

# House File 316 - Introduced

HOUSE FILE \_\_\_\_\_  
BY D. OLSON

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

## A BILL FOR

1 An Act relating to the taxation of a homestead owned by a  
2 disabled veteran, providing an appropriation, including a  
3 penalty, and including effective date and applicability date  
4 provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
6 TLSB 1076HH 83  
7 md/sc:mg/8

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1 1 DIVISION I  
1 2 DISABLED VETERAN HOMESTEAD  
1 3 TAX CREDIT AND EXEMPTIONS  
1 4 Section 1. NEW SECTION. 426A.16 APPROPRIATION.  
1 5 There is appropriated from the general fund of the state  
1 6 the amounts necessary to fund the credits provided under this  
1 7 division.  
1 8 Sec. 2. NEW SECTION. 426A.17 DISABLED VETERAN HOMESTEAD  
1 9 TAX EXEMPTION.  
1 10 The moneys appropriated under section 426A.16 shall be  
1 11 apportioned each year so as to replace the tax which would be  
1 12 due on property eligible for the disabled veteran homestead  
1 13 tax exemption in the state, if the property were subject to  
1 14 taxation.  
1 15 Sec. 3. NEW SECTION. 426A.18 DISABLED VETERAN HOMESTEAD  
1 16 TAX EXEMPTION == CREDIT.  
1 17 1. A homestead, as defined in section 425.11, subsection  
1 18 3, owned by a disabled veteran or the disabled veteran's  
1 19 spouse, subject to the requirements of this section, shall be  
1 20 exempt from taxation to the extent provided in this section.  
1 21 The credit against the tax on each exempt homestead shall be  
1 22 an amount equal to the actual levy on the exempt value of the  
1 23 homestead.  
1 24 2. If a veteran has a disability rating of at least  
1 25 seventy percent, as certified by the United States veterans  
1 26 administration, the first one hundred fifty thousand dollars  
1 27 of the homestead's assessed value shall be exempt from  
1 28 taxation.  
1 29 3. To be eligible for the exemption under this section,  
1 30 all of the following conditions shall be met:  
1 31 a. The veteran was honorably discharged from the United  
1 32 States armed forces.  
1 33 b. The veteran is certified by the United States veterans  
1 34 administration as having a service-connected disability. The  
1 35 certification shall also specify the disability rating.  
2 1 4. A property qualifying for an exemption under this  
2 2 division is not eligible for the homestead credit under  
2 3 chapter 425, the disabled veteran credit under section 425.15,  
2 4 or the exemption under division I of this chapter.  
2 5 5. Where the word "veteran" appears in this division, it  
2 6 means the same as provided in section 426A.11.  
2 7 Sec. 4. NEW SECTION. 426A.19 EXEMPTIONS TO RELATIVES.  
2 8 In case a veteran does not claim the exemption from  
2 9 taxation to which the veteran is entitled under this division,  
2 10 it shall be allowed in the name of the veteran to the same  
2 11 extent as provided in section 426A.12.  
2 12 Sec. 5. NEW SECTION. 426A.20 CLAIM FOR DISABLED VETERAN  
2 13 HOMESTEAD TAX EXEMPTION == DISCHARGE RECORDED.  
2 14 1. To be eligible to receive the exemption under this  
2 15 division, the person claiming it shall have recorded in the  
2 16 office of the county recorder of the county in which is  
2 17 located the property designated for the exemption, evidence of  
2 18 property ownership by that person or person's spouse, the

2 19 military certificate of satisfactory service, order  
2 20 transferring to inactive status, reserve, retirement, order of  
2 21 separation from service, honorable discharge, and evidence of  
2 22 a service-connected disability and disability rating from the  
2 23 United States veterans administration, or a copy of any of  
2 24 these documents of the person claiming or through whom is  
2 25 claimed the exemption. In the case of a person claiming the  
2 26 exemption as a veteran described in section 35.1, subsection  
2 27 2, paragraph "b", subparagraph (6) or (7), the person shall  
2 28 file the statement required by section 35.2.

