

1-10-96 W. & M.  
1-22-96 amend/Do Pass W/S-5112

SENATE FILE 2036  
BY CONNOLLY and KIBBIE

(COMPANION TO LSB 3111HH  
BY MURPHY)

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

**A BILL FOR**

1 An Act relating to dates of active duty for purposes of the  
2 military service property tax exemption and providing an  
3 applicability date.

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

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S.F. 2036

1 Section 1. Section 427.3, subsection 2, Code 1995, is  
2 amended to read as follows:

3 2. The property, not to exceed one thousand eight hundred  
4 fifty-two dollars in taxable value of an honorably separated,  
5 retired, furloughed to a reserve, placed on inactive status,  
6 or discharged soldier, sailor, marine, or nurse of the second  
7 World War from December 7, 1941, to December 31, 1946, army of  
8 occupation in Germany from November 12, 1918, to July 11,  
9 1923, American expeditionary forces in Siberia from November  
10 12, 1918, to April 30, 1920, second Nicaraguan campaign with  
11 the navy or marines in Nicaragua or on combatant ships 1926-  
12 1933, second Haitian suppression of insurrections 1919-1920,  
13 navy and marine operations in China 1937-1939 and Yangtze  
14 service with navy and marines in Shanghai or in the Yangtze  
15 Valley 1926-1927 and 1930-1932 or of the Korean Conflict at  
16 any time between June 25, 1950, and January 31, 1955, both  
17 dates inclusive, or those who served on active duty during the  
18 Vietnam Conflict beginning December 22, 1961, and ending May  
19 7, 1975, both dates inclusive, or those who served on active  
20 duty in Lebanon, or on combatant ships during that conflict,  
21 from August 24, 1982, through July 31, 1984, both dates  
22 inclusive, or those who served on active duty in Grenada, or  
23 on combatant ships during that conflict, from August 24, 1982,  
24 through July 31, 1984, both dates inclusive, or those who  
25 served on active duty in Panama, or on combatant ships during  
26 that conflict, from December 20, 1989, through January 31,  
27 1990, both dates inclusive, or those who served on active duty  
28 during the Persian Gulf Conflict at any time between August 2,  
29 1990, and the date the president or the Congress of the United  
30 States declares a permanent cessation of hostilities, both  
31 dates inclusive. However, if Congress enacts a date different  
32 from August 2, 1990, as the beginning of the Persian Gulf  
33 Conflict for purposes of determining whether a veteran is  
34 entitled to receive military benefits as a veteran of the  
35 Persian Gulf Conflict, that date shall be substituted for

1 August 2, 1990. For the purposes of this section, "active  
2 duty" means full-time duty in the armed forces of the United  
3 States, excluding active duty for training purposes only and  
4 excluding any period a person was assigned by the armed forces  
5 to a civilian institution for a course of education or  
6 training which was substantially the same as established  
7 courses offered to civilians, or as a cadet or midshipman,  
8 however enrolled, at one of the service academies.

9 Sec. 2. APPLICABILITY DATE. This Act applies to claims  
10 for exemption filed for taxes due and payable on or after July  
11 1, 1996.

12 EXPLANATION

13 This bill expands the military service property tax  
14 exemption by allowing persons to file a claim for exemption  
15 for active duty service in Lebanon or Grenada, or on combatant  
16 ships during those conflicts, from August 24, 1982, through  
17 July 31, 1984, and in Panama, or on combatant ships during  
18 that conflict, from December 20, 1989, through January 31,  
19 1990.

20 The bill applies to taxes due and payable on or after July  
21 1, 1996.

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SENATE FILE 2036

S-5112

1 Amend Senate File 2036 as follows:

- 2 1. Page 1, line 20, by striking the word  
3 "Lebanon," and inserting the following: "Lebanon  
4 during the conflict in Lebanon,".  
5 2. Page 1, line 22, by striking the word  
6 "Grenada," and inserting the following: "Grenada  
7 during the conflict in Grenada,".  
8 3. Page 1, line 25, by striking the word  
9 "Panama," and inserting the following: "Panama during  
10 the conflict in Panama,".

By COMMITTEE ON WAYS AND MEANS  
WILLIAM D. PALMER, Chairperson

S-5112 FILED FEBRUARY 22, 1996

SENATE FILE 2036

S-5171

1 Amend the amendment, S-5112, to Senate File 2036,  
2 as follows:

- 3 1. Page 1, by striking lines 2 through 10 and  
4 inserting the following:  
5 "\_\_\_\_. Page 1, line 20, by inserting after the  
6 word "duty" the following: "during the conflict".  
7 "\_\_\_\_. Page 1, line 22, by inserting after the word  
8 "duty" the following: "during the conflict".  
9 "\_\_\_\_. Page 1, line 25, by inserting after the word  
10 "duty" the following: "during the conflict"."  
11 2. By renumbering as necessary.

By MIKE CONNOLLY

S-5171 FILED MARCH 5, 1996

**SENATE FILE 2036  
FISCAL NOTE**

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A fiscal note for Senate File 2036 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

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Senate File 2036 extends the military service property tax exemption to persons who served on active duty in Lebanon, Grenada, and Panama. The exemption would also be allowed for persons who served on combatant ships during those conflicts.

**ASSUMPTIONS**

1. There were approximately 35,000 persons who served on active duty in Lebanon, Panama, and Grenada. This does not include individuals who served on combatant ships elsewhere in the world during those conflicts. This estimate assumes that the Bill would be interpreted to include only those persons on combatant ships used in the aforementioned conflicts.
2. Iowa residents are assumed to represent 1.0% of the total U.S. force.
3. The average property tax rate is assumed to be \$31.25 per thousand dollars of taxable valuation.
4. This estimate assumes that 75.0% of the affected individuals are paying property taxes on a home or mobile home in excess of \$58.00 per year.

**FISCAL IMPACT**

Senate File 2036 is expected to result in a decrease in property tax revenues to local governments of approximately \$15,200 in FY 1997 and subsequent fiscal years. Depending on the number of claims statewide, this amount may or may not be reimbursed by the State.

These impacts will increase to the extent that the exemption is extended to persons who served on combatant ships not detached to the conflicts that are addressed by the Bill. (LSB 3111SS.2, JAM)

FILED FEBRUARY 28, 1996

BY DENNIS PROUTY, FISCAL DIRECTOR

**SENATE FILE 2036  
FISCAL NOTE**

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4. This estimate assumes that 75.0% of the affected individuals are paying property taxes on a home or mobile home in excess of \$58.00 per year.

**FISCAL IMPACT**

Senate File 2036 is expected to result in a decrease in property tax revenues to local governments of approximately \$152,000 in FY 1997 and subsequent fiscal years. Due to a decrease in statewide valuation of \$4.9 million, the fiscal impact to the State would be an annual increase in the State school aid appropriation of \$26,000. This amount offsets the overall property tax revenue impact.

These impacts will increase to the extent that the exemption is extended to persons who served on combatant ships not detached to the conflicts that are addressed by the Bill.

(LSB 3111SS, JAM)

FILED FEBRUARY 20, 1996

BY DENNIS PROUTY, FISCAL DIRECTOR