

MAR 5 2003
WAYS AND MEANS

HOUSE FILE 437
BY SHOULTZ

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

A BILL FOR

1 An Act relating to the property tax assessment limitation
2 provision tying increases in assessments for agricultural and
3 residential property and including a retroactive applicability
4 date provision.

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

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HC 437

1 Section 1. Section 441.21, subsection 4, Code 2003, is
2 amended to read as follows:

3 4. For valuations established as of January 1, 1979, the
4 percentage of actual value at which agricultural and
5 residential property shall be assessed shall be the quotient
6 of the dividend and divisor as defined in this section. The
7 dividend for each class of property shall be the dividend as
8 determined for each class of property for valuations
9 established as of January 1, 1978, adjusted by the product
10 obtained by multiplying the percentage determined for that
11 year by the amount of any additions or deletions to actual
12 value, excluding those resulting from the revaluation of
13 existing properties, as reported by the assessors on the
14 abstracts of assessment for 1978, plus six percent of the
15 amount so determined. However, ~~if the difference between the~~
16 ~~dividend so determined for either class of property and the~~
17 ~~dividend for that class of property for valuations established~~
18 ~~as of January 1, 1978, adjusted by the product obtained by~~
19 ~~multiplying the percentage determined for that year by the~~
20 ~~amount of any additions or deletions to actual value,~~
21 ~~excluding those resulting from the revaluation of existing~~
22 ~~properties, as reported by the assessors on the abstracts of~~
23 ~~assessment for 1978, is less than six percent, the 1979~~
24 ~~dividend for the other class of property shall be the dividend~~
25 ~~as determined for that class of property for valuations~~
26 ~~established as of January 1, 1978, adjusted by the product~~
27 ~~obtained by multiplying the percentage determined for that~~
28 ~~year by the amount of any additions or deletions to actual~~
29 ~~value, excluding those resulting from the revaluation of~~
30 ~~existing properties, as reported by the assessors on the~~
31 ~~abstracts of assessment for 1978, plus a percentage of the~~
32 ~~amount so determined which is equal to the percentage by which~~
33 ~~the dividend as determined for the other class of property for~~
34 ~~valuations established as of January 1, 1978, adjusted by the~~
35 ~~product obtained by multiplying the percentage determined for~~

1 ~~that year by the amount of any additions or deletions to~~
2 ~~actual value, excluding those resulting from the revaluation~~
3 ~~of existing properties, as reported by the assessors on the~~
4 ~~abstracts of assessment for 1978, is increased in arriving at~~
5 ~~the 1979 dividend for the other class of property. The~~
6 divisor for each class of property shall be the total actual
7 value of all such property in the state in the preceding year,
8 as reported by the assessors on the abstracts of assessment
9 submitted for 1978, plus the amount of value added to said
10 total actual value by the revaluation of existing properties
11 in 1979 as equalized by the director of revenue pursuant to
12 section 441.49. The director shall utilize information
13 reported on abstracts of assessment submitted pursuant to
14 section 441.45 in determining such percentage. For valuations
15 established as of January 1, 1980, and each year thereafter,
16 the percentage of actual value as equalized by the director of
17 revenue and finance as provided in section 441.49 at which
18 agricultural and residential property shall be assessed shall
19 be calculated in accordance with the methods provided herein
20 ~~including the limitation of increases in agricultural and~~
21 ~~residential assessed values to the percentage increase of the~~
22 ~~other class of property if the other class increases less than~~
23 ~~the allowable limit adjusted to include the applicable and~~
24 ~~current values as equalized by the director of revenue and~~
25 finance in this subsection, except that any references to six
26 percent in this subsection shall be four percent.

27 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies
28 retroactively to January 1, 2003, for assessment years
29 beginning on or after that date.

30

EXPLANATION

31 This bill eliminates the tie between agricultural and
32 residential property assessments which limits the increase in
33 the percentage of assessed value for property tax purposes for
34 one class of property to the increase in the other.

35 The bill applies retroactively to assessment years

S.F. _____ H.F. 437

- 1 beginning on or after January 1, 2003.
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