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SENATE FILE  
BY REHBERG

345

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

**A BILL FOR**

1 An Act relating to agricultural land leases for purposes of the  
2 family farm property tax credit and providing for the Act's  
3 applicability.

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

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SF 345  
WAYS & MEANS

1 Section 1. Section 425A.2, subsection 1, Code 2001, is  
2 amended to read as follows:

3 1. "Actively engaged in farming" means the designated  
4 person is personally involved in the production of crops and  
5 livestock on the eligible tract on a regular, continuous, and  
6 substantial basis. However, a lessor, whether under a cash or  
7 a crop share lease, is not actively engaged in farming on the  
8 area of the tract covered by the lease unless the lessor is a  
9 designated person under subsection 4, paragraph "g". This  
10 provision applies to both written and oral leases.

11 Sec. 2. Section 425A.2, subsection 4, Code 2001, is  
12 amended by adding the following new paragraph:

13 NEW PARAGRAPH. g. If the owner is an individual who  
14 leases the tract to an unrelated individual, or to a  
15 partnership or family farm corporation and the partners or  
16 shareholders are not related to the owner, the owner if the  
17 owner is at least sixty-five years of age and resides on a  
18 homestead contiguous to the area of the tract covered by the  
19 lease.

20 Sec. 3. APPLICABILITY DATE. This Act applies to family  
21 farm tax credit claims filed on or after July 1, 2001.

22 EXPLANATION

23 This bill provides that, for purposes of the family farm  
24 property tax credit, a designated person entitled to the  
25 credit includes a lessor of a tract of agricultural land if  
26 the lessor is an owner who is leasing to an unrelated  
27 individual, or to a partnership or family farm corporation and  
28 the lessor is unrelated to the partners or shareholders, is at  
29 least 65 years of age, and resides on a homestead contiguous  
30 to the tract being leased.

31 The bill applies to family farm tax credit claims filed on  
32 or after July 1, 2001.

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