

MAR 20 1995
WAYS AND MEANS

HOUSE FILE 497
BY KREMER

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the recapture tax on property maintained as a
2 fruit-tree or forest reservation for which a property tax
3 exemption was granted and providing effective and
4 applicability date provisions.

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

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HF 497

1 Section 1. Section 427C.12, Code 1995, is amended by
2 adding the following new unnumbered paragraph:
3 NEW UNNUMBERED PARAGRAPH. However, notwithstanding any
4 provision to the contrary, if the property is sold or
5 transferred, the buyer or transferee of the property which has
6 received a tax exemption shall only be liable for the
7 recapture tax if the buyer or transferee has knowledge that
8 the property may be subject to a recapture tax or notice of
9 the possibility that the property may be subject to a
10 recapture tax has been recorded in the county where the
11 property is located at least ninety days prior to the date the
12 buyer or transferee acquires the property, unless the property
13 is still exempt from tax after the date the buyer or
14 transferee acquires the property.

15 Sec. 2. This Act, being deemed of immediate importance,
16 takes effect upon enactment and applies to sales or transfers
17 of property made on or after the date of enactment.

18 EXPLANATION

19 Under present law, property tax exemptions are allowed for
20 fruit-tree reservations (8 years) and forest reservations (no
21 limit) that meet certain criteria. However, a recapture tax
22 is imposed if at any time during the exemption period or
23 within five years after the exemption is no longer applied,
24 the property ceases to be used as a fruit-tree or forest
25 reservation. The recapture tax also applies to a person who
26 may have not owned the property when it was receiving the
27 exemption. This bill specifies that the recapture tax shall
28 only be collected from a new owner if the owner has knowledge
29 that the tax may be imposed or notice that the tax may be
30 imposed has been recorded prior to the date the new owner
31 acquires the property unless the property is still exempt
32 after the new owner acquires the property.

33 The bill takes effect upon enactment for sales or transfers
34 of property made on or after that date.

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