

Senate Study Bill 3210

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CO=CHAIRPERSON ZIEMAN)

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

A BILL FOR

1 An Act relating to the definition of owner for purposes of the
2 homestead property tax credit and including effective date and
3 applicability date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 6435XK 81
6 sc/je/5

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1 1 Section 1. Section 425.11, subsection 4, Code Supplement
1 2 2005, is amended to read as follows:
1 3 4. The word "owner" shall mean the person who holds the
1 4 fee simple title to the homestead, and in addition shall mean
1 5 the person occupying as a surviving spouse or the person
1 6 occupying under a contract of purchase which contract has been
1 7 recorded in the office of the county recorder of the county in
1 8 which the property is located~~7i~~ or the person occupying the
1 9 homestead under devise or by operation of the inheritance laws
1 10 where the whole interest passes or where the divided interest
1 11 is shared only by persons related or formerly related to each
1 12 other by blood, marriage or adoption~~7i~~ or the person occupying
1 13 the homestead is a shareholder of a family farm corporation
1 14 that owns the property~~7i~~ or the person occupying the homestead
1 15 under a deed which conveys a divided interest where the
1 16 divided interest is shared only by persons related or formerly
1 17 related to each other by blood, marriage or adoption~~i~~ or where
1 18 the person occupying the homestead holds a life estate with
1 19 the reversion interest held by a nonprofit corporation
1 20 organized under chapter 504, provided that the holder of the
1 21 life estate is liable for and pays property tax on the
1 22 homestead~~i~~ or where the person occupying the homestead holds
1 23 an interest in a horizontal property regime under chapter
1 24 499B, regardless of whether the underlying land committed to
1 25 the horizontal property regime is in fee or as a leasehold
1 26 interest, provided that the holder of the interest in the
1 27 horizontal property regime is liable for and pays property tax
1 28 on the homestead~~i~~ or where the person occupying the homestead
1 29 is a member of a community land trust as defined in 42 U.S.C.
1 30 12773, regardless of whether the underlying land is in fee
1 31 or as a leasehold interest, provided that the member of the
1 32 community land trust is occupying the homestead and is liable
1 33 for and pays property tax on the homestead. For the purpose
1 34 of this chapter the word "owner" shall be construed to mean a
1 35 bona fide owner and not one for the purpose only of availing
2 1 the person of the benefits of this chapter. In order to
2 2 qualify for the homestead tax credit, evidence of ownership
2 3 shall be on file in the office of the clerk of the district
2 4 court or recorded in the office of the county recorder at the
2 5 time the owner files with the assessor a verified statement of
2 6 the homestead claimed by the owner as provided in section
2 7 425.2.
2 8 Sec. 2. EFFECTIVE AND APPLICABILITY DATES. This Act,
2 9 being deemed of immediate importance, takes effect upon
2 10 enactment and applies to taxes due and payable in fiscal years
2 11 beginning on or after July 1, 2006.
2 12 EXPLANATION
2 13 This bill defines "owner" for purposes of the homestead
2 14 property tax credit as a person who is a member of a community
2 15 land trust and who is occupying the homestead and is liable

2 16 for property taxes on the homestead. A community land trust
2 17 is authorized by federal affordable housing law and involves
2 18 conveying land under a long-term lease to the owner of the
2 19 dwelling located on the land who is also the lessee of the
2 20 land.
2 21 The bill takes effect upon enactment and applies to taxes
2 22 due and payable in fiscal years beginning on or after July 1,
2 23 2006.
2 24 LSB 6435XK 81
2 25 sc:nh/je/5