

(SUCCESSOR TO HF 15)

Passed House, Date 4/22/03 Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to property taxation of certain lands leased to
2 others by the department of corrections or department of human
3 services and providing for the Act's applicability.

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

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HOUSE FILE 665

8 H-1277

1 Amend House File 665 as follows:

9 2 1. Page 1, by striking line 21, and inserting the
10 3 following: "leased to an entity other than an entity
11 4 which is exempt from property taxation under this
12 5 section shall be".

13 6 2. Page 1, line 22, by striking the words "exempt
14 7 from" and inserting the following: "subject to
15 8 property".

16 9 3. Page 2, by striking lines 15 and 16, and
17 10 inserting the following: "property taxes due and
18 11 payable on".

19 12 4. Page 2, line 18, by inserting after the word
20 13 "departments" the following: "if land subject to this
21 14 section is leased to an entity other than an entity
22 15 which is exempt from property taxation under section
23 16 427.1".

By HORBACH of Tama

H-1277 FILED APRIL 7, 2003

Adopted 4/22/03

HF-665

1 Section 1. Section 427.1, subsection 1, Code 2003, is
2 amended to read as follows:

3 1. FEDERAL AND STATE PROPERTY. The property of the United
4 States and this state, including state university, university
5 of science and technology, and school lands, except as
6 otherwise provided in this subsection. The exemption herein
7 provided shall not include any real property subject to
8 taxation under any federal statute applicable thereto, but
9 such exemption shall extend to and include all machinery and
10 equipment owned exclusively by the United States or any
11 corporate agency or instrumentality thereof without regard to
12 the manner of the affixation of such machinery and equipment
13 to the land or building upon or in which such property is
14 located, until such time as the Congress of the United States
15 shall expressly authorize the taxation of such machinery and
16 equipment.

17 Sec. 2. Section 427.1, subsection 1, Code 2003, is amended
18 by adding the following new unnumbered paragraph:

19 NEW UNNUMBERED PARAGRAPH. Property of the state operated
20 pursuant to section 904.302, 904.705, or 904.706 that is
21 leased to a private individual or corporation shall not be
22 exempt from taxation for the term of the lease. Property
23 taxes levied against such leased property shall be paid from
24 the revolving farm fund created in section 904.706. The
25 lessor shall file a copy of the lease with the county assessor
26 of the county where the property is located.

27 Sec. 3. Section 904.302, Code 2003, is amended by adding
28 the following new subsection:

29 NEW SUBSECTION. 7A. Pay property taxes levied against
30 land leased by the department of corrections or department of
31 human services as provided in section 427.1, subsection 1.

32 Sec. 4. Section 904.705, unnumbered paragraph 2, Code
33 2003, is amended to read as follows:

34 The director may with the assistance of the department of
35 natural resources establish and operate forestry nurseries on

1 state-owned land under the control of the department.
2 Residents of the adult correctional institutions shall provide
3 the labor for the operation. Nursery stock shall be sold in
4 accordance with the rules of the natural resource commission.
5 The department shall pay the costs of establishing and
6 operating the forestry nurseries out of the revolving farm
7 fund created in section 904.706. The department of natural
8 resources shall pay the costs of transporting, sorting, and
9 distributing nursery stock to and from or on state-owned land
10 under the control of the department of natural resources.
11 Receipts from the sale of nursery stock produced under this
12 section shall be divided between the department and the
13 department of natural resources in direct proportion to their
14 respective costs as a percentage of the total costs. However,
15 if land subject to this section is leased to a private
16 individual or corporation, property taxes due and payable on
17 the land shall be deducted before receipts of sale are divided
18 between the two departments. The department shall deposit its
19 receipts in the revolving farm fund created in section
20 904.706.

21 Sec. 5. APPLICABILITY. This Act applies to leases entered
22 into on or after the effective date of this Act.

23 EXPLANATION

24 This bill provides that nursery land or farmland leased by
25 the department of corrections or the department of human
26 services to a private individual or corporation is subject to
27 property taxation for the term of the lease.

28 The bill applies to leases entered into on or after the
29 effective date of the bill.

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HOUSE FILE 665
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 15)

(As Amended and Passed by the House April 22, 2003)

Passed House, Date 4/22/03 Passed Senate, Date 4/30/03
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved 5/15/03

A BILL FOR

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2 others by the department of corrections or department of human
3 services and providing for the Act's applicability.

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

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House Amendments _____

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HF 665

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2 amended to read as follows:

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4 States and this state, including state university, university
5 of science and technology, and school lands, except as
6 otherwise provided in this subsection. The exemption herein
7 provided shall not include any real property subject to
8 taxation under any federal statute applicable thereto, but
9 such exemption shall extend to and include all machinery and
10 equipment owned exclusively by the United States or any
11 corporate agency or instrumentality thereof without regard to
12 the manner of the affixation of such machinery and equipment
13 to the land or building upon or in which such property is
14 located, until such time as the Congress of the United States
15 shall expressly authorize the taxation of such machinery and
16 equipment.

17 Sec. 2. Section 427.1, subsection 1, Code 2003, is amended
18 by adding the following new unnumbered paragraph:

19 NEW UNNUMBERED PARAGRAPH. Property of the state operated
20 pursuant to section 904.302, 904.705, or 904.706 that is
21 leased to an entity other than an entity which is exempt from
22 property taxation under this section shall be subject to
23 property taxation for the term of the lease. Property taxes
24 levied against such leased property shall be paid from the
25 revolving farm fund created in section 904.706. The lessor
26 shall file a copy of the lease with the county assessor of the
27 county where the property is located.

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1 natural resources establish and operate forestry nurseries on
2 state-owned land under the control of the department.
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5 accordance with the rules of the natural resource commission.
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7 operating the forestry nurseries out of the revolving farm
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9 resources shall pay the costs of transporting, sorting, and
10 distributing nursery stock to and from or on state-owned land
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12 Receipts from the sale of nursery stock produced under this
13 section shall be divided between the department and the
14 department of natural resources in direct proportion to their
15 respective costs as a percentage of the total costs. However,
16 property taxes due and payable on the land shall be deducted
17 before receipts of sale are divided between the two
18 departments if land subject to this section is leased to an
19 entity other than an entity which is exempt from property
20 taxation under section 427.1. The department shall deposit
21 its receipts in the revolving farm fund created in section
22 904.706.

23 Sec. 5. APPLICABILITY. This Act applies to leases entered
24 into on or after the effective date of this Act.

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