

House File 599 - Introduced

HOUSE FILE _____
BY SANDS

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

A BILL FOR

1 An Act relating to property taxes by linking the assessment
2 limitations of certain classes of property, and including a
3 retroactive applicability date provision.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1903YH 82
6 sc/gg/14

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1 1 Section 1. Section 441.21, subsections 4 and 5, Code 2007,
1 2 are amended to read as follows:
1 3 4. For valuations established as of January 1, 1979, the
1 4 percentage of actual value at which agricultural and
1 5 residential property shall be assessed shall be the quotient
1 6 of the dividend and divisor as defined in this section. The
1 7 dividend for each class of property shall be the dividend as
1 8 determined for each class of property for valuations
1 9 established as of January 1, 1978, adjusted by the product
1 10 obtained by multiplying the percentage determined for that
1 11 year by the amount of any additions or deletions to actual
1 12 value, excluding those resulting from the revaluation of
1 13 existing properties, as reported by the assessors on the
1 14 abstracts of assessment for 1978, plus six percent of the
1 15 amount so determined. ~~However, if the difference between the~~
~~1 16 dividend so determined for either class of property and the~~
~~1 17 dividend for that class of property for valuations established~~
~~1 18 as of January 1, 1978, adjusted by the product obtained by~~
~~1 19 multiplying the percentage determined for that year by the~~
~~1 20 amount of any additions or deletions to actual value,~~
~~1 21 excluding those resulting from the revaluation of existing~~
~~1 22 properties, as reported by the assessors on the abstracts of~~
~~1 23 assessment for 1978, is less than six percent, the 1979~~
~~1 24 dividend for the other class of property shall be the dividend~~
~~1 25 as determined for that class of property for valuations~~
~~1 26 established as of January 1, 1978, adjusted by the product~~
~~1 27 obtained by multiplying the percentage determined for that~~
~~1 28 year by the amount of any additions or deletions to actual~~
~~1 29 value, excluding those resulting from the revaluation of~~
~~1 30 existing properties, as reported by the assessors on the~~
~~1 31 abstracts of assessment for 1978, plus a percentage of the~~
~~1 32 amount so determined which is equal to the percentage by which~~
~~1 33 the dividend as determined for the other class of property for~~
~~1 34 valuations established as of January 1, 1978, adjusted by the~~
~~1 35 product obtained by multiplying the percentage determined for~~
2 1 that year by the amount of any additions or deletions to
2 2 actual value, excluding those resulting from the revaluation
2 3 of existing properties, as reported by the assessors on the
2 4 abstracts of assessment for 1978, is increased in arriving at
2 5 the 1979 dividend for the other class of property. The
2 6 divisor for each class of property shall be the total actual
2 7 value of all such property in the state in the preceding year,
2 8 as reported by the assessors on the abstracts of assessment
2 9 submitted for 1978, plus the amount of value added to said
2 10 total actual value by the revaluation of existing properties
2 11 in 1979 as equalized by the director of revenue pursuant to
2 12 section 441.49. The director shall utilize information
2 13 reported on abstracts of assessment submitted pursuant to
2 14 section 441.45 in determining such percentage. For valuations
2 15 established as of January 1, 1980, and each year thereafter,
2 16 the percentage of actual value as equalized by the director of
2 17 revenue as provided in section 441.49 at which agricultural
2 18 and residential property shall be assessed shall be calculated
2 19 in accordance with the methods provided herein including the

~~2 20 limitation of increases in agricultural and residential
2 21 assessed values to the percentage increase of the other class
2 22 of property if the other class increases less than the
2 23 allowable limit adjusted to include the applicable and current
2 24 values as equalized by the director of revenue in this
2 25 subsection, except that any references to six percent in this
2 26 subsection shall be four percent. For valuations established
2 27 for the assessment year beginning January 1, 2007, and each
2 28 year thereafter, the percentage of actual value as equalized
2 29 by the director of revenue as provided in section 441.49 at
2 30 which agricultural and residential property shall be assessed
2 31 shall be calculated in accordance with the methods provided in
2 32 this subsection and subsection 5A, except that any references
2 33 to six percent in this subsection shall be four percent.~~