2 29 2. The person shall file with the appropriate assessor on  
2 30 forms obtained from the assessor the claim for exemption for  
2 31 the year for which the person is first claiming the exemption.  
2 32 The claim shall be filed not later than July 1 of the year for  
2 33 which the person is claiming the exemption. In the case of a  
2 34 person claiming the exemption as a veteran described in  
2 35 section 35.1, subsection 2, paragraph "b", subparagraph (6) or  
3 1 (7), the person shall file the statement required by section  
3 2 35.2.

3 3 3. Upon the filing and allowance of the claim, the claim  
3 4 shall be allowed to that person for successive years without  
3 5 further filing as long as the person or person's spouse is the  
3 6 legal or equitable owner of the property on July 1 of the year  
3 7 for which the claim is allowed. When the property is sold or  
3 8 transferred or the person wishes to designate different  
3 9 property for the exemption, a person who wishes to receive the  
3 10 exemption shall refile for the exemption. A person who sells  
3 11 or transfers property which is designated for the exemption or  
3 12 the personal representative of a deceased person who owned  
3 13 such property shall provide written notice to the assessor  
3 14 that the property is no longer legally or equitably owned by  
3 15 the former claimant.

3 16 4. A claim may be filed by any member of the owner's  
3 17 family, by the owner's guardian or conservator, or by any  
3 18 other person who may represent the owner under power of  
3 19 attorney. In all cases where the owner of the property is  
3 20 married, the spouse may file the claim for exemption. A  
3 21 person may not claim an exemption in more than one county of  
3 22 the state.

3 23 Sec. 6. NEW SECTION. 426A.21 ALLOWANCE == CONTINUING  
3 24 EFFECTIVENESS.

3 25 1. The assessor shall retain a permanent file of current  
3 26 disabled veteran homestead tax exemption claims filed in the  
3 27 assessor's office. The assessor shall file a notice of  
3 28 transfer of property for which a claim is filed when notice is  
3 29 received from the office of the county recorder, from the  
3 30 person who sold or transferred the property, or from the  
3 31 personal representative of a deceased claimant.

3 32 2. The county recorder shall give notice to the assessor  
3 33 of each transfer of title filed in the recorder's office. The  
3 34 notice shall describe the property transferred, the name of  
3 35 the person transferring the title to the property, and the  
4 1 name of the person to whom title to the property has been  
4 2 transferred.

4 3 3. Not later than July 6 of each year, the assessor shall  
4 4 remit the claims and designations of property to the county  
4 5 auditor with the assessor's recommendation for allowance or  
4 6 disallowance. If the assessor recommends disallowance of a  
4 7 claim, the assessor shall submit the reasons for the  
4 8 recommendation, in writing, to the county auditor.

4 9 4. The county auditor shall forward the claims to the  
4 10 board of supervisors. The board shall allow or disallow the  
4 11 claims. If the board disallows a claim, it shall send written  
4 12 notice, by mail, to the claimant at the claimant's last known  
4 13 address. The notice shall state the reasons for disallowing  
4 14 the claim for the exemption. The board is not required to  
4 15 send notice that a claim is disallowed if the claimant  
4 16 voluntarily withdraws the claim.

4 17 5. Any person whose claim is denied under the provisions  
4 18 of this division may appeal from the action of the board of  
4 19 supervisors in the district court of the county in which the  
4 20 claimed disabled veteran homestead tax exemption is situated  
4 21 by giving written notice of such appeal to the county auditor  
4 22 within twenty days from the date of mailing of notice of such  
4 23 action by the board of supervisors.

4 24 6. Any person may request, in writing, from the  
4 25 appropriate assessor forms for the filing for a disabled  
4 26 veteran homestead tax exemption. The person may complete the  
4 27 form, which shall include a statement claiming the disabled  
4 28 veteran homestead tax exemption and designating the property  
4 29 upon which the tax exemption is claimed, and mail or return it

4 30 to the appropriate assessor. The signature of the claimant on  
4 31 the claim shall be considered the claimant's acknowledgment  
4 32 that all statements and facts entered on the form are correct  
4 33 to the best of the claimant's knowledge.

