

**Senate File 488 - Introduced**

SENATE FILE 488

BY FEENSTRA

**A BILL FOR**

- 1 An Act relating to property taxation by establishing a method
- 2 for determining certain property assessment limitations, and
- 3 including applicability provisions.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 441.21, subsections 4 and 5, Code 2011,  
2 are amended to read as follows:

3 4. For valuations established as of January 1, 1979,  
4 the percentage of actual value at which agricultural and  
5 residential property shall be assessed shall be the quotient  
6 of the dividend and divisor as defined in this section. The  
7 dividend for each class of property shall be the dividend  
8 as determined for each class of property for valuations  
9 established as of January 1, 1978, adjusted by the product  
10 obtained by multiplying the percentage determined for that  
11 year by the amount of any additions or deletions to actual  
12 value, excluding those resulting from the revaluation of  
13 existing properties, as reported by the assessors on the  
14 abstracts of assessment for 1978, plus six percent of the  
15 amount so determined. However, ~~if the difference between the~~  
16 ~~dividend so determined for either class of property and the~~  
17 ~~dividend for that class of property for valuations established~~  
18 ~~as of January 1, 1978, adjusted by the product obtained by~~  
19 ~~multiplying the percentage determined for that year by the~~  
20 ~~amount of any additions or deletions to actual value, excluding~~  
21 ~~those resulting from the revaluation of existing properties,~~  
22 ~~as reported by the assessors on the abstracts of assessment~~  
23 ~~for 1978, is less than six percent, the 1979 dividend for the~~  
24 ~~other class of property shall be the dividend as determined for~~  
25 ~~that class of property for valuations established as of January~~  
26 ~~1, 1978, adjusted by the product obtained by multiplying~~  
27 ~~the percentage determined for that year by the amount of~~  
28 ~~any additions or deletions to actual value, excluding those~~  
29 ~~resulting from the revaluation of existing properties, as~~  
30 ~~reported by the assessors on the abstracts of assessment for~~  
31 ~~1978, plus a percentage of the amount so determined which is~~  
32 ~~equal to the percentage by which the dividend as determined~~  
33 ~~for the other class of property for valuations established~~  
34 ~~as of January 1, 1978, adjusted by the product obtained by~~  
35 ~~multiplying the percentage determined for that year by the~~

~~1 amount of any additions or deletions to actual value, excluding~~  
~~2 those resulting from the revaluation of existing properties,~~  
~~3 as reported by the assessors on the abstracts of assessment~~  
~~4 for 1978, is increased in arriving at the 1979 dividend for~~  
~~5 the other class of property.~~ The divisor for each class of  
6 property shall be the total actual value of all such property  
7 in the state in the preceding year, as reported by the  
8 assessors on the abstracts of assessment submitted for 1978,  
9 plus the amount of value added to said total actual value by  
10 the revaluation of existing properties in 1979 as equalized  
11 by the director of revenue pursuant to section 441.49. The  
12 director shall utilize information reported on abstracts of  
13 assessment submitted pursuant to section 441.45 in determining  
14 such percentage. For valuations established as of January  
15 1, 1980, and each year thereafter, the percentage of actual  
16 value as equalized by the director of revenue as provided  
17 in section 441.49 at which agricultural and residential  
18 property shall be assessed shall be calculated in accordance  
19 with the methods provided ~~herein including the limitation of~~  
~~20 increases in agricultural and residential assessed values to~~  
~~21 the percentage increase of the other class of property if the~~  
~~22 other class increases less than the allowable limit adjusted~~  
~~23 to include the applicable and current values as equalized by~~  
~~24 the director of revenue in this subsection,~~ except that any  
25 references to six percent in this subsection shall be four  
26 percent. For valuations established for the assessment year  
27 beginning January 1, 2012, and each assessment year thereafter,  
28 the percentage of actual value as equalized by the director of  
29 revenue as provided in section 441.49 at which agricultural  
30 and residential property shall be assessed shall be calculated  
31 in accordance with the methods provided in this subsection and  
32 subsection 5A, except that any references to six percent in  
33 this subsection shall be four percent.

