

# House File 291 - Introduced

HOUSE FILE \_\_\_\_\_  
BY PAULSEN

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act providing for an adjustment to assessments of  
2 flood-damaged real property in certain assessment years,  
3 providing an appropriation, and including effective date and  
4 retroactive applicability date provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
6 TLSB 1041YH 83  
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1 1 Section 1. ASSESSMENT ADJUSTMENT FOR FLOOD=DAMAGED REAL  
1 2 PROPERTY.  
1 3 1. The governing body of a city may, by ordinance,  
1 4 designate an area of the city or the governing body of a  
1 5 county may, by ordinance, designate an area of the county  
1 6 outside the boundaries of a city, as a disaster adjustment  
1 7 area, if the area is within a county or portion of a county  
1 8 that was declared a disaster area by the governor or a federal  
1 9 official between May 1, 2008, and September 1, 2008, and if  
1 10 the real property contained within the area sustained physical  
1 11 damage as a result of the natural disaster. Designation as a  
1 12 disaster adjustment area shall expire on December 31, 2009.  
1 13 2. Parcels of property within a disaster adjustment area  
1 14 shall be eligible for an adjustment in the assessed value of  
1 15 the parcel for the assessment year beginning January 1, 2007,  
1 16 and for the assessment year beginning January 1, 2008.  
1 17 3. Notwithstanding the provisions of sections 441.21 and  
1 18 441.46, the assessed value of each parcel of property within a  
1 19 disaster adjustment area shall be determined as follows:  
1 20 a. For the assessment year beginning January 1, 2007, the  
1 21 assessed value of a parcel of property within a disaster  
1 22 adjustment area shall be the lesser of the assessed value of  
1 23 the parcel of property on January 1, 2007, or the assessed  
1 24 value of the parcel of property on January 1, 2009, except as  
1 25 provided under subsection 4.  
1 26 b. For the assessment year beginning January 1, 2008, the  
1 27 assessed value of a parcel of property within a disaster  
1 28 adjustment area shall be the lesser of the assessed value of  
1 29 the parcel of property on January 1, 2008, or the assessed  
1 30 value of the parcel of property on January 1, 2009, except as  
1 31 provided under subsection 4.  
1 32 4. Notwithstanding the provisions of section 441.37  
1 33 relating to grounds for protesting an assessment, the assessed  
1 34 value of a parcel of property determined under subsection 3  
1 35 may be rebutted by the property owner upon a showing to the  
2 1 board of review that the parcel of property was less valuable  
2 2 on a date between June 1, 2008, and September 1, 2008. If the  
2 3 board of review determines that the parcel of property was  
2 4 less valuable on a date within that time period, the board  
2 5 shall adjust the assessed value of the property to reflect  
2 6 that lesser value. An owner may file a protest with the board  
2 7 of review on or after April 16, 2009, to and including May 5,  
2 8 2009. The protest shall be in writing and signed by the one  
2 9 protesting or by the protester's duly authorized agent.  
2 10 Appeals may be taken from the action of the board of review to  
2 11 the property assessment appeal board and to the district court  
2 12 as provided in sections 441.37A and 441.38.  
2 13 5. a. The assessed value as determined under subsection 3  
2 14 or as the result of a successful protest filed under  
2 15 subsection 4 shall be used to determine the taxes due, based  
2 16 on those assessments, for each parcel of property within the  
2 17 disaster adjustment area. As a result of the determination of  
2 18 taxes due on such property, a taxpayer may be eligible for a

2 19 refund of taxes paid or a credit on taxes due and payable on  
2 20 the property.  
2 21 b. For the fiscal year beginning July 1, 2008, the amount  
2 22 of the refund or credit shall be computed as follows:  
2 23 (1) Subtract the assessed value as determined under  
2 24 subsection 3, paragraph "a", or the adjusted assessed value if  
2 25 a protest is successful under subsection 4, from the assessed  
2 26 value as shown on the assessment roll as of January 1, 2007.  
2 27 (2) If the difference in subparagraph (1) is greater than  
2 28 zero, multiply the consolidated tax rate for the fiscal year  
2 29 beginning July 1, 2008, for the taxing district where the  
2 30 property is located by the difference in subparagraph (1).  
2 31 (3) The amount in subparagraph (2) shall be refunded to  
2 32 the taxpayer if taxes due and payable for the fiscal year  
2 33 beginning July 1, 2008, have been paid by the taxpayer. If  
2 34 such taxes have not been paid by the taxpayer, the amount in  
2 35 subparagraph (2) shall be credited on the next-issued property