4 34 Sec. 7. NEW SECTION. 426A.22 COMPUTATION BY AUDITOR.

4 35 On or before August 1 of each year, the county auditor  
5 1 shall certify to the county treasurer all claims for disabled  
5 2 veteran homestead tax exemptions which have been allowed by  
5 3 the board of supervisors. Such certificate shall list the  
5 4 total amount of dollars, listed by taxing district in the  
5 5 county, due for disabled veteran homestead tax credits claimed  
5 6 and allowed. The county treasurer shall forthwith certify to  
5 7 the department of revenue the amount of dollars, listed by  
5 8 taxing district in the county, due for disabled veteran  
5 9 homestead tax credits claimed and allowed.

5 10 Sec. 8. NEW SECTION. 426A.23 CERTIFICATION BY DIRECTOR  
5 11 OF REVENUE.

5 12 Sums distributable from the general fund of the state shall  
5 13 be allocated annually to the counties of the state. On  
5 14 September 15 annually the director of revenue shall certify  
5 15 and the department of administrative services shall draw  
5 16 warrants to the treasurer of each county payable from the  
5 17 general fund of the state in the amount claimed. Payments  
5 18 shall be made to the treasurer of each county not later than  
5 19 September 30 of each year.

5 20 Sec. 9. NEW SECTION. 426A.24 PROPORTIONATE SHARES TO  
5 21 DISTRICTS.

5 22 The moneys received by the county under this division shall  
5 23 then be apportioned by each county treasurer to the several  
5 24 taxing districts. Each taxing district shall receive its  
5 25 proportionate share of the disabled veteran homestead tax  
5 26 credit allowed on each and every tax exemption allowed in such  
5 27 taxing district, in the proportion that the levy made by such  
5 28 taxing district upon general property bears to the total levy  
5 29 upon all property subject to general property taxation by all  
5 30 taxing districts imposing a general property tax in such  
5 31 taxing district.

5 32 Sec. 10. NEW SECTION. 426A.25 SETTING ASIDE ALLOWANCE.

5 33 If the director of revenue determines that a claim for  
5 34 disabled veteran homestead tax exemption has been allowed by a  
5 35 board of supervisors which is not justifiable under the law  
6 1 and not substantiated by proper facts, the director may, at  
6 2 any time within thirty-six months from July 1 of the year in  
6 3 which the claim is allowed, set aside the allowance. Notice  
6 4 of the disallowance shall be given to the county auditor of  
6 5 the county in which the claim has been improperly granted and  
6 6 a written notice of the disallowance shall also be addressed  
6 7 to the claimant at the claimant's last known address. The  
6 8 claimant or the board of supervisors may appeal to the state  
6 9 board of tax review pursuant to section 421.1, subsection 5.  
6 10 The claimant or the board of supervisors may seek judicial  
6 11 review of the action of the state board of tax review in  
6 12 accordance with chapter 17A. If a claim is disallowed by the  
6 13 director of revenue and not appealed to the state board of tax  
6 14 review or appealed to the state board of tax review and  
6 15 thereafter upheld upon final resolution, including judicial  
6 16 review, the credits allowed and paid from the general fund of  
6 17 the state become a lien upon the property on which the credit  
6 18 was originally granted, if still in the hands of the claimant  
6 19 and not in the hands of a bona fide purchaser, the amount so  
6 20 erroneously paid shall be collected by the county treasurer in  
6 21 the same manner as other taxes, and the collections shall be  
6 22 returned to the department of revenue and credited to the  
6 23 general fund of the state. The director of revenue may  
6 24 institute legal proceedings against a disabled veteran  
6 25 homestead tax exemption claimant for the collection of  
6 26 payments made on disallowed exemptions.

6 27 Sec. 11. NEW SECTION. 426A.26 FORMS == RULES.

