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WAYS & MEANS

SENATE FILE 2113

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Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to a property assessment adjustment for certain  
2 elderly persons and including retroactive applicability date  
3 provisions.

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

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WAYS & MEANS

SF 2113

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 ADJUSTMENT  
35 -- MAXIMUM TAX DOLLARS LEVIED.

1 1. If the household income qualification specified in  
2 subsection 2 is met, the assessed value of the claimant's  
3 homestead in the base assessment year shall be adjusted, but  
4 not increased, to equal the assessed value, as such value may  
5 have been adjusted pursuant to this chapter, in the assessment  
6 year preceding the base assessment year. However, if the  
7 property tax dollars to be levied against the adjusted  
8 assessment exceed the property tax dollars levied against the  
9 property in the fiscal year for which taxes were first levied  
10 against an adjusted assessment, the treasurer shall subtract  
11 the difference from the amount due.

12 2. A claimant is eligible for an adjustment to the  
13 assessed value of the claimant's homestead if the claimant's  
14 household income is twenty-five thousand dollars or less.

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

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

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

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

- 24 1. Age.
- 25 2. Changes of homestead.
- 26 3. Household membership.
- 27 4. Household income.
- 28 5. 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 WAIVER OF CONFIDENTIALITY.

11 A claimant shall expressly waive any right to  
12 confidentiality relating to all income tax information  
13 obtainable through the department of revenue, including all  
14 information covered by sections 422.20 and 422.72. This  
15 waiver shall apply to information available to the county  
16 assessor who shall hold the information confidential except  
17 that it may be used as evidence to disallow the assessed value  
18 adjustment.

19 The department of revenue may release information  
20 pertaining to a person's eligibility or claim for or receipt  
21 of the assessed value adjustment to an employee of the  
22 department of inspections and appeals in the employee's  
23 official conduct of an audit or investigation.

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

25 A person who makes a false affidavit for the purpose of  
26 obtaining an adjustment in assessed value provided for in this  
27 chapter or who knowingly receives the adjustment without being  
28 legally entitled to it or makes claim for the adjustment in  
29 more than one county in the state without being legally  
30 entitled to it is guilty of a fraudulent practice. The claim  
31 for adjustment shall be disallowed in full and property tax  
32 shall be levied on the disallowed adjustment at the rate that  
33 would have been levied but for the adjustment. The director  
34 of revenue shall send a notice of disallowance of the claim.

35 Sec. 11. NEW SECTION. 424A.11 STATUTES APPLICABLE.

1 To the extent not otherwise contrary, the provisions of  
2 sections 425.30, 425.31, 425.32, and 425.37 apply to this  
3 chapter.

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

9 Sec. 13. APPLICABILITY DATES. This Act applies  
10 retroactively to January 1, 2006, for assessment years  
11 beginning on or after that date and for the filing of claims  
12 for adjustments of assessed values on or after January 1,  
13 2007.

14 EXPLANATION

15 This bill provides for an adjustment (freeze) in the  
16 assessed value of a homestead if the owner is a person who is  
17 65 or older and whose household income is \$25,000 or less. If  
18 those qualifications are met, the assessed value of the  
19 homestead upon which property taxes are levied in a fiscal  
20 year is the same assessed value as for the previous fiscal  
21 year. Assessed value is that value prior to any rollback  
22 being applied.

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

27 The bill applies retroactively to January 1, 2006, for  
28 assessment years beginning on or after that date and applies  
29 to claims filed for the adjustments on or after January 1,  
30 2007.

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