3 1 tax statement.  
3 2 c. For the fiscal year beginning July 1, 2009, the amount  
3 3 of the refund or credit shall be computed as follows:  
3 4 (1) Subtract the assessed value as determined under  
3 5 subsection 3, paragraph "b", or the adjusted assessed value if  
3 6 a protest is successful under subsection 4, from the assessed  
3 7 value as shown on the assessment roll as of January 1, 2008.  
3 8 (2) If the difference in subparagraph (1) is greater than  
3 9 zero, multiply the consolidated tax rate for the fiscal year  
3 10 beginning July 1, 2009, for the taxing district where the  
3 11 property is located by the difference in subparagraph (1).  
3 12 (3) The amount in subparagraph (2) shall be refunded to  
3 13 the taxpayer if taxes due and payable for the fiscal year  
3 14 beginning July 1, 2009, have been paid by the taxpayer. If  
3 15 such taxes have not been paid by the taxpayer, the amount in  
3 16 subparagraph (2) shall be credited on the next-issued property  
3 17 tax statement.

3 18 6. a. A disaster adjustment area fund is created under  
3 19 the control of the director of revenue to carry out the  
3 20 purposes of this chapter. There is appropriated annually from  
3 21 the general fund of the state to the department of revenue to  
3 22 be credited to the disaster adjustment area fund, an amount  
3 23 sufficient to implement this chapter.

3 24 b. Each county treasurer shall be reimbursed by the  
3 25 director of revenue, from moneys in the disaster adjustment  
3 26 area fund, the amount of refunds or credits provided as a  
3 27 result of the assessment adjustment under this section.  
3 28 Reimbursements received under this section shall be  
3 29 apportioned by the county treasurer to the several taxing  
3 30 districts.

3 31 c. The county assessor shall annually notify the  
3 32 department of revenue by March 1 of the number of persons  
3 33 receiving adjustments under this chapter and the total amount  
3 34 of refunds or credits provided by the county.

3 35 d. Any balance in the disaster adjustment area fund on  
4 1 June 30, 2010, shall revert to the general fund.

4 2 Sec. 2. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.  
4 3 This Act, being deemed of immediate importance, takes effect  
4 4 upon enactment and applies retroactively to January 1, 2009.

4 5 EXPLANATION

4 6 This bill authorizes cities and counties to designate an  
4 7 area as a disaster adjustment area if the area is within a  
4 8 county or portion of a county that was declared a disaster  
4 9 area by the governor or a federal official between May 1,  
4 10 2008, and September 1, 2008, and if the property contained  
4 11 within the area sustained physical damage as a result of the  
4 12 natural disaster. The bill provides that parcels of property  
4 13 in a disaster adjustment area are eligible for an adjustment  
4 14 in their assessed value for the assessment years beginning  
4 15 January 1, 2007, and January 1, 2008.

4 16 Under the bill, the assessed value of a property shall be  
4 17 the lesser of the assessed value of the parcel of property on  
4 18 January 1, 2009, or the assessed value of the property  
4 19 previously determined in the assessment year beginning January  
4 20 1, 2007, or January 1, 2008, as appropriate. The bill allows  
4 21 the property owner to file a protest with the board of review  
4 22 to rebut the adjustment to the assessed value in either  
4 23 assessment year by showing that the parcel of property was  
4 24 less valuable than the new adjusted assessed value on a date  
4 25 between June 1, 2008, and September 1, 2008.

4 26 The bill provides that the adjusted assessed value shall be  
4 27 used to determine the taxes due on the property for the  
4 28 appropriate assessment year. Based on the adjustment in the  
4 29 assessment and determination of the taxes due on the property,

4 30 the taxpayer may be entitled to a refund of taxes paid or a  
4 31 credit on future taxes owed.

4 32 The bill creates a disaster adjustment area fund under the  
4 33 control of the director of revenue to provide reimbursement of  
4 34 the amount of refunds or credits issued as a result of the  
4 35 assessment adjustment.

5 1 The bill takes effect upon enactment and applies  
5 2 retroactively to January 1, 2009.

5 3 LSB 1041YH 83

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