6 28 The director of revenue shall prescribe the form for the  
6 29 making of a verified statement and designation of property  
6 30 eligible for disabled veteran homestead tax exemption, and the  
6 31 form for the supporting affidavits required in this division,  
6 32 and such other forms as may be necessary for the proper  
6 33 administration of this division. From time to time as  
6 34 necessary, the department of revenue shall forward the  
6 35 prescribed sample forms to the county auditors of the several  
7 1 counties of the state. The director of revenue shall have the  
7 2 power and authority to prescribe rules, not inconsistent with  
7 3 the provisions of this division, necessary to carry out and  
7 4 effectuate its purposes.

7 5 Sec. 12. NEW SECTION. 426A.27 EXCESS REMITTED ==

7 6 APPEALS.

7 7 1. If the amount of credit apportioned to any property  
7 8 eligible for a disabled veteran homestead tax exemption under  
7 9 this division in any year shall exceed the total tax,  
7 10 exclusive of any special assessments levied against such  
7 11 property eligible for disabled veteran homestead tax  
7 12 exemption, then the excess shall be remitted by the county  
7 13 treasurer to the department of revenue to be redeposited in  
7 14 the general fund of the state and reallocated the following  
7 15 year by the department.

7 16 2. a. If any claim for exemption made has been denied by  
7 17 the board of supervisors, and the action is subsequently  
7 18 reversed on appeal, the same credit shall be allowed on the  
7 19 assessed valuation, not to exceed the amount of the disabled  
7 20 veteran homestead tax exemption involved in the appeal, as was  
7 21 allowed on other disabled veteran homestead tax exemption  
7 22 valuations for the year in question, and the director of  
7 23 revenue, the county auditor, and the county treasurer shall  
7 24 credit and change their books and records accordingly.

7 25 b. If the appealing taxpayer has paid one or both of the  
7 26 installments of the tax payable in the year in question on  
7 27 such disabled veteran homestead tax exemption valuation,  
7 28 remittance shall be made to the county treasurer in the amount  
7 29 of such credit.

7 30 c. The amount of the credit shall be allocated and paid  
7 31 from the surplus redeposited in the general fund of the state  
7 32 provided for in subsection 1.

7 33 Sec. 13. NEW SECTION. 426A.28 ERRONEOUS CREDITS.

7 34 If any claim is allowed, and subsequently reversed on  
7 35 appeal, any credit shall be void, and the amount of the credit  
8 1 shall be charged against the property in question, and the  
8 2 director of revenue, the county auditor, and the county  
8 3 treasurer shall correct their books and records. The amount  
8 4 of the erroneous credit, when collected, shall be returned by  
8 5 the county treasurer to the general fund of the state.

8 6 Sec. 14. NEW SECTION. 426A.29 PENALTY.

8 7 Any person making a false affidavit for the purpose of  
8 8 obtaining the exemption provided for in sections 426A.18 to  
8 9 426A.21 or who knowingly receives the exemption without being  
8 10 legally entitled to the exemption, or who makes claim for  
8 11 exemption in more than one county in the state shall be guilty  
8 12 of a fraudulent practice.

8 13 DIVISION II

8 14 CORRESPONDING AMENDMENTS

8 15 Sec. 15. Section 25B.7, subsection 2, Code 2009, is  
8 16 amended by adding the following new paragraph:

8 17 NEW PARAGRAPH. d. Disabled veteran homestead tax credit  
8 18 and exemption pursuant to chapter 426A.

8 19 Sec. 16. Section 331.401, subsection 1, paragraphs e and  
8 20 f, Code 2009, are amended to read as follows:

8 21 e. Adopt resolutions authorizing the county assessor to  
8 22 provide forms for homestead exemption claimants as provided in  
8 23 section 425.2 ~~and~~ military service tax exemptions as provided  
8 24 in section 426A.14, ~~and disabled veteran homestead tax~~  
8 25 ~~exemptions as provided in 426A.21.~~

8 26 f. Examine and allow or disallow claims for homestead  
8 27 exemption in accordance with section 425.3 and claims for  
8 28 military service tax exemption ~~and disabled veteran homestead~~  
8 29 ~~tax exemption~~ in accordance with chapter 426A. The board, by  
8 30 a single resolution, may allow or disallow the exemptions  
8 31 recommended by the assessor.

