

Senate Study Bill 3120 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON BOLKCOM)

A BILL FOR

1 An Act relating to the definition of agricultural property for
2 property taxation purposes.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 441.21, Code Supplement 2009, is amended
2 by adding the following new subsection:

3 NEW SUBSECTION. 13. *a.* Beginning with valuations
4 established on or after January 1, 2011, as used in this
5 section, "*agricultural property*" shall not include any parcel
6 of real estate upon which a building that is primarily used or
7 intended for human habitation is located unless such parcel is
8 in good faith used primarily for agricultural purposes and one
9 of the following conditions are met:

10 (1) The parcel and the improvements and structures located
11 on such parcel, other than the building used or intended for
12 human habitation, are used for the production of not less than
13 ten acres of row crops.

14 (2) The parcel of real estate and the improvements and
15 structures located on such parcel, other than the building used
16 or intended for human habitation, produce a five-year average
17 of not less than two thousand dollars of gross income per year
18 from farming or ranching.

19 *b.* Contiguous parcels that are owned by the same taxpayer
20 may be combined for determining the primary use, number of
21 acres used for the production of row crops, or gross income
22 from farming or ranching under paragraph "*a*".

23 *c.* A building primarily used or intended for human
24 habitation that is located on a parcel classified as
25 agricultural property pursuant to the requirements of paragraph
26 "*a*" shall be valued as rural residential property pursuant to
27 subsection 6.

28 EXPLANATION

29 This bill amends the definition of agricultural property for
30 property taxation purposes.

31 The bill provides that beginning with real property
32 valuations established on or after January 1, 2011,
33 agricultural property shall not include any parcel of real
34 estate upon which a building that is primarily used or intended
35 for human habitation is located unless that parcel is in good

1 faith used primarily for agricultural purposes and the parcel
2 and the improvements and structures located on such parcel,
3 other than the building used or intended for human habitation,
4 are used for the production of not less than 10 acres of row
5 crops or produce a five-year average of not less than \$2,000
6 per year of gross income from farming or ranching.

7 The bill allows contiguous parcels that are owned by the same
8 taxpayer to be combined for determining the primary use, number
9 of acres used for the production of row crops, or gross income
10 from farming or ranching.

11 The bill also provides that any building located on a parcel
12 that is classified as agricultural property pursuant to the
13 requirements of the bill and that is primarily used or intended
14 for human habitation shall be classified as residential
15 property for property taxation purposes.