

House File 2352 - Introduced

HOUSE FILE _____
BY REICHERT

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

A BILL FOR

1 An Act providing for a property tax credit for certain apartment
2 buildings and rental units meeting certification requirements
3 for designation as a green building, making an appropriation,
4 and including an effective and applicability date provision.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 6146HH 82
7 rn/sc/5

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1 1 Section 1. NEW SECTION. 425B.1 GREEN APARTMENT OR RENTAL
1 2 UNIT BUILDING PROPERTY TAX CREDIT FUND.
1 3 There is created as a permanent fund in the office of the
1 4 treasurer of state a fund to be known as the green apartment
1 5 or rental unit building property tax credit fund. For the
1 6 purposes of establishing and maintaining this fund, for each
1 7 fiscal year there is appropriated from the general fund of the
1 8 state and deposited into the green apartment or rental unit
1 9 building property tax credit fund an amount sufficient to
1 10 implement this chapter.
1 11 Sec. 2. NEW SECTION. 425B.2 DEFINITIONS.
1 12 As used in this chapter, unless the context otherwise
1 13 requires:
1 14 1. "Apartment building" means the land and building used
1 15 primarily for human habitation and containing three or more
1 16 separate living quarters, as well as structures and
1 17 improvements used primarily as a part of or in conjunction
1 18 with such land and building. "Apartment building" does not
1 19 include a hotel, motel, inn, or other building where rooms are
1 20 usually rented for less than one month, a nursing home, or a
1 21 rest home.
1 22 2. "Department" means the department of public safety.
1 23 3. "Duplex" means the land and building used primarily for
1 24 human habitation and containing two separate living quarters,
1 25 as well as structures and improvements used primarily as a
1 26 part of or in conjunction with such land and building.
1 27 4. "Energy star designation" means qualification pursuant
1 28 to a joint program of the United States environmental
1 29 protection agency and the United States department of energy
1 30 certifying appliances and homes which meet specified energy
1 31 efficiency guidelines.
1 32 5. "Green apartment or rental unit building" means one of
1 33 the following building classifications which, either through
1 34 renovation or new construction, meets the LEED silver rating
1 35 standard of the United States green building council, the
2 1 energy star designation, a high energy efficiency score based
2 2 upon the HERS index, or one or more other standards or
2 3 designations as established by the department by rule:
2 4 a. A nonowner-occupied single-family residence or duplex.
2 5 b. A duplex in which one of the two units is
2 6 owner-occupied.
2 7 c. An apartment building.
2 8 6. "HERS index" means a home energy rating system score
2 9 established by the residential energy services network in
2 10 which a home is compared to the energy specifications of a
2 11 reference home and assigned an energy efficiency score.
2 12 7. "LEED silver rating standard" means the United States
2 13 green building council leadership in energy and environmental
2 14 design rating standard for green buildings, referred to as the
2 15 silver standard.
2 16 8. "Property owner" or "owner" means the owner or owners
2 17 of property, as shown by the transfer books in the office of
2 18 the county auditor of the county in which the property is

2 19 located.

2 20 9. "Rental unit" means a duplex or nonowner-occupied
2 21 single-family residence.

2 22 Sec. 3. NEW SECTION. 425B.3 WHERE CREDIT GIVEN ==
2 23 APPORTIONMENT == PAYMENT.

2 24 1. The green apartment or rental unit building property
2 25 tax credit fund shall be apportioned each year so as to give a
2 26 credit against the tax levied on fifteen percent of the
2 27 assessed valuation of a single-family residence or
2 28 nonowner-occupied duplex, twenty percent of the assessed
2 29 valuation of a duplex in which one of the two units is
2 30 owner-occupied and which qualifies for the homestead tax
2 31 credit pursuant to sections 425.1 through 425.15, and thirty
2 32 percent of the assessed valuation of an apartment.

2 33 2. The director of the department of administrative
2 34 services shall issue warrants on the green apartment or rental
2 35 unit building property tax credit fund payable under this
3 1 chapter to the county treasurer of the several counties of the
3 2 state. The amount due each county shall be paid in two
3 3 payments on November 15 and March 15 of each fiscal year,
3 4 drawn upon warrants payable to the respective county
3 5 treasurers. The two payments shall be as nearly equal as
3 6 possible.

3 7 3. The amount of credits shall be apportioned by each
3 8 county treasurer to the several taxing districts as provided
3 9 by law, in the same manner as though the amount of the credit
3 10 had been paid by the owner. However, the several taxing
3 11 districts shall not draw the funds so credited until after the
3 12 semiannual allocations have been received by the county
3 13 treasurer, as provided in this chapter. Each county treasurer
3 14 shall show on each tax receipt the amount received from the
3 15 green apartment or rental unit building property tax credit
3 16 fund.

3 17 4. The green apartment or rental unit building property
3 18 tax credit allowed in this chapter shall not exceed the actual
3 19 amount of taxes payable on a green apartment or rental unit
3 20 building, exclusive of any special assessments levied against
3 21 the building.

3 22 Sec. 4. NEW SECTION. 425B.4 CLAIM FOR CREDIT.

3 23 1. A claim for credit shall be made on claim forms
3 24 prescribed by the department of revenue and made available by
3 25 the county assessor of the county in which the green apartment
3 26 or rental unit building is located. In addition to the
3 27 completed claim form, the owner shall supply a legible copy of
3 28 a green building property tax credit eligibility certificate
3 29 obtained from the department of public safety. The claim
3 30 shall be filed not later than July 1 of the year for which the
3 31 owner is claiming the credit. A claim filed after July 1 of
3 32 the year for which the person is claiming the credit shall be
3 33 considered as a claim filed for the following year.

