead tax credit computed under this section is less than sixty-two dollars and fifty cents, the amount of homestead tax credit on that eligible homestead shall be sixty-two dollars and fifty cents subject to the limitation imposed in this section.

NEW SUBSECTION. The homestead tax credit allowed in this chapter shall not exceed the actual amount of taxes payable on the eligible homestead, exclusive of any special assessments levied against the homestead.

NEW SUBSECTION. Where any special charter city levies and collects its own taxes, the amount of the homestead tax credit allowed on eligible homesteads within the city shall be computed as follows:

- a. In an amount equal to the tax levy by the special charter city on the first forty-five hundred dollars of actual value for each eligible homestead.
- b. In an amount equal to the remainder of the consolidated levy as established by the county auditor on the first forty-five hundred dollars of actual value for each eligible homestead.

The homestead tax credit computed under this subsection shall be applicable for each homestead tax credit claimed between January 1 and July 1 of the year in which the valuation being taxed by the city and county respectively was established.

Sec. 5. Section four hundred twenty-five point nine

(425.9), unnumbered paragraph two (2), Code 1977, is amended to read as follows:

~~In the event~~ If any claim for credit made hereunder has been denied by the board of supervisors, and such action is subsequently reversed on appeal, the same credit shall be allowed on the ~~assessed valuation, not to exceed nine thousand two hundred sixty dollars in amount, of the~~ homestead involved in said appeal, ~~as was allowed on other homestead valuations for the year or years in question,~~ and the director of revenue, the county auditor, and the county treasurer ~~are hereby~~ authorized and directed to shall make such credit and to change their books and records accordingly.

Sec. 6. Section four hundred twenty-five point eleven (425.11), subsection one (1), Code 1977, is amended by striking paragraphs c and d.

Sec. 7. Section four hundred twenty-five point eleven (425.11), subsection one (1), paragraph e, Code 1977, is amended to read as follows:

e. It must not embrace more than one dwelling house, but where a homestead ~~outside-of-a-city~~ has more than one dwelling house situated thereon, the credit provided for in this chapter shall apply to ~~forty-acres~~, the home and buildings used by the owner, but shall not apply to any other dwelling house and buildings appurtenant ~~thereto-situated-upon-said-forty~~ acres.

Sec. 8. Chapter four hundred twenty-five (425), Code 1977, is amended by adding the following new section:

NEW SECTION. In any special charter city which levies and collects its own taxes, the city clerk shall compute that amount of credit allowed on each eligible homestead within such city as provided in section four (4) of this Act. Not later than August 1 of each year, the city clerk shall certify the amount of the homestead tax credits claimed for eligible homesteads in the city to the department of revenue. The department shall reimburse the city in the same manner and at such time as is presently provided for reimbursement of

counties in section four hundred twenty-five point one (425.1) of the Code.

Sec. 9. Section four hundred twenty-six point one (426.1), Code 1977, is amended to read as follows:

426.1 AGRICULTURAL LAND CREDIT FUND. There is hereby created as a permanent fund in the office of the treasurer of state a fund to be known as the agricultural land credit fund, and for the purpose of establishing and maintaining said fund for each fiscal year there is appropriated thereto from funds in the general fund not otherwise appropriated the sum of ~~eighteen~~ forty-two million dollars. Any balance in said fund on June 30 shall revert to the general fund.

Sec. 10. Section four hundred twenty-six point two (426.2), unnumbered paragraph one (1), Code 1977, is amended to read as follows:

"Agricultural lands" as used in this chapter shall mean and include ~~all tracts of~~ land in tracts of ten acres or more excluding any buildings or other structures located on such land, and not laid off into lots of less than ten acres or divided by streets and alleys into parcels of less than ten acres, lying within any school corporation in this state and in good faith used for agricultural or horticultural purposes.

