

FEB 21 1996  
WAYS AND MEANS

HOUSE FILE 2278  
BY VANDE HOEF and GREIG

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to property taxation of property given to the  
2 state or a political subdivision upon which a life estate is  
3 retained.

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

5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

HF 2278

1 Section 1. NEW SECTION. 427.2A TAXATION OF LIFE ESTATE  
2 PROPERTY.

3 Real estate donated to the state or a political subdivision  
4 of the state or any agency of the state or political  
5 subdivision, for which the donor retains a life estate, or  
6 provides for another to possess a life estate shall continue  
7 to be subject to property taxation and special assessment to  
8 the same extent as the property was so subject during the  
9 fiscal year in which the donation was made. The real property  
10 shall continue to be taxed until the fiscal year following the  
11 fiscal year during which the life estate terminates. Upon  
12 termination of the life estate, the real estate shall be  
13 subject to taxation as otherwise provided by law.

14 EXPLANATION

15 The bill provides that when real estate is donated as a  
16 gift to the state or a political subdivision of the state, and  
17 the donor provides for the donor or someone else to retain the  
18 use of the property for the remainder of their lives, the real  
19 estate continues to be subject to property tax and special  
20 assessments if the property was so subject prior to the making  
21 of the gift. Once the use for life ceases the property is  
22 then taxed or not taxed based upon the law and the  
23 classification of the property at that time.

24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35