2 34 5. For valuations established as of January 1, 1979,
2 35 commercial property and industrial property, excluding
3 1 properties referred to in section 427A.1, subsection 8, shall
3 2 be assessed as a percentage of the actual value of each class
3 3 of property. The percentage shall be determined for each
3 4 class of property by the director of revenue for the state in
3 5 accordance with the provisions of this section. For
3 6 valuations established as of January 1, 1979, the percentage
3 7 shall be the quotient of the dividend and divisor as defined
3 8 in this section. The dividend for each class of property
3 9 shall be the total actual valuation for each class of property
3 10 established for 1978, plus six percent of the amount so
3 11 determined. The divisor for each class of property shall be
3 12 the valuation for each class of property established for 1978,
3 13 as reported by the assessors on the abstracts of assessment
3 14 for 1978, plus the amount of value added to the total actual
3 15 value by the revaluation of existing properties in 1979 as
3 16 equalized by the director of revenue pursuant to section
3 17 441.49. For valuations established as of January 1, 1979,
3 18 property valued by the department of revenue pursuant to
3 19 chapters 428, 433, 437, and 438 shall be considered as one
3 20 class of property and shall be assessed as a percentage of its
3 21 actual value. The percentage shall be determined by the
3 22 director of revenue in accordance with the provisions of this
3 23 section. For valuations established as of January 1, 1979,
3 24 the percentage shall be the quotient of the dividend and
3 25 divisor as defined in this section. The dividend shall be the
3 26 total actual valuation established for 1978 by the department
3 27 of revenue, plus ten percent of the amount so determined. The
3 28 divisor for property valued by the department of revenue
3 29 pursuant to chapters 428, 433, 437, and 438 shall be the
3 30 valuation established for 1978, plus the amount of value added
3 31 to the total actual value by the revaluation of the property
3 32 by the department of revenue as of January 1, 1979. For
3 33 valuations established as of January 1, 1980, commercial
3 34 property and industrial property, excluding properties
3 35 referred to in section 427A.1, subsection 8, shall be assessed
4 1 at a percentage of the actual value of each class of property.
4 2 The percentage shall be determined for each class of property
4 3 by the director of revenue for the state in accordance with
4 4 the provisions of this section. For valuations established as
4 5 of January 1, 1980, the percentage shall be the quotient of
4 6 the dividend and divisor as defined in this section. The
4 7 dividend for each class of property shall be the dividend as
4 8 determined for each class of property for valuations
4 9 established as of January 1, 1979, adjusted by the product
4 10 obtained by multiplying the percentage determined for that
4 11 year by the amount of any additions or deletions to actual
4 12 value, excluding those resulting from the revaluation of
4 13 existing properties, as reported by the assessors on the
4 14 abstracts of assessment for 1979, plus four percent of the
4 15 amount so determined. The divisor for each class of property
4 16 shall be the total actual value of all such property in 1979,
4 17 as equalized by the director of revenue pursuant to section
4 18 441.49, plus the amount of value added to the total actual
4 19 value by the revaluation of existing properties in 1980. The
4 20 director shall utilize information reported on the abstracts
4 21 of assessment submitted pursuant to section 441.45 in
4 22 determining such percentage. For valuations established as of
4 23 January 1, 1980, property valued by the department of revenue
4 24 pursuant to chapters 428, 433, 437, and 438 shall be assessed
4 25 at a percentage of its actual value. The percentage shall be
4 26 determined by the director of revenue in accordance with the
4 27 provisions of this section. For valuations established as of
4 28 January 1, 1980, the percentage shall be the quotient of the
4 29 dividend and divisor as defined in this section. The dividend
4 30 shall be the total actual valuation established for 1979 by

4 31 the department of revenue, plus eight percent of the amount so
4 32 determined. The divisor for property valued by the department
4 33 of revenue pursuant to chapters 428, 433, 437, and 438 shall
4 34 be the valuation established for 1979, plus the amount of
4 35 value added to the total actual value by the revaluation of
5 1 the property by the department of revenue as of January 1,
5 2 1980. For valuations established as of January 1, 1981, and
5 3 each year thereafter, the percentage of actual value as
5 4 equalized by the director of revenue as provided in section
5 5 441.49 at which commercial property and industrial property,
5 6 excluding properties referred to in section 427A.1, subsection
5 7 8, shall be assessed shall be calculated in accordance with
5 8 the methods provided herein in this subsection, except that
5 9 any references to six percent in this subsection shall be four
5 10 percent. For valuations established as of January 1, 1981,
5 11 and each year thereafter, the percentage of actual value at
5 12 which property valued by the department of revenue pursuant to
5 13 chapters 428, 433, 437, and 438 shall be assessed shall be
5 14 calculated in accordance with the methods provided herein,
5 15 except that any references to ten percent in this subsection
5 16 shall be eight percent. Beginning with valuations established
5 17 as of January 1, 1979, and each year thereafter, property
5 18 valued by the department of revenue pursuant to chapter 434
5 19 shall also be assessed at a percentage of its actual value
5 20 which percentage shall be equal to the percentage determined
5 21 by the director of revenue for commercial property, industrial
5 22 property, or property valued by the department of revenue
5 23 pursuant to chapters 428, 433, 437, and 438, whichever is
5 24 lowest. For valuations established for the assessment year
5 25 beginning January 1, 2007, and each year thereafter, the
5 26 percentage of actual value as equalized by the director of
5 27 revenue as provided in section 441.49 at which commercial and
5 28 industrial property shall be assessed shall be calculated in
5 29 accordance with the methods provided in this subsection and
5 30 subsection 5A, except that any references to six percent in
5 31 this subsection shall be four percent.

5 32 Sec. 2. Section 441.21, Code 2007, is amended by adding
5 33 the following new subsection:

5 34 NEW SUBSECTION. 5A. Notwithstanding the limitation of
5 35 increases for agricultural and residential property in
6 1 subsection 4 and the limitation of increases for commercial
6 2 and industrial property in subsection 5, for valuations
6 3 established for the assessment year beginning January 1, 2007,
6 4 and each year thereafter, for residential, agricultural, and
6 5 commercial property, the assessed values of these three
6 6 classes of property shall be limited to the percentage
6 7 increase of that class of property that is the lowest
6 8 percentage increase under the allowable limit adjusted to
6 9 include the applicable and current values as equalized by the
6 10 director of revenue. The lowest percentage increase
6 11 determined under this subsection shall also be applied to
6 12 industrial property in the same manner it is applied to the
6 13 other three classes of property.

6 14 Sec. 3. RETROACTIVE APPLICABILITY. This Act applies
6 15 retroactively to January 1, 2007, for assessment years
6 16 beginning on or after that date.

6 17 EXPLANATION

6 18 This bill ties together the assessment limitations of
6 19 residential, agricultural, and commercial property by limiting
6 20 the percentage increase in all of those classes of property to
6 21 the percentage increase of that class of property that is the
6 22 lowest percentage increase under the allowable (4 percent)
6 23 limit. The bill also provides that the lowest percentage
6 24 increase shall be applied to industrial property in the same
6 25 manner that it is applied to the other three classes of
6 26 property.

6 27 The bill applies retroactively to January 1, 2007, for
6 28 assessment years beginning on or after that date.

6 29 LSB 1903YH 82

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