Sec. 11. Section four hundred twenty-six point three (426.3), Code 1977, is amended to read as follows:

426.3 WHERE CREDIT GIVEN. The agricultural land credit fund shall be apportioned each year in the manner hereinafter provided so as to give a credit against the tax on each tract of agricultural lands within the several school districts of the state in which the levy for the general school fund exceeds five dollars and forty cents per thousand dollars of assessed value; the amount of such credit on each tract of such lands shall be the amount the tax levied for the general school fund exceeds the amount of tax which would be levied on said tract of such lands were the levy for the general school fund five dollars and forty cents per thousand dollars of assessed value for the previous year, except in

the case of a deficiency in the agricultural land credits fund to pay said credits in full, in which case the credit on each eligible tract of such lands in the state shall be proportionate and shall be applied as hereinafter provided. ~~The agricultural land credit as provided herein shall not be made to any taxpayer on any portion of his property upon which he may obtain a homestead credit, as provided by chapter 425.~~

Sec. 12. Section four hundred twenty-six point seven (426.7), Code 1977, is amended to read as follows:

426.7 WARRANTS DRAWN BY COMPTROLLER. After receiving from the several county auditors of the state the certifications provided for in section 426.6, and ~~on or before September 15 of~~ during the following fiscal year, the state comptroller shall draw warrants on the agricultural land credits fund created by this chapter, payable to the county treasurers of the several counties of the state in the total amount certified by the county auditors of the respective counties and mail said warrants to the county auditors of said counties in two equal payments on or before September fifteenth and March fifteenth of each fiscal year, provided that in the event the agricultural land credits fund is insufficient to pay in full the total of the amounts certified to the state comptroller on the first of June, ~~he~~ the state comptroller shall prorate the fund to the several county treasurers and notify the several county auditors of the pro rata percentage on or before August 4 first.

Sec. 13. Not later than May 1, 1977, the state comptroller shall recertify to the county auditors of the respective counties the pro rata percentage of reimbursement from the agricultural land credit fund which shall be distributed by the state comptroller on or before September 15, 1977.

Sec. 14. Section four hundred twenty-seven A point one (427A.1), subsections three (3) and four (4), Code 1977, are amended to read as follows:

3. Notwithstanding the definition of "attached" in

subsection 2, property of a household is neither not "attached" nor "placed for use upon the land" if it is a kind of property which would ordinarily be removed when the owner of the property moves to another location. In making this determination the assessing authority shall not take into account the intent of the particular owner.

4. Notwithstanding the other provisions of this section, property described in this section, if held solely for sale, lease or rent as part of a business regularly engaged in selling, leasing or renting such property, and if the property is not yet sold, leased, rented or used by any person, shall not be assessed and taxed as real property. This subsection does not apply to any land or building.

Sec. 15. Section four hundred twenty-seven A point nine (427A.9), unnumbered paragraph two (2), Code 1977, is amended to read as follows:

The amount of the additional personal property tax credit shall be a fixed amount for each tax year. The amount of the additional personal property tax credit shall be increased for the extended tax year beginning January 1, 1974, and ending June 30, 1975, and shall be increased for each tax year immediately following a tax year in which the growth of state general fund revenues, adjusted for changes in rate or basis, exceeds five and one-half percent, except that the amount of the additional personal property tax credit for taxes payable in each year of the fiscal period beginning July 1, 1977 and ending June 30, 1979 shall not exceed the amount of the additional personal property tax credit allowed for taxes payable in the fiscal year beginning July 1, 1976 and ending June 30, 1977. An increase in the additional personal property tax credit, once granted, shall continue for each succeeding tax year. For the purposes of this chapter the state comptroller may estimate the state percent of growth if necessary to avoid delay in the collection of taxes. After nine such increases have been made, all taxes on personal property shall be repealed as provided in the following

section. The director of revenue and the state comptroller, jointly, shall determine the amount of the credit for each such tax year. Such amount shall be the maximum amount, rounded to the nearest ten dollars, which will permit complete funding of the replacement obligation under this division, including the replacement obligation for the tax credit granted pursuant to sections 427A.1 to 427A.5, out of the appropriation provided in this chapter.

Sec. 16. Section four hundred twenty-seven A point thirteen (427A.13), Code 1977, is amended to read as follows:

427A.13 APPROPRIATION. There is hereby appropriated from the general fund of the state of Iowa to the personal property tax replacement fund the following sums, or so much thereof as may be necessary, to carry out the provisions of this chapter as amended by this division. For the fiscal year beginning July 1, 1973, and ending June 30, 1974, there is appropriated the sum of thirty-one million nine hundred thousand dollars. For the fiscal year beginning July 1, 1974, and ending June 30, 1975, and each succeeding fiscal year, there is appropriated the sum of thirty-five million seven hundred thousand dollars. For each year of the fiscal period beginning July 1, 1977 and ending June 30, 1979 the total appropriation shall be thirty-eight million six hundred thousand dollars and for each fiscal year for which an increase in the additional personal property tax credit becomes effective as provided in this division, the appropriation under this section shall be increased by three million eight hundred thousand dollars, and such increased appropriation shall continue for each succeeding fiscal year. For the fiscal year for which the ninth increase in the additional personal property tax credit becomes effective as provided in this division, and for each succeeding fiscal year, the total appropriation shall be sixty-eight million dollars per year.