8 32 Sec. 17. Section 331.429, subsection 1, paragraphs a and  
8 33 b, Code 2009, are amended to read as follows:

8 34 a. Transfers from the general fund not to exceed in any  
8 35 year the dollar equivalent of a tax of sixteen and  
9 1 seven-eighths cents per thousand dollars of assessed value on  
9 2 all taxable property in the county multiplied by the ratio of  
9 3 current taxes actually collected and apportioned for the  
9 4 general basic levy to the total general basic levy for the  
9 5 current year, and an amount equivalent to the moneys derived  
9 6 by the general fund from military service tax credits ~~and~~  
9 7 ~~disabled veteran homestead tax credits~~ under chapter 426A,  
9 8 and manufactured or mobile home taxes under section 435.22, and  
9 9 delinquent taxes for prior years collected and apportioned to  
9 10 the general basic fund in the current year, multiplied by the  
9 11 ratio of sixteen and seven-eighths cents to three dollars and  
9 12 fifty cents. The limit on transfers in this paragraph applies  
9 13 only to property tax revenue and is not a limit on transfers  
9 14 of revenue generated from sources other than property taxes.  
9 15 b. Transfers from the rural services fund not to exceed in  
9 16 any year the dollar equivalent of a tax of three dollars and

9 17 three-eighths cents per thousand dollars of assessed value on  
9 18 all taxable property not located within the corporate limits  
9 19 of a city in the county multiplied by the ratio of current  
9 20 taxes actually collected and apportioned for the rural  
9 21 services basic levy to the total rural services basic levy for  
9 22 the current year and an amount equivalent to the moneys  
9 23 derived by the rural services fund from military service tax  
9 24 credits and disabled veteran homestead tax credits under  
9 25 chapter 426A, manufactured or mobile home taxes under section  
9 26 435.22, and delinquent taxes for prior years collected and  
9 27 apportioned to the rural services basic fund in the current  
9 28 year, multiplied by the ratio of three dollars and  
9 29 three-eighths cents to three dollars and ninety-five cents.  
9 30 The limit on transfers in this paragraph applies only to  
9 31 property tax revenue and is not a limit on transfers of  
9 32 revenue generated from sources other than property taxes.

9 33 Sec. 18. Section 331.512, subsection 4, Code 2009, is  
9 34 amended to read as follows:  
9 35 4. Prepare and certify to the county treasurer the total  
10 1 amount of dollars for military service tax credits claimed and  
10 2 allowed as provided under sections 426A.3 and 426A.11 through  
10 3 426A.14 and for disabled veteran homestead tax credits claimed  
10 4 and allowed as provided under sections 426A.18 through  
10 5 426A.22.

10 6 Sec. 19. Section 331.559, subsection 14, Code 2009, is  
10 7 amended to read as follows:  
10 8 14. Carry out duties relating to the administration of the  
10 9 military service tax credit and the disabled veteran homestead  
10 10 tax credit as provided in ~~sections 426A.3, 426A.5, 426A.8, and~~  
10 11 ~~426A.9~~ chapter 426A.

10 12 Sec. 20. Section 420.207, Code 2009, is amended to read as  
10 13 follows:  
10 14 420.207 TAXATION IN GENERAL.  
10 15 Sections 426A.11 through 426A.15, 426A.18 through 426A.21,  
10 16 426A.29, 427.1, 427.8 to 427.11, 428.4, 428.20, 428.22,  
10 17 428.23, 437.1, 437.3, 441.21, 443.1 to 443.3, 444.2 to 444.5,  
10 18 and 447.9 to 447.13, so far as applicable, apply to cities  
10 19 acting under special charters.

