

HOUSE FILE _____
BY MAY

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

A BILL FOR

1 An Act relating to a property tax limitation for certain elderly
2 persons, providing a penalty, and including an applicability
3 date provision.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 1427HH 83
6 md/mg:sc/5

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1 1 Section 1. NEW SECTION. 425B.1 HOMESTEAD PROPERTY TAX
1 2 ADJUSTMENT.
1 3 Persons who own their homesteads and who meet the
1 4 qualifications provided in this chapter are eligible for an
1 5 adjustment in the amount of property taxes due and payable on
1 6 their homesteads, as provided in this chapter.
1 7 Sec. 2. NEW SECTION. 425B.2 DEFINITIONS.
1 8 As used in this chapter, unless the context otherwise
1 9 requires:
1 10 1. "Base year" means the calendar year last ending before
1 11 the claim for adjustment is filed.
1 12 2. "Claimant" means a person filing a claim for adjustment
1 13 under this chapter who has attained the age of sixty-five
1 14 years on or before December 31 of the base year and is
1 15 domiciled in this state at the time the claim is filed or at
1 16 the time of the person's death in the case of a claim filed by
1 17 the executor or administrator of the claimant's estate.
1 18 3. "Homestead" means the dwelling owned and actually used
1 19 as a home by the claimant during any part of the fiscal year
1 20 beginning July 1 of the base year, and so much of the land
1 21 surrounding it including one or more contiguous lots or tracts
1 22 of land, as is reasonably necessary for use of the dwelling as
1 23 a home, and may consist of a part of a multidwelling or
1 24 multipurpose building and a part of the land upon which it is
1 25 built. It does not include personal property except that a
1 26 manufactured or mobile home may be a homestead. Any dwelling
1 27 or a part of a multidwelling or multipurpose building which is
1 28 exempt from taxation does not qualify as a homestead under
1 29 this chapter. A homestead must be located in this state.
1 30 When a person is confined in a nursing home, extended-care
1 31 facility, or hospital, the person shall be considered as
1 32 occupying or living in the person's homestead if the person is
1 33 the owner of the homestead and the person maintains the
1 34 homestead and does not lease, rent, or otherwise receive
1 35 profits from other persons for the use of the homestead.
2 1 4. "Owned" means owned by an owner as defined in section
2 2 425.11.
2 3 Sec. 3. NEW SECTION. 425B.3 QUALIFYING FOR ADJUSTMENT ==
2 4 FILING OF CLAIM.
2 5 1. A person who wishes to qualify for the property tax
2 6 adjustment allowed under this chapter shall obtain the
2 7 appropriate forms for filing for the adjustment from the
2 8 county auditor or county treasurer. The person claiming the
2 9 adjustment shall file a verified statement and designation of
2 10 homestead with the county auditor for the year for which the
2 11 person is first claiming the adjustment. The claim shall be
2 12 filed not later than July 1 of the year for which the person
2 13 is claiming the adjustment. A claim filed after July 1 of the
2 14 year for which the person is claiming the adjustment shall be
2 15 considered as a claim filed for the following year.
2 16 2. Upon the filing and allowance of the claim, the claim
2 17 shall be allowed on that homestead for successive years
2 18 without further filing as long as the property is legally or
2 19 equitably owned and used as a homestead by that person or that

2 20 person's spouse on July 1 of each of those successive years,
2 21 and the owner of the property being claimed as a homestead
2 22 declares residency in Iowa for purposes of income taxation,
2 23 and the property is occupied by that person or that person's
2 24 spouse for at least six months in each of those calendar years
2 25 in which the fiscal year begins. When the property is sold or
2 26 transferred, the buyer or transferee who wishes to qualify
2 27 shall refile for the adjustment. An owner who ceases to use a
2 28 property for a homestead or intends not to use it as a
2 29 homestead for at least six months in a calendar year shall
2 30 provide written notice to the county assessor by July 1
2 31 following the date on which the use is changed. A person who
2 32 sells or transfers a homestead or the personal representative
2 33 of a deceased person who had a homestead at the time of death,
2 34 shall provide written notice to the county auditor that the
2 35 property is no longer the homestead of the former claimant.

3 1 3. The right to file a claim for a property tax adjustment
3 2 under this chapter may be exercised by the claimant or on
3 3 behalf of a claimant by the claimant's legal guardian, spouse,
3 4 or attorney, or by the executor or administrator of the
3 5 claimant's estate. If a claimant dies after having filed a
3 6 claim for adjustment, the amount of any adjustment shall be
3 7 made as if the claimant had not died.

3 8 4. A person shall not make a claim for adjustment in more
3 9 than one county or for more than one dwelling in the same
3 10 county.

3 11 Sec. 4. NEW SECTION. 425B.4 VERIFICATION OF CLAIMS.

3 12 The county auditor shall retain a permanent file of current
3 13 property tax adjustment claims filed in the auditor's office.
3 14 The county auditor shall file a notice of transfer of property
3 15 for which a claim is filed when notice is received from the
3 16 office of the county recorder.

3 17 The county recorder shall give notice to the county auditor
3 18 of each transfer of title filed in the county recorder's
3 19 office. The notice shall describe the property transferred,
3 20 the name of the person transferring the title to the property,
3 21 and the name of the person to whom title to the property has
3 22 been transferred.

