

**House File 136 - Introduced**

HOUSE FILE 136

BY DEYOE

**A BILL FOR**

1 An Act reducing the assessment limitation for commercial and  
2 industrial property and including retroactive applicability  
3 provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 441.21, subsection 5, Code 2011, is  
2 amended to read as follows:

3 5. For valuations established as of January 1, 1979,  
4 commercial property and industrial property, excluding  
5 properties referred to in section 427A.1, subsection 8, shall  
6 be assessed as a percentage of the actual value of each class  
7 of property. The percentage shall be determined for each  
8 class of property by the director of revenue for the state in  
9 accordance with the provisions of this section. For valuations  
10 established as of January 1, 1979, the percentage shall be  
11 the quotient of the dividend and divisor as defined in this  
12 section. The dividend for each class of property shall be the  
13 total actual valuation for each class of property established  
14 for 1978, plus six percent of the amount so determined. The  
15 divisor for each class of property shall be the valuation  
16 for each class of property established for 1978, as reported  
17 by the assessors on the abstracts of assessment for 1978,  
18 plus the amount of value added to the total actual value by  
19 the revaluation of existing properties in 1979 as equalized  
20 by the director of revenue pursuant to section 441.49. For  
21 valuations established as of January 1, 1979, property valued  
22 by the department of revenue pursuant to chapters 428, 433,  
23 437, and 438 shall be considered as one class of property and  
24 shall be assessed as a percentage of its actual value. The  
25 percentage shall be determined by the director of revenue in  
26 accordance with the provisions of this section. For valuations  
27 established as of January 1, 1979, the percentage shall be  
28 the quotient of the dividend and divisor as defined in this  
29 section. The dividend shall be the total actual valuation  
30 established for 1978 by the department of revenue, plus ten  
31 percent of the amount so determined. The divisor for property  
32 valued by the department of revenue pursuant to chapters 428,  
33 433, 437, and 438 shall be the valuation established for 1978,  
34 plus the amount of value added to the total actual value by  
35 the revaluation of the property by the department of revenue

1 as of January 1, 1979. For valuations established as of  
2 January 1, 1980, commercial property and industrial property,  
3 excluding properties referred to in section 427A.1, subsection  
4 8, shall be assessed at a percentage of the actual value of  
5 each class of property. The percentage shall be determined  
6 for each class of property by the director of revenue for the  
7 state in accordance with the provisions of this section. For  
8 valuations established as of January 1, 1980, the percentage  
9 shall be the quotient of the dividend and divisor as defined in  
10 this section. The dividend for each class of property shall  
11 be the dividend as determined for each class of property for  
12 valuations established as of January 1, 1979, adjusted by the  
13 product obtained by multiplying the percentage determined  
14 for that year by the amount of any additions or deletions to  
15 actual value, excluding those resulting from the revaluation  
16 of existing properties, as reported by the assessors on the  
17 abstracts of assessment for 1979, plus four percent of the  
18 amount so determined. The divisor for each class of property  
19 shall be the total actual value of all such property in 1979,  
20 as equalized by the director of revenue pursuant to section  
21 441.49, plus the amount of value added to the total actual  
22 value by the revaluation of existing properties in 1980. The  
23 director shall utilize information reported on the abstracts of  
24 assessment submitted pursuant to section 441.45 in determining  
25 such percentage. For valuations established as of January 1,  
26 1980, property valued by the department of revenue pursuant  
27 to chapters 428, 433, 437, and 438 shall be assessed at a  
28 percentage of its actual value. The percentage shall be  
29 determined by the director of revenue in accordance with the  
30 provisions of this section. For valuations established as of  
31 January 1, 1980, the percentage shall be the quotient of the  
32 dividend and divisor as defined in this section. The dividend  
33 shall be the total actual valuation established for 1979 by  
34 the department of revenue, plus eight percent of the amount so  
35 determined. The divisor for property valued by the department

1 of revenue pursuant to chapters 428, 433, 437, and 438 shall be  
 2 the valuation established for 1979, plus the amount of value  
 3 added to the total actual value by the revaluation of the  
 4 property by the department of revenue as of January 1, 1980.  
 5 For valuations established as of January 1, 1981, and each  
 6 year thereafter, the percentage of actual value as equalized  
 7 by the director of revenue as provided in section 441.49 at  
 8 which commercial property and industrial property, excluding  
 9 properties referred to in section 427A.1, subsection 8, shall  
 10 be assessed shall be calculated in accordance with the methods  
 11 provided herein, except that any references to six percent  
 12 in this subsection shall be four percent. For valuations  
 13 established as of January 1, 2011, and each year thereafter,  
 14 the percentage of actual value as equalized by the director  
 15 of revenue as provided in section 441.49 at which commercial  
 16 property and industrial property, excluding properties referred  
 17 to in section 427A.1, subsection 8, shall be assessed shall  
 18 be calculated in accordance with the methods provided herein,  
 19 except that any references to six percent or to four percent  
 20 in this subsection shall be zero percent. For valuations  
 21 established as of January 1, 1981, and each year thereafter,  
 22 the percentage of actual value at which property valued by  
 23 the department of revenue pursuant to chapters 428, 433, 437,  
 24 and 438 shall be assessed shall be calculated in accordance  
 25 with the methods provided herein, except that any references  
 26 to ten percent in this subsection shall be eight percent.  
 27 Beginning with valuations established as of January 1, 1979,  
 28 and each year thereafter, property valued by the department of  
 29 revenue pursuant to chapter 434 shall also be assessed at a  
 30 percentage of its actual value which percentage shall be equal  
 31 to the percentage determined by the director of revenue for  
 32 commercial property, industrial property, or property valued by  
 33 the department of revenue pursuant to chapters 428, 433, 437,  
 34 and 438, whichever is lowest.

35 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies

H.F. 136

1 retroactively to assessment years beginning on or after January  
2 1, 2011.

3

EXPLANATION

4 This bill changes the property tax assessment limitation  
5 percentage for commercial and industrial property from 4  
6 percent to 0 percent.

7 The bill applies retroactively to assessment years beginning  
8 on or after January 1, 2011.