34 5. For valuations established as of January 1, 1979,  
35 commercial property and industrial property, excluding

1 properties referred to in section 427A.1, subsection 8, shall  
2 be assessed as a percentage of the actual value of each class  
3 of property. The percentage shall be determined for each  
4 class of property by the director of revenue for the state in  
5 accordance with the provisions of this section. For valuations  
6 established as of January 1, 1979, the percentage shall be  
7 the quotient of the dividend and divisor as defined in this  
8 section. The dividend for each class of property shall be the  
9 total actual valuation for each class of property established  
10 for 1978, plus six percent of the amount so determined. The  
11 divisor for each class of property shall be the valuation  
12 for each class of property established for 1978, as reported  
13 by the assessors on the abstracts of assessment for 1978,  
14 plus the amount of value added to the total actual value by  
15 the revaluation of existing properties in 1979 as equalized  
16 by the director of revenue pursuant to section 441.49. For  
17 valuations established as of January 1, 1979, property valued  
18 by the department of revenue pursuant to chapters 428, 433,  
19 437, and 438 shall be considered as one class of property and  
20 shall be assessed as a percentage of its actual value. The  
21 percentage shall be determined by the director of revenue in  
22 accordance with the provisions of this section. For valuations  
23 established as of January 1, 1979, the percentage shall be  
24 the quotient of the dividend and divisor as defined in this  
25 section. The dividend shall be the total actual valuation  
26 established for 1978 by the department of revenue, plus ten  
27 percent of the amount so determined. The divisor for property  
28 valued by the department of revenue pursuant to chapters 428,  
29 433, 437, and 438 shall be the valuation established for 1978,  
30 plus the amount of value added to the total actual value by  
31 the revaluation of the property by the department of revenue  
32 as of January 1, 1979. For valuations established as of  
33 January 1, 1980, commercial property and industrial property,  
34 excluding properties referred to in section 427A.1, subsection  
35 8, shall be assessed at a percentage of the actual value of

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

1 1980. For valuations established as of January 1, 1981,  
 2 and each year thereafter, the percentage of actual value as  
 3 equalized by the director of revenue as provided in section  
 4 441.49 at which commercial property and industrial property,  
 5 excluding properties referred to in section 427A.1, subsection  
 6 8, shall be assessed shall be calculated in accordance with  
 7 the methods provided ~~herein~~ in this subsection, except that  
 8 any references to six percent in this subsection shall be four  
 9 percent. For valuations established as of January 1, 1981,  
 10 and each year thereafter, the percentage of actual value at  
 11 which property valued by the department of revenue pursuant  
 12 to chapters 428, 433, 437, and 438 shall be assessed shall be  
 13 calculated in accordance with the methods provided herein,  
 14 except that any references to ten percent in this subsection  
 15 shall be eight percent. Beginning with valuations established  
 16 as of January 1, 1979, and each year thereafter, property  
 17 valued by the department of revenue pursuant to chapter 434  
 18 shall also be assessed at a percentage of its actual value  
 19 which percentage shall be equal to the percentage determined  
 20 by the director of revenue for commercial property, industrial  
 21 property, or property valued by the department of revenue  
 22 pursuant to chapters 428, 433, 437, and 438, whichever is  
 23 lowest. For valuations established for the assessment year  
 24 beginning January 1, 2012, and each assessment year thereafter,  
 25 the percentage of actual value as equalized by the director  
 26 of revenue as provided in section 441.49 at which commercial  
 27 property shall be assessed shall be calculated in accordance  
 28 with the methods provided in this subsection and subsection 5A,  
 29 if applicable, except that any references to six percent in  
 30 this subsection shall be four percent.

31 Sec. 2. Section 441.21, Code 2011, is amended by adding the  
 32 following new subsection:

33 NEW SUBSECTION. 5A. Notwithstanding the limitation  
 34 of increases for agricultural and residential property in  
 35 subsection 4 and the limitation of increases for commercial

1 property in subsection 5, for valuations established for the  
2 assessment year beginning January 1, 2012, and each assessment  
3 year thereafter, for residential, agricultural, and commercial  
4 property, the assessed values of these three classes of  
5 property shall be limited to the percentage increase of that  
6 class of property that is the lowest percentage increase under  
7 the allowable limit adjusted to include the applicable and  
8 current values as equalized by the director of revenue.

9       Sec. 3. APPLICABILITY. This Act applies to assessment years  
10 beginning on or after January 1, 2012.

### EXPLANATION

12 This bill ties together the assessment limitations of  
13 residential, agricultural, and commercial property by limiting  
14 the percentage increase in all of those classes of property  
15 to the percentage increase of that class of property that is  
16 the lowest percentage increase under the allowable (4 percent)  
17 limit.

18       The bill applies to assessment years beginning on or after  
19 January 1, 2012.