

APR 19 2005
WAYS & MEANS CALENDAR

HOUSE FILE 863
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 437)

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

A BILL FOR

1 An Act relating to property assessment by allowing the combining
2 of protests of assessment on multiple parcels separately
3 assessed and by providing for reimbursement of costs for
4 certain appeals of the action of the local board of review and
5 including an applicability date.

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

HF 863

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1 Section 1. Section 441.37, subsection 1, Code 2005, is
2 amended by adding the following new unnumbered paragraph:

3 NEW UNNUMBERED PARAGRAPH. The property owner or aggrieved
4 taxpayer may combine on one form protests of assessment on
5 parcels separately assessed if the same grounds are relied
6 upon as the basis for protesting each separate assessment. If
7 an oral hearing is requested on more than one of such
8 protests, the person making the combined protests may request
9 that the oral hearings be held consecutively.

10 Sec. 2. Section 441.37, subsection 3, Code 2005, is
11 amended to read as follows:

12 3. After the board of review has considered any protest
13 filed by a property owner or aggrieved taxpayer and made final
14 disposition of the protest, the board shall give written
15 notice to the property owner or aggrieved taxpayer who filed
16 the protest of the action taken by the board of review on the
17 protest. The written notice to the property owner or
18 aggrieved taxpayer shall also specify the reasons for the
19 action taken by the board of review on the protest. If
20 protests of assessment on multiple parcels separately assessed
21 were combined, the written notice shall state the action
22 taken, and the reasons for the action, for each assessment
23 protested.

24 Sec. 3. NEW SECTION. 441.40A REIMBURSEMENT OF APPELLANT
25 COSTS.

26 1. Notwithstanding section 441.40, where the court
27 determines the appellant's property was assessed by the
28 assessor for more than one hundred ten percent of its post-
29 appeal value, the assessor shall pay all reasonable attorney
30 fees and any other reasonably related costs incurred by the
31 appellant. This subsection applies only to appeals relating
32 to assessments on property assessed as residential or
33 agricultural property.

34 2. Notwithstanding section 441.40, where the court
35 determines the appellant's property was assessed by the

HOUSE FILE 863

H-1462

1 Amend House File 863 as follows:

2 1. Page 1, line 28, by striking the word "ten"
3 and inserting the following: "twenty".

4 2. Page 1, line 29, by striking the words
5 "assessor shall pay all" and inserting the following:
6 "court may award the appellant".

7 3. Page 2, line 4, by striking the words
8 "assessor shall pay all" and inserting the following:
9 "court may award the appellant".

By HOGG of Linn

H-1462 FILED APRIL 21, 2005

Fiscal Services Division
Legislative Services Agency
Fiscal Note

HF 863 - Assessor Valuation Appeals (LSB 2891 HV)
Analyst: Dwayne Ferguson (Phone: (515) 281-6561) (dwayne.ferguson@legis.state.ia.us)
Fiscal Note Version - New

Description

House File 863 allows an aggrieved taxpayer or property owner to combine assessment protests on one form to protest the assessment of multiple parcels if the same grounds are relied upon for each separate protest. The local board of review must respond to each assessment protest separately.

House File 863 also provides that if the Court hearing a property tax assessment appeal determines that an agricultural or residential property was assessed at more than 110.0% of its post-appeal value and the assessment was not substantially justified, the assessor pays the appellant's reasonable attorney fees and costs of the appeal. For commercial and industrial property found to be assessed in excess of 120.0% of the post-appeal value, the assessor pays reasonable attorney fees and costs of the appeal.

Assumptions

- It is estimated that annually 54 residential and agricultural appeals will be found to be in excess of 110.0% of post-appeal assessed value, and 186 commercial and industrial appeals will be in excess of 120.0% of post-appeal assessed value, for a total of 240 excessive appeals.
- Appraisals cost on average \$4,500 for commercial and industrial appellants and \$300 for residential and agricultural appellants.
- Legal costs average \$9,500 for commercial and industrial appellants and \$350 for residential and agricultural appellants.

Fiscal Impact

Statewide assessors are projected to reimburse appellants \$1.8 million in legal fees and \$853,000 in appraisal costs for an annual total of \$2.6 million.

The combining of assessment appeals for multiple parcels has no significant impact.

Sources

Iowa State Association of Counties
Department of Revenue

/s/ Holly M. Lyons

April 20, 2005

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
