

FEB 26 2004
WAYS AND MEANS

HOUSE FILE 2387
BY HUSER

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

A BILL FOR

1 An Act relating to the reduction in the assessed values of
2 homesteads of persons sixty-five years of age or older below a
3 specified income level, providing a penalty, and including
4 applicability date provisions.

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

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HF 2387

1 Section 1. NEW SECTION. 424A.1 HOMESTEAD ASSESSED VALUE
2 ADJUSTMENT -- PURPOSE.

3 Persons who own their homesteads and who meet the
4 qualifications provided in this chapter are eligible for an
5 adjustment in the assessed value of their homesteads, as
6 provided in this chapter, to prevent an increase in such
7 values.

8 Sec. 2. NEW SECTION. 424A.2 DEFINITIONS.

9 As used in this chapter, unless the context otherwise
10 requires:

11 1. "Assessed value" means the actual value prior to any
12 adjustment pursuant to section 441.21, subsection 4.

13 2. "Base assessment year" means the assessment year
14 beginning in the base year.

15 3. "Base year" means the calendar year last ending before
16 the claim is filed.

17 4. "Claimant" means a person filing a claim for adjustment
18 under this chapter who has attained the age of sixty-five
19 years on or before December 31 of the base year and is
20 domiciled in this state at the time the claim is filed or at
21 the time of the person's death in the case of a claim filed by
22 the executor or administrator of the claimant's estate.

23 5. "Homestead" means the dwelling owned and actually used
24 as a home by the claimant during any part of the fiscal year
25 beginning July 1 of the base year, and so much of the land
26 surrounding it including one or more contiguous lots or tracts
27 of land, as is reasonably necessary for use of the dwelling as
28 a home, and may consist of a part of a multidwelling or
29 multipurpose building and a part of the land upon which it is
30 built. It does not include personal property except that a
31 manufactured or mobile home may be a homestead. Any dwelling
32 or a part of a multidwelling or multipurpose building which is
33 exempt from taxation does not qualify as a homestead under
34 this division. A homestead must be located in this state.
35 When a person is confined in a nursing home, extended-care

1 facility, or hospital, the person shall be considered as
2 occupying or living in the person's homestead if the person is
3 the owner of the homestead and the person maintains the
4 homestead and does not lease, rent, or otherwise receive
5 profits from other persons for the use of the homestead.

6 6. "Household", "household income", and "income" mean the
7 same as those terms are defined in section 425.17.

8 7. "Owned" means owned by an "owner" as defined in section
9 425.11.

10 Sec. 3. NEW SECTION. 424A.3 RIGHT TO FILE A CLAIM.

11 The right to file a claim for an assessed value adjustment
12 under this chapter may be exercised by the claimant or on
13 behalf of a claimant by the claimant's legal guardian, spouse,
14 or attorney, or by the executor or administrator of the
15 claimant's estate. If a claimant dies after having filed a
16 claim for adjustment, the amount of any adjustment shall be
17 made as if the claimant had not died.

18 Sec. 4. NEW SECTION. 424A.4 CLAIM FOR ADJUSTMENT.

19 Subject to the limitations provided in this chapter, a
20 claimant may annually claim an adjustment of the assessed
21 value of the claimant's homestead for the base assessment
22 year. The adjustment claim shall be filed with the county
23 assessor between January 1 and February 15 immediately
24 following the close of the base assessment year. However, in
25 case of sickness, absence, or other disability of the
26 claimant, or if in the judgment of the county assessor good
27 cause exists, the county assessor may extend the time for
28 filing a claim for adjustment through June 30 of the same
29 calendar year.

30 The county assessor shall notify the department of revenue
31 by March 1 of the number of claimants receiving adjustments
32 under this chapter and the total amount of the reduced
33 assessed values for the base assessment year.

34 Sec. 5. NEW SECTION. 424A.5 QUALIFICATION AND
35 ADJUSTMENT.

1 1. A claimant whose household income is less than twice
2 the maximum household income for which the additional property
3 tax credit or rent reimbursement under section 425.23,
4 subsection 1, may be claimed is eligible for an adjustment to
5 the assessed value of the claimant's homestead as provided in
6 this section. For purposes of this section, "maximum
7 household income" means the maximum household income as
8 adjusted by the cumulative adjustment factor for the base year
9 pursuant to section 425.23, subsection 4.

