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4-4-95  
(P. 1196)*

FILED FEB 28 1995

SENATE FILE 223  
BY COMMITTEE ON HUMAN RESOURCES

(SUCCESSOR TO SSB 51)

Passed Senate, Date 3/20/95 (p. 716) Passed House, Date 4/24/95 (p. 1816)  
Vote: Ayes 50 Nays 0 Vote: Ayes 98 Nays 0  
Approved May 4, 1995

**A BILL FOR**

1 An Act providing for notification of certain persons receiving  
2 public assistance of tax suspension provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 223

1 Section 1. Section 427.9, Code 1995, is amended to read as  
2 follows:

3 427.9 SUSPENSION OF TAXES, ASSESSMENTS, AND RATES OR  
4 CHARGES, INCLUDING INTEREST, FEES, AND COSTS.

5 If a person is a recipient of federal supplementary  
6 security income or state supplementary assistance, as defined  
7 in section 249.1, or is a resident of a health care facility,  
8 as defined by section 135C.1, which is receiving payment from  
9 the department of human services for the person's care, the  
10 person shall be deemed to be unable to contribute to the  
11 public revenue. The director of human services shall notify  
12 ~~the board of supervisors of the county in which the assisted~~  
13 ~~person owns parcels, as defined in section 445.17 of the fact,~~  
14 giving a statement of a person receiving such assistance of  
15 the tax suspension provision and shall provide the person with  
16 evidence to present to the appropriate county board of  
17 supervisors which shows the person's eligibility for tax  
18 suspension on parcels owned, possessed, or upon which the  
19 person is paying taxes as a purchaser under contract. The  
20 board of supervisors so notified, without the filing of a  
21 petition and statement as specified in section 427.8, shall  
22 order the county treasurer to suspend the collection of all  
23 the taxes, special assessments, and rates or charges,  
24 including interest, fees, and costs, assessed against the  
25 parcels and remaining unpaid by the person or contractually  
26 payable by the person, for such time as the person remains the  
27 owner or contractually prospective owner of the parcels, and  
28 during the period the person receives assistance as described  
29 in this section. The director of human services shall advise  
30 the person that the person may apply for an additional  
31 property tax credit pursuant to sections 425.16 to 425.39  
32 which shall be credited against the amount of the taxes  
33 suspended.

34 EXPLANATION

35 This bill removes the requirement that the department of

1 human services notify the appropriate county boards of  
2 supervisors to suspend taxes when a landowner or a person  
3 purchasing land under contract in the county receives state  
4 payment for care either as a recipient of supplemental  
5 security income or state supplementary assistance, or as a  
6 resident of a health care facility. Under the bill the  
7 recipient of state payment for care is now responsible for  
8 notification of the board of supervisors.

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Hammond  
Szymoniak  
Tinsman

SSB-51  
Human Resources

Succeeded By

SF/HE 223

SENATE/HOUSE FILE

BY (PROPOSED DEPARTMENT OF  
HUMAN SERVICES BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

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9 the department of human services for the person's care, the  
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11 public revenue. The director of human services shall notify  
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35 This bill removes the requirement that the department of

1 human services notify the appropriate county boards of  
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6 resident of a health care facility. Under the bill the  
7 recipient of state payment for care is now responsible for  
8 notification of the board of supervisors.

9 BACKGROUND STATEMENT

10 SUBMITTED BY THE AGENCY

11 Currently the department of human services (DHS) is respon-  
12 sible for notifying the county board of supervisors in a  
13 county in which a client owns property and receives either  
14 supplemental security income (SSI) or state supplementary  
15 assistance (SSA) or is a resident of a health care facility  
16 and the state is paying for care so that taxes can be  
17 suspended. Several problems exist for the department in  
18 complying with this requirement. Due to federal regulations  
19 on confidentiality, the DHS cannot automatically forward names  
20 of property owners who receive the above listed benefits to  
21 the counties. Also, because SSI eligibility is determined by  
22 SSA, financial information is not readily available to the DHS  
23 to determine if the recipient owns property and its location.

24 To comply with both the Iowa Code on tax suspension and  
25 with federal regulations on confidentiality, the income  
26 maintenance worker is required to send out a notice to the  
27 client about tax suspension. The client is to indicate on  
28 this form if they own property on which taxes can be  
29 suspended, location of the property, and if they want their  
30 taxes suspended. The income maintenance worker forwards the  
31 notice to the appropriate county board of supervisors. If the  
32 client later becomes ineligible for any of the above listed  
33 benefits, the income maintenance worker must then send notice  
34 to the appropriate county board of supervisors to terminate  
35 the suspension of taxes.

1 As this is not a federally mandated procedure and as it is  
2 not a condition of eligibility for the programs administered  
3 by DHS, the requirement should be changed so that DHS will  
4 provide the information to all recipients about this  
5 provision, but it shall be the client's responsibility to  
6 contact the county to have taxes suspended. The counties  
7 would have to determine the method by which they would  
8 determine when tax suspensions should be lifted. The  
9 enactment of this bill would reduce DHS worker time spent on  
10 programs not required for eligibility for DHS-administered  
11 programs.

12 It should be noted that the DHS is also required to notify  
13 clients about tax credits, but that the clients are  
14 responsible to contact the county in order to apply for such  
15 credit.

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SENATE FILE 223

AN ACT

PROVIDING FOR NOTIFICATION OF CERTAIN PERSONS RECEIVING PUBLIC ASSISTANCE OF TAX SUSPENSION PROVISIONS.

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

Section 1. Section 427.9, Code 1995, is amended to read as follows:

427.9 SUSPENSION OF TAXES, ASSESSMENTS, AND RATES OR CHARGES, INCLUDING INTEREST, FEES, AND COSTS.

If a person is a recipient of federal supplementary security income or state supplementary assistance, as defined in section 249.1, or is a resident of a health care facility, as defined by section 135C.1, which is receiving payment from the department of human services for the person's care, the person shall be deemed to be unable to contribute to the public revenue. The director of human services shall notify ~~the board of supervisors of the county in which the assisted person owns parcels, as defined in section 445.17 of the fact, giving a statement of a person receiving such assistance of the tax suspension provision and shall provide the person with evidence to present to the appropriate county board of supervisors which shows the person's eligibility for tax suspension on parcels owned, possessed, or upon which the person is paying taxes as a purchaser under contract.~~ The board of supervisors so notified, without the filing of a petition and statement as specified in section 427.8, shall order the county treasurer to suspend the collection of all the taxes, special assessments, and rates or charges, including interest, fees, and costs, assessed against the parcels and remaining unpaid by the person or contractually payable by the person, for such time as the person remains the owner or contractually prospective owner of the parcels, and

during the period the person receives assistance as described in this section. The director of human services shall advise the person that the person may apply for an additional property tax credit pursuant to sections 425.16 to 425.39 which shall be credited against the amount of the taxes suspended.

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LEONARD L. BOSWELL  
President of the Senate

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RON J. CORBETT  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 223, Seventy-sixth General Assembly.

Approved  , 1995

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JOHN F. DWYER  
Secretary of the Senate

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TERRY E. BRANSTAD  
Governor