10 20 Sec. 21. Section 425.11, subsection 1, Code 2009, is  
10 21 amended to read as follows:  
10 22 1. The words "assessed valuation" shall mean the taxable  
10 23 valuation of the homestead as fixed by the assessor, or by the  
10 24 board of review, under the provisions of section 441.21,  
10 25 without deducting therefrom the exemptions authorized in  
10 26 ~~section sections~~ 426A.11 and 426A.18.

10 27 Sec. 22. Section 425.15, Code 2009, is amended to read as  
10 28 follows:  
10 29 425.15 DISABLED VETERAN TAX CREDIT.  
10 30 If the owner of a homestead allowed a credit under this  
10 31 chapter is a veteran of any of the military forces of the  
10 32 United States, who acquired the homestead under 38 U.S.C. }  
10 33 21.801, 21.802, prior to August 6, 1991, or 38 U.S.C. } 2101,  
10 34 2102, the credit allowed on the homestead from the homestead  
10 35 credit fund shall be the entire amount of the tax levied on  
11 1 the homestead. The credit allowed shall be continued to the  
11 2 estate of a veteran who is deceased or the surviving spouse  
11 3 and any child, as defined in section 234.1, who are the  
11 4 beneficiaries of a deceased veteran, so long as the surviving  
11 5 spouse remains unmarried. This section is not applicable to  
11 6 the holder of title to any homestead whose annual income,  
11 7 together with that of the titleholder's spouse, if any, for  
11 8 the last preceding twelve-month income tax accounting period  
11 9 exceeds thirty-five thousand dollars. For the purpose of this  
11 10 section "income" means taxable income for federal income tax  
11 11 purposes plus income from securities of state and other  
11 12 political subdivisions exempt from federal income tax. A  
11 13 veteran or a beneficiary of a veteran who elects to secure the  
11 14 credit provided in this section is not eligible for any other  
11 15 real property tax exemption provided by law for veterans of  
11 16 military service. If a veteran acquires a different  
11 17 homestead, the credit allowed under this section may be  
11 18 claimed on the new homestead unless the veteran fails to meet  
11 19 the other requirements of this section.

11 20 Sec. 23. Section 426A.1A, Code 2009, is amended to read as  
11 21 follows:  
11 22 426A.1A APPROPRIATION.  
11 23 There is appropriated from the general fund of the state  
11 24 the amounts necessary to fund the credits provided under this  
11 25 ~~chapter~~ division.

11 26 Sec. 24. Section 426A.5, Code 2009, is amended to read as  
11 27 follows:

11 28 426A.5 PROPORTIONATE SHARES TO DISTRICTS.

11 29 The amount of credits received under this ~~chapter~~ division  
11 30 shall then be apportioned by each county treasurer to the  
11 31 several taxing districts. Each taxing district shall receive  
11 32 its proportionate share of the military service tax credit  
11 33 allowed on each and every tax exemption allowed in such taxing  
11 34 district, in the proportion that the levy made by such taxing  
11 35 district upon general property bears to the total levy upon  
12 1 all property subject to general property taxation by all  
12 2 taxing districts imposing a general property tax in such  
12 3 taxing district.

12 4 Sec. 25. Section 426A.7, Code 2009, is amended to read as  
12 5 follows:

12 6 426A.7 FORMS == RULES.

12 7 The director of revenue shall prescribe the form for the  
12 8 making of a verified statement and designation of property  
12 9 eligible for military service tax exemption, and the form for  
12 10 the supporting affidavits required herein, and such other  
12 11 forms as may be necessary for the proper administration of  
12 12 this ~~chapter~~ division. From time to time as necessary, the  
12 13 department of revenue shall forward to the county auditors of  
12 14 the several counties of the state, such prescribed sample  
12 15 forms. The director of revenue shall have the power and  
12 16 authority to prescribe rules, not inconsistent with the  
12 17 provisions of this ~~chapter~~ division, necessary to carry out  
12 18 and effectuate its purposes.

