

SENATE FILE 408
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 278)

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

A BILL FOR

1 An Act relating to the exemption from property taxation of
2 certain low-rent housing and including effective date and
3 applicability date provisions.

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

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SF 408

1 Section 1. Section 427.1, subsection 21, Code 2005, is
2 amended to read as follows:

3 21. LOW-RENT HOUSING. The property owned and operated by
4 a nonprofit organization providing low-rent housing for
5 persons who are elderly and persons with physical and mental
6 disabilities. The exemption granted under the provisions of
7 this subsection shall apply only until the terms final payment
8 due date of the original low-rent housing development mortgage
9 or until the original low-rent housing development mortgage is
10 paid in full or expires, whichever is sooner, subject to the
11 provisions of subsection 14. However, if the original low-
12 rent housing development mortgage is refinanced, the exemption
13 shall apply only until the date that would have been the final
14 payment due date under the terms of the original low-rent
15 housing development mortgage or until the refinanced mortgage
16 is paid in full or expires, whichever is sooner, subject to
17 the provisions of subsection 14.

18 Sec. 2. PROPERTY TAX EXEMPTION STATUS. This Act is not
19 considered a property tax exemption enacted on or after
20 January 1, 1997, for purposes of section 25B.7.

21 Sec. 3. EFFECTIVE AND APPLICABILITY DATES. This Act,
22 being deemed of immediate importance, takes effect upon
23 enactment and applies retroactively to January 1, 2005, for
24 assessment years beginning on or after that date.

25 EXPLANATION

26 This bill makes changes relating to the property tax
27 exemption for property owned and operated by a nonprofit
28 organization providing low-rent housing for the elderly and
29 for persons with physical and mental disabilities. Current
30 law provides that the property is eligible for exemption until
31 the original mortgage is paid in full or expires.

32 The bill provides that the property is eligible for
33 exemption until the final payment due date of the original
34 mortgage or until the original mortgage is paid in full or
35 expires, whichever is sooner. The bill further provides that

1 if the mortgage is refinanced, the property is eligible for
2 exemption until the date that would have been the final
3 payment due date under the terms of the original mortgage or
4 until the refinanced mortgage is paid in full or expires,
5 whichever is sooner.

6 The bill is not considered a property tax exemption enacted
7 on or after January 1, 1997, for purposes of the state funding
8 requirement under Code section 25B.7.

9 The bill takes effect upon enactment and applies
10 retroactively to assessment years beginning on or after
11 January 1, 2005.

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SENATE FILE 408

S-3160

1 Amend Senate File 408 as follows:

2 1. Page 1, by inserting before line 1 the

3 following:

4 "Section 1. Section 403A.10, Code 2005, is amended

5 to read as follows:

6 403A.10 TAX EXEMPTION AND PAYMENTS IN LIEU OF

7 TAXES.

8 The property acquired or held pursuant to this
9 chapter and located in a city with a population of at
10 least one hundred ten thousand with a public housing
11 authority that does not own or manage housing stock
12 for the purpose of low-rent housing is declared to be
13 public property used exclusively for essential city,
14 or municipal public and governmental purposes and such
15 property is hereby declared to be exempt from all
16 taxes and special assessments of the state or of any
17 state public body. In lieu of taxes on such property
18 a municipality may agree to make payments to the state
19 or a state public body (including itself) as it finds
20 consistent with the maintenance of the low-rent
21 character of housing projects and the achievement of
22 the purposes of this chapter."

23 2. By renumbering as necessary.

By MARY A. LUNDBY

S-3160 FILED APRIL 21, 2005

ADOPTED

SENATE FILE 408

S-3165

1 Amend Senate File 408 as follows:

2 1. Page 1, by striking line 4 and inserting the

3 following: "a nonprofit organization housing

4 organization recognized by the internal revenue

5 service as a nonprofit controlled owner of low-rent

6 housing providing low-rent housing for".

By STEVEN H. WARNSTADT

S-3165 FILED APRIL 25, 2005

SENATE FILE 408

S-3175

1 Amend the amendment, S-3160, to Senate File 408 as
2 follows:
3 1. Page 1, by striking lines 2 through 22 and
4 inserting the following:
5 "____. Page 1, by inserting after line 17 the
6 following:
7 "Sec. _____. Section 427.1, Code 2005, is amended by
8 adding the following new subsection:
9 NEW SUBSECTION. 21A. Dwelling unit property owned
10 and managed by a nonprofit organization if the
11 nonprofit organization owns and manages more than
12 forty dwelling units that are located in a city with a
13 population of more than one hundred ten thousand which
14 has a public housing authority that does not own or
15 manage housing stock for the purpose of low-rent
16 housing.""
17 2. By renumbering as necessary.

By MARY A. LUNDBY

S-3175 FILED APRIL 26, 2005

SENATE FILE 408

S-3178

1 Amend Senate File 408 as follows:
2 1. Page 1, line 3, by inserting after the word
3 "operated" the following: "or controlled".
4 2. Page 1, line 4, by inserting after the word
5 "organization" the following: ", as recognized by the
6 internal revenue service,".
7 3. Page 1, line 8, by inserting before the word
8 "original" the following: "borrower's".
9 4. Page 1, line 9, by inserting before the word
10 "original" the following: "borrower's".
11 5. Page 1, line 11, by inserting before the word
12 "original" the following: "borrower's".
13 6. Page 1, line 14, by inserting before the word
14 "original" the following: "borrower's".

By STEVEN H. WARNSTADT

S-3178 FILED APRIL 26, 2005