

Senate File 105 - Introduced

SENATE FILE _____
BY ZIEMAN

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

A BILL FOR

1 An Act providing a property tax exemption for certain
2 recreational property and including effective date and
3 retroactive applicability date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1619SS 82
6 sc/es/88

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1 1 Section 1. NEW SECTION. 427.17 RECREATIONAL PROPERTY TAX
1 2 EXEMPTION.
1 3 1. a. Recreational property is entitled to the tax
1 4 exemption provided in this section. The amount of the
1 5 exemption is equal to seventy-five percent of the actual value
1 6 of the property.
1 7 b. For purposes of this section, "recreational property"
1 8 means a golf course, downhill skiing area, amusement park,
1 9 outdoor volleyball park, softball park, or water theme park,
1 10 if such property is operated as a commercial enterprise and
1 11 otherwise subject to taxation.
1 12 2. a. An application for this exemption shall be filed
1 13 with the assessor not later than February 1 of the first year
1 14 for which the exemption is requested. The application shall
1 15 describe and locate the property. The assessor shall secure
1 16 the facts relative to recreational property tax exemptions by
1 17 taking the sworn statement, or affirmation, of the owner or
1 18 owners making application. The assessor shall inspect the
1 19 area for which an application is filed and shall submit the
1 20 application, along with the assessor's recommendation, to the
1 21 board of supervisors, or to the city council if the assessor
1 22 is a city assessor, for approval or denial. The exemption
1 23 shall be approved if the property meets the definition of
1 24 recreational property established in subsection 1. An
1 25 applicant for a property tax exemption under this section may
1 26 appeal the decision of the board of supervisors or city
1 27 council to the district court.
1 28 b. Once the exemption has been approved, the area shall
1 29 continue to receive the tax exemption during each year in
1 30 which the area is maintained as recreational property without
1 31 the owner having to refile. The property may be inspected
1 32 each year by the assessor to determine if the area is
1 33 maintained as recreational property. The assessor shall file
1 34 a report with the county auditor of all the exemptions allowed
1 35 in the county under the provisions of this section.
2 1 3. a. If the property use is changed from recreational
2 2 property use, the assessor shall assess the property for
2 3 taxation at its actual value as of January 1 of the year of
2 4 change in use, and in addition the area shall be subject to a
2 5 recapture tax. The recapture tax shall be computed by
2 6 multiplying the consolidated levy for each year, up to ten
2 7 years, that the property received the exemption times the
2 8 assessed value that would have been taxed but for the
2 9 exemption. This tax shall be entered against the property on
2 10 the tax list for the current year and shall constitute a lien
2 11 against the property in the same manner as a lien for property
2 12 taxes. The tax when collected shall be apportioned in the
2 13 manner provided for the apportionment of the property taxes
2 14 for the applicable tax year.
2 15 b. If the property is sold or transferred, the seller
2 16 shall notify the buyer that the property is partially exempt
2 17 from tax and subject to the recapture tax provisions of this
2 18 section if the use of the property changes from recreational
2 19 property. However, if the use of the property changes due to

2 20 condemnation of the property, the recapture tax provisions do
2 21 not apply.

2 22 Sec. 2. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

2 23 1. This Act, being deemed of immediate importance, takes
2 24 effect upon enactment and applies retroactively to the
2 25 assessment year beginning January 1, 2007.

2 26 2. Notwithstanding the filing deadline in section 427.17,
2 27 subsection 2, paragraph "a", applications filed for the
2 28 assessment year beginning January 1, 2007, shall be filed with
2 29 the assessor by May 1, 2007.

2 30 Sec. 3. INAPPLICABILITY OF CODE SECTION 25B.7. The
2 31 exemption enacted in this Act shall not be considered a new
2 32 property tax exemption for purposes of section 25B.7.

2 33 EXPLANATION

2 34 This bill provides an exemption from property taxation for
2 35 recreational property. "Recreational property" is defined as
3 1 a golf course, downhill skiing area, amusement park, outdoor
3 2 volleyball park, softball park, or water theme park, if such
3 3 property is operated as a commercial enterprise and otherwise
3 4 subject to taxation. The amount of the exemption is equal to
3 5 75 percent of the property's actual value.

3 6 The bill requires that an owner apply to the assessor for
3 7 the exemption. After inspection of the application and the
3 8 property, the assessor is to forward the application, with
3 9 recommendation, to the board of supervisors or the city
3 10 council, as applicable, for approval or denial. The bill
3 11 provides that the applicant for a recreational property tax
3 12 exemption may appeal the decision of the local governing body
3 13 to the district court.

3 14 The bill provides that if a change in use occurs, the
3 15 property is subject to a recapture tax for up to 10 years
3 16 during which the exemption was provided. However, if the
3 17 change in use occurs as a result of condemnation of the
3 18 property, the recapture tax provisions do not apply.

3 19 The bill takes effect upon enactment and applies
3 20 retroactively to assessment years beginning on or after
3 21 January 1, 2007. For the 2007 assessment year only, new
3 22 applications for exemption are due May 1, 2007. For all other
3 23 years, new applications for exemption are due February 1.

3 24 The bill provides that the recreational property tax
3 25 exemption is not considered a new exemption for purposes of
3 26 the state's obligation for funding new property tax exemptions
3 27 enacted on or after January 1, 1997.

3 28 LSB 1619SS 82

3 29 sc:rj/es/88