Sec. 17. Section four hundred forty-one point twenty-one (441.21), subsection one (1), unnumbered paragraph one (1),

Code 1977, is amended to read as follows:

All real and tangible personal property subject to taxation shall be valued at its actual value which shall be entered opposite each item, and except as otherwise provided herein for agricultural and residential property shall be assessed at one hundred percent of such actual value, and such value so assessed shall be taken and considered as the assessed value and taxable value of such property upon which the levy shall be made.

Sec. 18. Section four hundred forty-one point twenty-one (441.21), subsection one (1), Code 1977, is amended by inserting after unnumbered paragraph five (5) the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding the provisions of this section, in assessing and determining the actual value of agricultural property as of January 1, 1978, and January 1, 1979, the actual value of agricultural property shall be determined on the basis of productivity and net earning capacity of the property determined on the basis of its use for agricultural purposes capitalized at a rate of seven percent and applied uniformly among counties and among classes of property.

Sec. 19. Section four hundred forty-one point twenty-one (441.21), subsection one (1), unnumbered paragraph seven (7), Code 1977, is amended to read as follows:

Notwithstanding any other provision of this section, the actual value of any property shall not exceed its fair and reasonable market value. For agricultural property, the assessed value as determined under this section shall not exceed the actual value of such property and the assessed value of residential property as determined under this section shall not exceed the fair and reasonable market value of such property.

Sec. 20. Section four hundred forty-one point twenty-one (441.21), subsection one (1), Code 1977, is amended by adding the following new unnumbered paragraphs:

NEW UNNUMBERED PARAGRAPH. For valuations established as of January 1, 1978, agricultural and residential property shall be assessed at a percentage of the actual value of each class of property. The percentage shall be determined for each class of property by the director of revenue for the state in accordance with the provisions of this section. For valuations established as of January 1, 1978, the percentage shall be the quotient of the dividend and divisor as defined in this section. The dividend shall be the total equalized value of such property in the state in 1975, adjusted for additions or deletions to said value, excluding those resulting from the revaluation of existing properties, as reported by the assessors on the abstracts of assessment submitted in 1976 and 1977, plus six percent of the 1975 equalized value of such property or the amount of value added by the revaluation of existing properties in 1976, 1977 and 1978 whichever is less. The divisor shall be the total value of such property in the state as reported by the assessors on the abstracts of assessment submitted in 1977, plus the amount of value added in 1978 by the revaluation of existing properties.

NEW UNNUMBERED PARAGRAPH. For valuations established as of January 1, 1979, the percentage of actual value at which agricultural and residential property shall be assessed shall be the quotient of the dividend and divisor as defined in this section. The dividend for each class of property shall be the dividend as determined for each class of property for valuations established as of January 1, 1978, adjusted by the product obtained by multiplying the percentage determined for that year by the amount of any additions or deletions to actual value, excluding those resulting from the revaluation of existing properties, as reported by the assessors on the abstracts of assessment for 1978, plus six percent of the amount so determined. The divisor for each class of property shall be the total actual value of all such property in the state in the preceding year, as reported by the assessors

on the abstracts of assessment submitted for 1978, plus the amount of value added to said total actual value by the revaluation of existing properties in 1979. The director shall utilize information reported on abstracts of assessment submitted pursuant to section four hundred forty-one point forty-five (441.45) of the Code in determining such percentage.

NEW UNNUMBERED PARAGRAPH. Not later than November 1, 1978, and November 1, 1979, the director shall certify to the county auditor of each county the percentages of actual value at which residential and agricultural property in each assessing jurisdiction in the county shall be assessed for taxation. The county auditor shall proceed to determine the assessed values of agricultural and residential property by applying such percentages to the current actual value of such property, as reported to the county auditor by the assessor, and the assessed values so determined shall be the taxable values of such properties upon which the levy shall be made.

