

1 Section 1. Section 347.28, Code 1997, is amended to read  
2 as follows:

3 347.28 SALE OR LEASE OF PROPERTY.

4 A county or city hospital may lease or sell any of its  
5 property ~~which-is-not-needed-for-hospital-purposes~~ to any  
6 person, upon approval by the board of trustees.

7 Sec. 2. Section 347.32, Code 1997, is amended to read as  
8 follows:

9 347.32 TAX STATUS.

10 This chapter does not deprive any hospital of its tax  
11 exempt or nonprofit status except that portion of hospital  
12 property which is used for other than ~~nonprofit~~, health-  
13 related purposes shall be subject to property tax as provided  
14 for in section 427.1, subsection 14.

15 Sec. 3. Section 427.1, subsection 2, Code 1997, is amended  
16 to read as follows:

17 2. MUNICIPAL AND MILITARY PROPERTY. The property of a  
18 county, township, city, school corporation, levee district,  
19 drainage district, or military company of the state of Iowa,  
20 when devoted to public use and not held for pecuniary profit,  
21 except property of a municipally owned electric utility held  
22 under joint ownership and property of an electric power  
23 facility financed under chapter 28F which shall be subject to  
24 assessment and taxation under provisions of chapters 428 and  
25 437. The exemption for property owned by a city or county  
26 also applies to property owned by a hospital organized and  
27 established pursuant to chapter 37, 145A, 347, or 347A, and  
28 leased to an individual or entity for health-related purposes.  
29 The exemption for property owned by a city or county also  
30 applies to property which is operated by a city or county as a  
31 library, art gallery or museum, conservatory, botanical garden  
32 or display, observatory or science museum, or as a location  
33 for holding athletic contests, sports or entertainment events,  
34 expositions, meetings or conventions, or leased from the city  
35 or county for any such purposes. Food and beverages may be

1 served at the events or locations without affecting the  
2 exemptions, provided the city has approved the serving of food  
3 and beverages on the property if the property is owned by the  
4 city or the county has approved the serving of food and  
5 beverages on the property if the property is owned by the  
6 county.

7 Sec. 4. APPLICABILITY. This Act applies to assessment  
8 years beginning on or after January 1, 1997.

9 EXPLANATION

10 This bill expands the property tax exemption for property  
11 owned by a city or county hospital or a veteran's memorial  
12 hospital or an area hospital established by a political  
13 subdivision to include property owned by the hospital and  
14 leased to an individual or entity for health-related purposes.

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