

FEB 28 2006
WAYS AND MEANS

HOUSE FILE 2553
BY MAY

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

A BILL FOR

1 An Act relating to a property assessment adjustment for persons
2 age sixty-five and older and including retroactive
3 applicability date provisions.

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

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HF 2553

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

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.

7 The assessment shall be adjusted by multiplying the
8 assessed value of the eligible homestead by ninety-eight
9 hundredths percent, and the assessed value as adjusted by this
10 section shall be the taxable value of such property upon which
11 the levy shall be made.

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

13 As used in this chapter, unless the context otherwise
14 requires:

15 1. "Assessed value" means the actual value after any
16 adjustment pursuant to section 441.21, subsection 4.

17 2. "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 assessment year for
20 which the claim may first be filed and is domiciled in this
21 state at the time the claim is filed or at the time of the
22 person's death in the case of a claim filed by the executor or
23 administrator of the claimant's estate.

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

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

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

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

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

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

18 A claim for adjustment shall be filed with the county
19 assessor between January 1 and February 15 immediately
20 following the close of the calendar year in which the claimant
21 attained the age of sixty-five. However, in case of sickness,
22 absence, or other disability of the claimant, or if in the
23 judgment of the county assessor good cause exists, the county
24 assessor may extend the time for filing a claim for adjustment
25 through June 30 of the same calendar year.

26 The county assessor shall notify the department of revenue
27 by March 1 of each year of the number of claimants receiving
28 adjustments under this chapter and the total amount of the
29 reduced assessed values for the assessment year.

30 Sec. 5. NEW SECTION. 424A.5 ADMINISTRATION.

31 The director of revenue shall make available suitable forms
32 for claiming an assessed value adjustment with instructions
33 for claimants. Each assessor and county treasurer shall make
34 available the forms and instructions. The claim shall be in a
35 form as the director may prescribe.

1 Sec. 6. NEW SECTION. 424A.6 PROOF OF CLAIM.

2 Every claimant shall give the department of revenue, in
3 support of the claim, reasonable proof of:

4 1. Age.

5 2. Changes of homestead.

6 3. Size and nature of the property claimed as the
7 homestead.

8 The director of revenue may require any additional proof
9 necessary to support a claim.

10 Sec. 7. NEW SECTION. 424A.7 AUDIT -- DENIAL.

11 If on the audit of a claim for adjustment under this
12 chapter, the director of revenue determines the claim is not
13 allowable, the director shall notify the claimant of the
14 denial and the reasons for it. The director shall not deny a
15 claim after three years from October 31 of the year in which
16 the claim was filed. The director shall give notification to
17 the county assessor of the denial of the claim and the county
18 assessor shall instruct the county treasurer to proceed to
19 collect the tax that would have been levied on the disallowed
20 adjustment in the same manner as other property taxes due and
21 payable are collected, if the property on which the adjustment
22 was granted is still owned by the claimant.

23 Sec. 8. NEW SECTION. 424A.8 RELEASE OF CLAIMANT
24 INFORMATION.

25 The department of revenue may release information
26 pertaining to a person's eligibility or claim for or receipt
27 of the assessed value adjustment to an employee of the
28 department of inspections and appeals in the employee's
29 official conduct of an audit or investigation.

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

31 A person who makes a false affidavit for the purpose of
32 obtaining an adjustment in assessed value provided for in this
33 chapter or who knowingly receives the adjustment without being
34 legally entitled to it or makes claim for the adjustment in
35 more than one county in the state without being legally

1 entitled to it is guilty of a fraudulent practice. The claim
2 for adjustment shall be disallowed in full and property tax
3 shall be levied on the disallowed adjustment at the rate that
4 would have been levied but for the adjustment. The director
5 of revenue shall send a notice of disallowance of the claim.

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

7 To the extent not otherwise contrary, the provisions of
8 sections 425.30, 425.31, 425.32, and 425.37 apply to this
9 chapter.

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

15 Sec. 12. APPLICABILITY DATES. This Act applies
16 retroactively to January 1, 2006, for assessment years
17 beginning on or after that date and for the filing of claims
18 for adjustments of assessed values on or after January 1,
19 2007.

20 EXPLANATION

21 This bill provides for an adjustment in the assessed value
22 of a homestead if the owner is a person who is 65 or older.
23 If that qualification is met, the assessed value of the
24 homestead upon which property taxes are levied in a fiscal
25 year is 98 percent of the assessed value. Assessed value is
26 that value after any rollback is applied.

27 The bill provides that the provision in Code section 25B.7
28 that requires the state to fund reimbursement for property tax
29 credits and exemptions does not apply to the adjustment in
30 value provided for in the bill.

31 The bill applies retroactively to January 1, 2006, for
32 assessment years beginning on or after that date and applies
33 to claims filed for the adjustments on or after January 1,
34 2007.

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