3 23 Not later than July 6 of each year, the county auditor
3 24 shall remit the statements and designation of homesteads to
3 25 the board of supervisors with the county auditor's
3 26 recommendation for allowance or disallowance. If the county
3 27 auditor recommends disallowance of a claim, the county auditor
3 28 shall submit the reasons for the recommendation, in writing,
3 29 to the board of supervisors.

3 30 The board shall allow or disallow the claims. If the board
3 31 disallows a claim, the board shall send written notice, by
3 32 mail, to the claimant at the claimant's last known address.
3 33 The notice shall state the reasons for disallowing the claim
3 34 for the property tax adjustment. The board is not required to
3 35 send notice that a claim is disallowed if the claimant
4 1 voluntarily withdraws the claim.

4 2 Sec. 5. NEW SECTION. 425B.5 ADJUSTMENT OF TAX DOLLARS
4 3 LEVIED == CREDIT ALLOWED.

4 4 1. a. The adjustment allowed under this chapter shall be
4 5 the amount computed in this section.

4 6 b. The county auditor shall determine the lesser of the
4 7 following:

4 8 (1) The product of the taxes due and payable on the
4 9 homestead in the previous fiscal year, excluding any
4 10 adjustment made under paragraph "c" for the previous fiscal
4 11 year, times one and two hundredths.

4 12 (2) The taxes due and payable by the claimant in the
4 13 current fiscal year.

4 14 c. If the lesser amount is the amount computed in
4 15 paragraph "b", subparagraph (1), the difference between the
4 16 amount in paragraph "b", subparagraph (2) and the amount in
4 17 paragraph "b", subparagraph (1), shall be the amount of the
4 18 property tax adjustment for the current fiscal year.

4 19 2. The amount of the property tax adjustment shall appear
4 20 as a credit on the claimant's property tax statement for the
4 21 current fiscal year.

4 22 Sec. 6. NEW SECTION. 425B.6 ADMINISTRATION.

4 23 The director of revenue shall make available suitable forms
4 24 for claiming property tax adjustments with instructions for
4 25 claimants. Each county auditor and county treasurer shall
4 26 make available the forms and instructions. The claim shall be
4 27 in a form as the director may prescribe.

4 28 Sec. 7. NEW SECTION. 425B.7 PROOF OF CLAIM.

4 29 1. In addition to the filing requirements in section
4 30 425B.3, subsection 1, every claimant shall give the county

4 31 auditor, in support of the claim, reasonable proof of:

- 4 32 a. Age.
- 4 33 b. Changes of homestead.
- 4 34 c. Household membership.
- 4 35 d. Size and nature of the property claimed as the

5 1 homestead.
5 2 2. The county auditor may require any additional proof
5 3 necessary to support a claim.

5 4 Sec. 8. NEW SECTION. 425B.8 AUDIT == DENIAL.

5 5 If on the audit of a claim for adjustment under this
5 6 chapter, the director of revenue determines the claim is not
5 7 allowable, the director shall notify the claimant of the
5 8 denial and the reasons for it. The director shall not deny a
5 9 claim after three years from October 31 of the year in which
5 10 the claim was filed. The director shall give notification to
5 11 the county auditor of the denial of the claim and the county
5 12 auditor shall instruct the county treasurer to proceed to
5 13 collect the tax that would have been levied in the same manner
5 14 as other property taxes due and payable are collected, if the
5 15 property on which the adjustment was granted is still owned by
5 16 the claimant.

5 17 Sec. 9. NEW SECTION. 425B.9 FALSE CLAIM == PENALTY.

5 18 A person who makes a false affidavit for the purpose of
5 19 obtaining an adjustment in property taxes provided for in this
5 20 chapter or who knowingly receives the adjustment without being
5 21 legally entitled to it or makes claim for the adjustment in
5 22 more than one county in the state without being legally
5 23 entitled to it is guilty of a fraudulent practice. The claim
5 24 for adjustment shall be disallowed in full and property tax
5 25 shall be levied in the amount that would have been levied but
5 26 for the adjustment. The director of revenue shall send a
5 27 notice of disallowance of the claim.

5 28 Sec. 10. NEW SECTION. 425B.10 STATUTES APPLICABLE.

5 29 To the extent not otherwise contrary, the provisions of
5 30 sections 425.30, 425.31, 425.32, and 425.37 apply to this
5 31 chapter.

5 32 Sec. 11. STATE FUNDING OF TAX CREDITS AND EXEMPTIONS ==
5 33 INAPPLICABILITY. The provisions in section 25B.7, relating to
5 34 the obligation of the state to reimburse local jurisdictions
5 35 for property tax credits and exemptions, do not apply to
6 1 chapter 425B, as enacted in this Act.

6 2 Sec. 12. APPLICABILITY. This Act applies to property
6 3 taxes due and payable in the fiscal year beginning July 1,
6 4 2010, and all subsequent fiscal years.

6 5 EXPLANATION

6 6 This bill provides for an adjustment in the amount of
6 7 property taxes due and payable on a homestead if the owner is
6 8 a person who is 65 or older. If that qualification is met,
6 9 the taxes levied on the homestead shall not increase by more
6 10 than 2 percent over the previous fiscal year.

6 11 The bill provides that the provision in Code section 25B.7
6 12 that requires the state to fund reimbursement for property tax
6 13 credits and exemptions does not apply to the adjustment in
6 14 taxes provided for in the bill.

6 15 The bill applies to property taxes due and payable in the
6 16 fiscal year beginning July 1, 2010, and subsequent fiscal
6 17 years.

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