

Senate Study Bill 51

Conference Committee Text

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1 1 Section 1. Section [427.9](#), Code 1995, is amended to read as
1 2 follows:

1 3 427.9 SUSPENSION OF TAXES, ASSESSMENTS, AND RATES OR
1 4 CHARGES, INCLUDING INTEREST, FEES, AND COSTS.

1 5 If a person is a recipient of federal supplementary
1 6 security income or state supplementary assistance, as defined
1 7 in section 249.1, or is a resident of a health care facility,
1 8 as defined by section 135C.1, which is receiving payment from
1 9 the department of human services for the person's care, the
1 10 person shall be deemed to be unable to contribute to the
1 11 public revenue. The director of human services shall notify
1 12

~~the board of supervisors of the county in which the assisted~~

1 13

~~person owns parcels, as defined in section 445.1, of the fact,~~

1 14

~~giving a statement of~~

~~a person receiving such assistance of~~

1 15 the tax suspension provision and shall provide the person with
1 16 evidence to present to the appropriate county board of
1 17 supervisors which shows the person's eligibility for tax
1 18 suspension on parcels owned, possessed, or upon which the
1 19 person is paying taxes as a purchaser under contract. The
1 20 board of supervisors so notified, without the filing of a
1 21 petition and statement as specified in section 427.8, shall
1 22 order the county treasurer to suspend the collection of all
1 23 the taxes, special assessments, and rates or charges,
1 24 including interest, fees, and costs, assessed against the
1 25 parcels and remaining unpaid by the person or contractually
1 26 payable by the person, for such time as the person remains the
1 27 owner or contractually prospective owner of the parcels, and
1 28 during the period the person receives assistance as described
1 29 in this section. The director of human services shall advise
1 30 the person that the person may apply for an additional
1 31 property tax credit pursuant to sections 425.16 to 425.39
1 32 which shall be credited against the amount of the taxes
1 33 suspended.

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EXPLANATION

1 35 This bill removes the requirement that the department of
2 1 human services notify the appropriate county boards of
2 2 supervisors to suspend taxes when a landowner or a person
2 3 purchasing land under contract in the county receives state
2 4 payment for care either as a recipient of supplemental
2 5 security income or state supplementary assistance, or as a
2 6 resident of a health care facility. Under the bill the
2 7 recipient of state payment for care is now responsible for
2 8 notification of the board of supervisors.

2 9

BACKGROUND STATEMENT

2 10

SUBMITTED BY THE AGENCY

2 11 Currently the department of human services (DHS) is respon-
2 12 sible for notifying the county board of supervisors in a

2 13 county in which a client owns property and receives either
2 14 supplemental security income (SSI) or state supplementary
2 15 assistance (SSA) or is a resident of a health care facility
2 16 and the state is paying for care so that taxes can be
2 17 suspended. Several problems exist for the department in
2 18 complying with this requirement. Due to federal regulations
2 19 on confidentiality, the DHS cannot automatically forward names
2 20 of property owners who receive the above listed benefits to
2 21 the counties. Also, because SSI eligibility is determined by
2 22 SSA, financial information is not readily available to the DHS
2 23 to determine if the recipient owns property and its location.

2 24 To comply with both the Iowa Code on tax suspension and
2 25 with federal regulations on confidentiality, the income
2 26 maintenance worker is required to send out a notice to the
2 27 client about tax suspension. The client is to indicate on
2 28 this form if they own property on which taxes can be
2 29 suspended, location of the property, and if they want their
2 30 taxes suspended. The income maintenance worker forwards the
2 31 notice to the appropriate county board of supervisors. If the
2 32 client later becomes ineligible for any of the above listed
2 33 benefits, the income maintenance worker must then send notice
2 34 to the appropriate county board of supervisors to terminate
2 35 the suspension of taxes.

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

3 12 It should be noted that the DHS is also required to notify
3 13 clients about tax credits, but that the clients are
3 14 responsible to contact the county in order to apply for such
3 15 credit.

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