12 19 Sec. 26. Section 426A.8, unnumbered paragraph 1, Code  
12 20 2009, is amended to read as follows:

12 21 If the amount of credit apportioned to any property  
12 22 eligible to military service tax exemption under this ~~chapter~~  
12 23 division in any year shall exceed the total tax, exclusive of  
12 24 any special assessments levied against such property eligible  
12 25 for military service tax exemption, then the excess shall be  
12 26 remitted by the county treasurer to the department of revenue  
12 27 to be redeposited in the general fund of the state and  
12 28 reallocated the following year by the department.

12 29 Sec. 27. Section 426A.11, subsections 3 and 4, Code 2009,  
12 30 are amended to read as follows:

12 31 3. Where the word "veteran" appears in this ~~chapter~~  
12 32 division, it includes, without limitation, the members of the  
12 33 United States air force, merchant marine, and coast guard.

12 34 4. For purposes of this ~~chapter~~ division, unless the  
12 35 context otherwise requires, "veteran" also means a resident of  
13 1 this state who is a former member of the armed forces of the  
13 2 United States and who served for a minimum aggregate of  
13 3 eighteen months and who was discharged under honorable  
13 4 conditions. However, "veteran" also means a resident of this  
13 5 state who is a former member of the armed forces of the United  
13 6 States and who, after serving fewer than eighteen months, was  
13 7 honorably discharged because of a service-related injury  
13 8 sustained by the veteran.

13 9 Sec. 28. Section 426A.12, Code 2009, is amended to read as  
13 10 follows:

13 11 426A.12 EXEMPTIONS TO RELATIVES.

13 12 1. In case any person in the foregoing classifications  
13 13 does not claim the exemption from taxation, it shall be  
13 14 allowed in the name of the person to the same extent on the  
13 15 property of any one of the following persons in the order  
13 16 named:

13 17 ~~1- a.~~ The spouse, or surviving spouse remaining unmarried,  
13 18 of a veteran, as defined in this ~~chapter~~ division or in  
13 19 section 35.1, where they are living together or were living  
13 20 together at the time of the death of the veteran.

13 21 ~~2- b.~~ The parent whose spouse is deceased and who remains  
13 22 unmarried, of a veteran, as defined in this ~~chapter~~ division  
13 23 or in section 35.1, whether living or deceased, where the  
13 24 parent is, or was at the time of death of the veteran,  
13 25 dependent on the veteran for support.

13 26 ~~3- c.~~ The minor child, or children owning property as  
13 27 tenants in common, of a deceased veteran, as defined in this  
13 28 ~~chapter~~ division or in section 35.1.

13 29 2. No more than one tax exemption shall be allowed under  
13 30 this section, ~~or~~ section 426A.11, ~~or~~ section 426A.19 in the  
13 31 name of a veteran, as defined in this ~~chapter~~ division or in  
13 32 section 35.1.

13 33 Sec. 29. Section 426A.14, unnumbered paragraph 5, Code  
13 34 2009, is amended to read as follows:

13 35 Any person whose claim is denied under the provisions of  
14 1 this ~~chapter~~ division may appeal from the action of the board  
14 2 of supervisors in the district court of the county in which  
14 3 said claimed military service tax exemption is situated by

14 4 giving written notice of such appeal to the county auditor of  
14 5 said county within twenty days from the date of mailing of  
14 6 notice of such action by the board of supervisors.

14 7 Sec. 30. Section 435.26, subsection 1, paragraph a, Code  
14 8 2009, is amended to read as follows:

14 9 a. A mobile home or manufactured home which is located  
14 10 outside a manufactured home community or mobile home park  
14 11 shall be converted to real estate by being placed on a  
14 12 permanent foundation and shall be assessed for real estate  
14 13 taxes. A home, after conversion to real estate, is eligible  
14 14 for the homestead tax credit, ~~and~~ the military service tax  
14 15 exemption, ~~and the disabled veteran homestead tax exemption~~ as  
14 16 provided in sections 425.2, ~~and~~ 426A.11, ~~and~~ 426A.18.