NEW UNNUMBERED PARAGRAPH. Beginning with valuations established as of January 1, 1978, the assessors shall report the aggregate taxable values and the number of dwellings located on agricultural land and the aggregate taxable value of all other structures on agricultural land. Beginning with valuations established as of January 1, 1980, such agricultural structures and agricultural dwellings located on agricultural land shall be valued at their market value as defined in this section and agricultural structures and agricultural dwellings shall each constitute a separate class of property.

Sec. 21. Section four hundred forty-one point twenty-six (441.26), Code 1977, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Beginning with valuations for January 1, 1977 and each succeeding year, for each parcel of property entered in the assessment book, the assessor shall list the classification of the property.

Sec. 22. Section four hundred forty-two point two (442.2), unnumbered paragraph one (1), Code 1977, is amended to read

as follows:

Each school district shall cause to be levied each year, for the school general fund, a foundation property tax of five dollars and forty cents per thousand dollars of assessed valuation on all taxable property in the district. For the purpose of this chapter, a school district is defined as a school corporation organized under chapter 274. ~~Each county auditor shall certify to each school district within the county and to the state comptroller, not later than January 1 of each year, the assessed valuation of taxable property for the current year in each school district within the county.~~

Sec. 23. Chapter four hundred forty-five (445), Code 1977, is amended by adding the following new section:

NEW SECTION. When agricultural land or residential property which is being or has been valued and assessed under the provisions of section four hundred forty-one point twenty-one (441.21) of the Code is no longer used for the purpose for which it was valued and assessed under the provisions of section four hundred forty-one point twenty-one (441.21) of the Code, such property shall be subject to an additional tax. The tax shall be computed by multiplying the consolidated levy for each of the five preceding years times the fair and reasonable market value for each of the five preceding years less the consolidated levy for the preceding five years by the assessed value of the property for the preceding five years. Such additional taxes shall be entered against the property on the tax list for the current year and shall constitute a lien against the property in the same manner as a lien for property taxes. The additional taxes shall be collected in the same manner as all other property taxes except that such taxes shall be credited to the general fund of the city if such taxes are collected on property located within the city or to the general fund of the county if such tax is collected on property located in the unincorporated area of the county.

Sec. 24. The legislative council is directed to create

a ten-member study committee which shall include members of the standing committees on ways and means of the senate and house of representatives representing both political parties, which committee shall conduct during the 1977 legislative interim a comprehensive study of the present taxing system in this state. The study shall include, but not be limited to, the following:

1. The present system of state and local taxes to determine the relative burden of the present tax structure on the various segments of the state's populace.
2. How different types and classes of property should be valued and equalized for property tax assessment purposes.
3. Whether budget limitations should be imposed permanently on the political subdivisions of this state.
4. Which taxes may presently bear too great a burden of the taxes and which taxes may bear too small a burden.

The study committee may employ consultants with the approval of the legislative council, to assist it in carrying out its duties and may request the assistance of any state agency to obtain such data and other information which the task force deems necessary to carry out its duties. Expenses of the study committee, including the cost for employing persons or business firms to assist the committee in its study shall be paid from funds available under section two point twelve (2.12) of the Code.

The study committee shall transmit copies of its final report to the governor and the members of the Sixty-seventh General Assembly, 1978 Session, not later than January 30, 1978. The final report shall include findings of fact and its recommendations.

Sec. 25. The provisions of sections three (3), four (4), five (5), six (6), and seven (7) of this Act are retroactive to January 1, 1976 for credits claimed on or after January 1, 1976 and approved under chapter four hundred twenty-five (425) of the Code for a homestead tax credit on an eligible homestead and to this extent the provisions of sections three

(3), four (4), five (5), six (6), and seven (7) of this Act are retroactive.

The provisions of sections nine (9) and ten (10) of this Act are retroactive to January 1, 1976 for credits claimed on or after January 1, 1976 under the provisions of chapter four hundred twenty-six (426) of the Code, and based on valuations of January 1, 1976 and subsequent years.

Sec. 26. This Act, being deemed of immediate importance, shall take effect and be in force from and after its publication in the West Des Moines Express, a newspaper published in West Des Moines, Iowa, and in the Marengo Pioneer-Republican, a newspaper published in Marengo, Iowa.

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DALE M. COCHRAN  
Speaker of the House

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ARTHUR A. NEU  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 332, Sixty-seventh General Assembly.

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DAVID L. WRAY  
Chief Clerk of the House

Approved July 12, 1977

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ROBERT D. RAY  
Governor