10 2. If the household income qualification in subsection 1
11 is met, the assessed value of the claimant's homestead in the
12 base assessment year shall be adjusted, but not increased, to
13 equal the assessed value, as such value may have been adjusted
14 pursuant to this chapter, in the assessment year preceding the
15 base assessment year.

16 Sec. 6. NEW SECTION. 424A.6 ADMINISTRATION.

17 The director of revenue shall make available suitable forms
18 for claiming an assessed value adjustment with instructions
19 for claimants. Each assessor and county treasurer shall make
20 available the forms and instructions. The claim shall be in a
21 form as the director may prescribe.

22 Sec. 7. NEW SECTION. 424A.7 PROOF OF CLAIM.

23 Every claimant shall give the department of revenue, in
24 support of the claim, reasonable proof of:

- 25 1. Age.
- 26 2. Household membership.
- 27 3. Household income.
- 28 4. Size and nature of the property claimed as the
29 homestead.

30 The director of revenue may require any additional proof
31 necessary to support a claim.

32 Sec. 8. NEW SECTION. 424A.8 AUDIT -- DENIAL.

33 If on the audit of a claim for adjustment under this
34 chapter, the director of revenue determines the claim is not
35 allowable, the director shall notify the claimant of the

1 denial and the reasons for it. The director shall not deny a
2 claim after three years from October 31 of the year in which
3 the claim was filed. The director shall give notification to
4 the county assessor of the denial of the claim and the county
5 assessor shall instruct the county treasurer to proceed to
6 collect the tax that would have been levied on the adjusted
7 assessed value in the same manner as other property taxes due
8 and payable are collected, if the property on which the
9 adjustment was granted is still owned by the claimant.

10 Sec. 9. NEW SECTION. 424A.9 FALSE CLAIM -- PENALTY.

11 A person who makes a false affidavit for the purpose of
12 obtaining an adjustment in assessed value provided for in this
13 chapter or who knowingly receives the adjustment without being
14 legally entitled to it or makes claim for the adjustment in
15 more than one county in the state without being legally
16 entitled to it is guilty of a fraudulent practice. The claim
17 for adjustment shall be disallowed in full and property tax
18 shall be levied on the disallowed adjustment at the rate that
19 would have been levied but for the adjustment. The director
20 of revenue shall send a notice of disallowance of the claim.

21 Sec. 10. NEW SECTION. 424A.10 STATUTES APPLICABLE.

22 To the extent not otherwise contrary, the provisions of
23 sections 425.28, 425.30, 425.31, 425.32, and 425.37 apply to
24 this chapter.

25 Sec. 11. STATE FUNDING OF TAX CREDITS AND EXEMPTIONS --
26 INAPPLICABILITY. The provisions in section 25B.7, relating to
27 the obligation of the state to reimburse local jurisdictions
28 for property tax credits and exemptions, do not apply to
29 chapter 424A, as enacted in this Act.

30 Sec. 12. RETROACTIVE APPLICABILITY DATES. This Act
31 applies retroactively to January 1, 2004, for assessment years
32 beginning on or after that date and for the filing of claims
33 for adjustments of assessed values on or after January 1,
34 2005.

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EXPLANATION

1 This bill provides for an adjustment (freeze) in the
2 assessed value of a homestead if the owner is a person who is
3 65 or older and has household income of less than twice the
4 maximum amount (approximately \$36,000) which would qualify an
5 elderly or disabled person for an additional homestead credit
6 as provided in Code chapter 425. If those qualifications are
7 met, the assessed value of the homestead upon which property
8 taxes are levied in a fiscal year is the same assessed value
9 as for the previous fiscal year. Assessed value is that
10 valued prior to any rollback being applied.

11 The bill provides that the provision in Code section 25B.7
12 that requires the state to fund reimbursement for property tax
13 credits and exemptions does not apply to the adjustment in
14 value provided for in the bill.

15 The bill applies retroactively to January 1, 2004, for
16 assessment years beginning on or after that date and applies
17 to claims filed for the adjustments on or after January 1,
18 2005.

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