14 17 Sec. 31. Section 435.26A, subsection 3, Code 2009, is  
14 18 amended to read as follows:

14 19 3. After the surrender of a manufactured home's  
14 20 certificate of title under this section, the manufactured home  
14 21 shall continue to be taxed under section 435.22 and is not  
14 22 eligible for the homestead tax credit, ~~or~~ the military service  
14 23 tax exemption, ~~or the disabled veteran homestead tax~~

~~14 24 exemption.~~ A foreclosure action on a manufactured home whose  
14 25 title has been surrendered under this section shall be  
14 26 conducted as a real estate foreclosure. A tax lien and its  
14 27 priority shall remain the same on a manufactured home after  
14 28 its certificate of title has been surrendered.

14 29 DIVISION III

14 30 EFFECTIVE AND APPLICABILITY DATES

14 31 Sec. 32. EFFECTIVE AND APPLICABILITY DATES. This Act,  
14 32 being deemed of immediate importance, takes effect upon  
14 33 enactment and applies to property taxes due and payable for  
14 34 fiscal years beginning on or after July 1, 2009.

14 35 EXPLANATION

15 1 Division I of this bill provides a property tax exemption  
15 2 and credit for a homestead owned by a disabled veteran. Under  
15 3 the division, if the veteran has a disability rating of at  
15 4 least 70 percent, the first \$150,000 of the homestead's  
15 5 assessed value is exempt from taxation. To be eligible for  
15 6 the exemption, the veteran must have been honorably discharged  
15 7 from the United States armed forces and must be certified by  
15 8 the United States veterans administration as having a  
15 9 service-connected disability at the appropriate percentage.

15 10 Division I appropriates from the general fund of the state  
15 11 the amounts necessary to fund the credits provided under the  
15 12 division and designates how the moneys are distributed to the  
15 13 counties and apportioned to the several taxing districts. The  
15 14 reimbursement by the state replaces the tax which would be due  
15 15 on property eligible for the disabled veteran homestead tax  
15 16 exemption, if the property were subject to taxation.

15 17 Division I directs the director of revenue to prescribe  
15 18 forms for the making of a verified statement and designation  
15 19 of property eligible for disabled veteran homestead tax  
15 20 exemption, and forms for the supporting affidavits. Division  
15 21 I also provides the director of revenue authority to prescribe  
15 22 rules necessary to carry out and effectuate its purposes.

15 23 Division I requires the claimant to record in the office of  
15 24 the county recorder evidence that the claimant owns the  
15 25 property, documentation relating to the claimant's military  
15 26 service and honorable discharge, and evidence of a  
15 27 service-connected disability and disability rating from the  
15 28 United States veterans administration. Division I also  
15 29 requires the claimant to file the claim with the appropriate  
15 30 assessor not later than July 1 of the year for which the  
15 31 person is claiming the exemption. Division I provides that  
15 32 upon the filing and allowance of a claim by the board of  
15 33 supervisors, the claim is allowed to that person for  
15 34 successive years without further filing.

15 35 Division I provides that a property qualifying for an  
16 1 exemption is not eligible for the homestead credit under Code  
16 2 chapter 425, the disabled veteran tax credit under Code  
16 3 section 425.15, or the military service property tax exemption  
16 4 under Code sections 426A.1A through 426A.15.

16 5 Division I provides that any person making a false  
16 6 affidavit for the purpose of obtaining the disabled veteran  
16 7 homestead tax exemption or who knowingly receives such  
16 8 exemption without being legally entitled to it, or who makes  
16 9 claim for exemption in more than one county in the state is  
16 10 guilty of a fraudulent practice.

16 11 Division II of the bill updates references to federal  
16 12 veterans' benefits programs under Code section 425.15.  
16 13 Division II also updates the duties of a county and certain  
16 14 county officials as they relate to administration of the

16 15 disabled veteran homestead tax exemption and makes  
16 16 corresponding amendments to Code provisions relating to the  
16 17 military service property tax exemption.  
16 18 Division III of the bill provides that the bill takes  
16 19 effect upon enactment and applies to property taxes due and  
16 20 payable for fiscal years beginning on or after July 1, 2009.  
16 21 LSB 1076HH 83  
16 22 md/sc:mg/8.2