3 34 2. Upon the filing and allowance of the claim, the claim
3 35 shall be allowed on the green apartment or rental unit
4 1 building each year that the building receives certification or
4 2 recertification pursuant to section 425B.5 without further
4 3 filing as long as the building continues to be legally or
4 4 equitably owned by the owner. If the building is sold, the
4 5 credit for the period after the sale which would have been
4 6 allowable under this chapter to the prior owner had the
4 7 building not been sold shall be allowable to the new owner. A
4 8 tax credit for the year of sale shall be allocated between the
4 9 parties on the basis of the number of days during such year
4 10 that the building was owned by each.

4 11 Sec. 5. NEW SECTION. 425B.5 GREEN APARTMENT OR RENTAL
4 12 UNIT BUILDING ELIGIBILITY CERTIFICATE.

4 13 1. Prior to submitting a claim for a green apartment or
4 14 rental unit building property tax credit, an owner shall
4 15 obtain from an architect or professional engineer licensed to
4 16 practice in this state, a local building department inspector,
4 17 or a local contractor, certified in green building
4 18 construction methodologies identified by the department
4 19 pursuant to section 425B.2, subsection 5, a completed green
4 20 apartment or rental unit building eligibility certificate.

4 21 2. The eligibility certificate shall consist of a
4 22 certificate, under seal, that the building with respect to
4 23 which the credit is claimed is a green apartment or rental
4 24 unit building. The initial eligibility certification shall be
4 25 made in accordance with the standards and guidelines in effect
4 26 at the time the property which is the basis for the credit was
4 27 renovated or newly constructed in a form and in a manner as
4 28 prescribed by the department by rule, and shall set forth the
4 29 specific findings upon which the certification was based.

4 30 Eligibility certification obtained annually thereafter shall
4 31 be made in accordance with the standards and guidelines in
4 32 effect at the time the property which is the basis for the
4 33 credit is recertified.

4 34 3. The eligibility certificate shall include sufficient
4 35 information to identify the building subject to the
5 1 certificate, and such other information as the department
5 2 shall require. An eligibility certificate must be renewed on
5 3 an annual basis pursuant to the same certification procedure
5 4 as applicable to initial certification. The owner shall file
5 5 with the department, on an annual basis, a copy of each
5 6 eligibility certificate obtained. An owner obtaining an
5 7 eligibility certificate shall be entitled to advertise an
5 8 apartment or rental unit as being a certified green apartment
5 9 or rental unit building.

5 10 Sec. 6. NEW SECTION. 425B.6 COMPUTATION BY AUDITOR.

5 11 1. The credit, if allowed, shall be computed by the county
5 12 auditor on or before August 1 of each year for which a green
5 13 apartment or rental unit building shall be eligible in an
5 14 amount equal to the tax levied on the applicable percentage of
5 15 the property's assessed valuation. On or before August 1, the
5 16 auditor shall certify the total amount of the credits to the
5 17 department of revenue.

5 18 2. A person whose claim for a green apartment or rental
5 19 unit building property tax credit is denied may file an appeal
5 20 with the department within sixty days from the date of denial
5 21 pursuant to the provisions of chapter 17A.

5 22 Sec. 7. NEW SECTION. 425B.7 RULES.

5 23 1. The department of public safety, with assistance from
5 24 the department of natural resources, shall adopt rules
5 25 adopting standards for a building to qualify as a green
5 26 apartment or rental unit building. The department of public
5 27 safety and the department of revenue shall adopt additional
5 28 rules necessary to administer this chapter.

5 29 Sec. 8. EFFECTIVE AND APPLICABILITY DATES. This Act,
5 30 being deemed of immediate importance, takes effect upon
5 31 enactment and applies to property taxes due and payable in
5 32 fiscal years beginning on or after July 1, 2008.

5 33 EXPLANATION

5 34 This bill provides a property tax credit for green
5 35 apartment or rental unit buildings. The bill creates a green
6 1 apartment or rental unit building property tax credit fund,
6 2 and provides for a standing unlimited annual appropriation
6 3 from the general fund of the state to the green apartment or
6 4 rental unit building property tax credit fund in an amount
6 5 sufficient to pay the green apartment or rental unit building
6 6 property tax credits.

6 7 The credit shall consist of an amount computed against the
6 8 assessed valuation of a single-family residence or
6 9 nonowner-occupied duplex, a duplex in which one of the units
6 10 is owner-occupied, or an apartment, as defined in the bill,
6 11 equal to 15, 20, and 30 percent of the assessed value
6 12 respectively, and shall continue on an ongoing basis provided
6 13 that annual recertification is obtained. The bill specifies
6 14 procedures regarding transferring the credit to a successor
6 15 owner, claiming the credit, obtaining a green apartment or
6 16 rental unit building eligibility certificate from the
6 17 department of public safety on an annual basis, submitting a
6 18 certificate completed by a professional certified in green
6 19 building construction with the claim to the department of
6 20 revenue, and filing a copy with the department of public
6 21 safety.

6 22 The bill provides that the department of public safety,
6 23 with assistance from the department of natural resources,
6 24 shall adopt rules adopting standards for a building to qualify
6 25 as a green apartment or rental unit building. The bill
6 26 further provides that the department of revenue shall adopt
6 27 additional rules necessary to administer the bill's
6 28 provisions.

6 29 The bill takes effect upon enactment and applies to
6 30 property taxes due and payable in fiscal years beginning on or
6 31 after July 1, 2008.

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