

SENATE FILE 447
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO SF 198)

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

A BILL FOR

1 An Act relating to the imposition of an annual conservation and
2 land preservation tax for agricultural property converted to
3 residential, industrial, or commercial use and providing
4 penalties.

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

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SF 447

1 Section 1. NEW SECTION. 428B.1 DEFINITIONS.

2 For purposes of this chapter unless the context otherwise
3 requires:

4 1. "Agricultural use" means the cultivation of land for
5 the production of agricultural crops, the raising of poultry,
6 the production of eggs, the production of milk, the production
7 of fruit or other horticultural crops, grazing, the production
8 of livestock, aquaculture, hydroponics, the production of
9 forest products, or the structures used in such activities.

10 2. "Date of conversion" means the date on which
11 agricultural land is platted, subdivided, residential,
12 industrial, or commercial building construction begins, or a
13 building permit for residential, industrial, or commercial
14 construction is issued, whichever is the earliest.

15 Sec. 2. NEW SECTION. 428B.2 CONSERVATION AND LAND
16 PRESERVATION TAX.

17 1. a. An annual conservation and land preservation tax is
18 imposed on each acre of agricultural land that is converted to
19 a commercial, industrial, or residential use on or after the
20 effective date of this Act. The rate of tax is based upon the
21 corn suitability rating of each acre of the agricultural land
22 which is converted. If the corn suitability rating of the
23 acre is less than fifty, no tax is imposed on that acre. If
24 the corn suitability rating of the acre is fifty or higher,
25 the tax is fifty dollars plus one dollar for each whole rating
26 unit in excess of fifty. If an area is less than one acre in
27 size, the tax on the area shall be a portion of the tax on the
28 acre based upon the proportion that the size of the area bears
29 to the acre.

30 b. The first payment of the conservation and land
31 preservation tax shall be made by the end of the month
32 following the month in which the date of conversion of
33 agricultural land to a commercial, industrial, or residential
34 use occurs. The tax along with a declaration of conversion
35 form shall be filed with the treasurer of the county in which

1 the land is located. The tax received by the treasurer under
2 this paragraph shall be deposited in the general fund of the
3 county to defray costs of this chapter.

4 2. a. Subsequent payments of the annual conservation and
5 land preservation tax are due and payable by the end of the
6 month following the anniversary date of conversion of the acre
7 or portion of the acre of the agricultural land to a
8 commercial, industrial, or residential use. The amount of the
9 tax on each acre is equal to the amount computed for each acre
10 or portion of an acre under subsection 1, paragraph "a". The
11 conservation and land preservation tax shall continue to be
12 due and payable on each acre or portion of an acre until the
13 acre or portion of the acre is reconverted to an agricultural
14 use. For the year in which the acre or portion of an acre is
15 reconverted to an agricultural use, the conservation and land
16 preservation tax shall be prorated for the year based upon the
17 number of months, counting a portion of a month as a full
18 month, the land was not used for an agricultural use.

19 b. The conservation and land preservation taxes due and
20 payable as provided in paragraph "a" shall be paid to the
21 treasurer of the county in which the land is located along
22 with the declaration of conversion form. The tax revenues
23 received by the treasurer of each county shall be remitted
24 quarterly to the treasurer of state.

25 3. The county treasurer shall keep records and make
26 reports with respect to the conservation and land preservation
27 tax as the director of revenue and finance prescribes.

28 Sec. 3. NEW SECTION. 428B.3 TAX REVENUES -- USE.

29 Conservation and land preservation tax revenues received
30 from the counties by the treasurer of state pursuant to
31 section 428B.2, subsection 2, shall be deposited into a land
32 preservation fund. Notwithstanding section 12C.7, interest
33 earned on moneys in the fund shall be credited to the land
34 preservation fund. Moneys in the fund shall be appropriated
35 by the general assembly only for the purpose of preserving or

1 conserving farmland in the state, including funding of
2 conservation programs administered by the soil conservation
3 division of the department of agriculture and land
4 stewardship.

5 Sec. 4. NEW SECTION. 428B.4 LIABILITY FOR TAX.

6 Any person who owns or has a legal or equitable ownership
7 interest in land, tenement, or realty by a deed, writing, or
8 instrument subject to the tax imposed by this chapter and who
9 is responsible for the payment of property taxes levied on
10 that land, tenement, or realty shall be liable for such tax,
11 including state and local government entities, except in the
12 case where the land is owned by such entities and used by them
13 for road purposes.

14 Sec. 5. NEW SECTION. 428B.5 FORMS PROVIDED BY DIRECTOR
15 OF REVENUE AND FINANCE.

16 The director of revenue and finance shall prescribe the
17 form of the declaration of conversion and shall include an
18 appropriate place for the inclusion of special facts and
19 circumstances relating to the corn suitability rating. The
20 director shall provide an adequate number of the declaration
21 of conversion forms to each county treasurer in the state.

22 Sec. 6. NEW SECTION. 428B.6 DELINQUENT TAXES.

23 Delinquent taxes under this chapter shall be subject to the
24 tax collection procedures under chapter 445, tax sales
25 procedures under chapter 446, tax redemption procedures under
26 chapter 447, tax deed provisions under chapter 448, and tax
27 apportionment provisions under chapter 449, in the same manner
28 as if the annual conservation and land preservation tax is an
29 ad valorem tax under those chapters.

30 Sec. 7. NEW SECTION. 428B.7 PENALTY FOR FALSE
31 INFORMATION.

32 Any person who willfully enters false information on the
33 declaration of value as it relates to corn suitability rating
34 is guilty of a simple misdemeanor.

35 Sec. 8. NEW SECTION. 428B.8 ENFORCEMENT.

1 The director of revenue and finance shall enforce the
2 provisions of this chapter and may adopt rules pursuant to
3 chapter 17A for their detailed and efficient administration.

4 Sec. 9. NEW SECTION. 428B.9 NONAPPLICABILITY.

5 This chapter shall not apply with respect to any property
6 where the use of the property may not under the Constitution
7 of this state or under the laws or Constitution of the United
8 States be made the subject of taxation by this state.

9 EXPLANATION

10 The bill imposes a conservation and land preservation tax
11 on the owner, including state and local government entities,
12 for the conversion of agricultural property to a commercial,
13 industrial, or residential use. The tax is imposed as of the
14 date the conversion takes place and is payable annually until
15 such time as the land is reconverted to an agricultural use.
16 The amount of the tax is based upon the corn suitability
17 rating (CSR) of each acre of agricultural land converted. If
18 the CSR is 50 or less, no tax is imposed. If the CSR is more
19 than 50, the tax equals \$50 plus \$1 for each CSR rating unit
20 above 50. The tax is prorated if less than an acre is later
21 subdivided or converted.

22 The original tax is due and payable by the end of the month
23 following the month in which the date of conversion takes
24 place. This tax is payable to the county treasurer to be used
25 to defray costs of the county's administration. The
26 subsequent years' taxes are due and payable by the end of the
27 month following the month in which the anniversary date
28 occurs. This tax is payable to the county treasurer who
29 remits the revenue to the state treasurer. The moneys from
30 the tax are to be appropriated by the general assembly only
31 for purposes of preserving or conserving Iowa farmland,
32 including funding of conservation programs. Delinquent taxes
33 are collected in the same manner as ad valorem property taxes
34 and if not paid within one year the property is subject to
35 sale for taxes at a tax sale.