Senate Study Bill 1102 - Introduced

A BILL FOR

1 An Act relating to the assessment of certain subdivided real
2   property and including applicability provisions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 405.1, Code 2011, is amended to read as
2 follows:
3 **405.1 Housing development —— tax status —— limitation.**
4 ~~1.~~ The board of supervisors of a county ~~with a population~~
5 ~~of less than twenty thousand~~ may adopt an ordinance providing
6 that property acquired and subdivided for development of
7 housing shall continue to be assessed for taxation in the
8 manner that it was prior to the acquisition for housing. Each
9 lot shall continue to be taxed in the manner it was prior
10 to its acquisition for housing until the lot is sold for
11 construction or occupancy of housing ~~or five years from the~~
12 ~~date of subdivision, whichever is shorter. Upon the sale or~~
13 ~~the expiration of the five-year period, the property shall be~~
14 ~~assessed for taxation as residential or commercial multifamily~~
15 ~~property, whichever is applicable.~~
16 ~~2. The board of supervisors of a county with a population~~
17 ~~of twenty thousand or more may adopt an ordinance providing~~
18 ~~that property acquired and subdivided for development of~~
19 ~~housing shall continue to be assessed for taxation in the~~
20 ~~manner that it was prior to the acquisition for housing. Each~~
21 ~~lot shall continue to be taxed in the manner it was prior~~
22 ~~to its acquisition for housing until the lot is sold for~~
23 ~~construction or occupancy of housing or three years from the~~
24 ~~date of subdivision, whichever is shorter. Upon the sale or~~
25 ~~the expiration of the three-year period, the property shall be~~
26 ~~assessed for taxation as residential or commercial multifamily~~
27 ~~property, whichever is applicable.~~
28 Sec. 2. Section 441.72, Code 2011, is amended to read as
29 follows:
30 **441.72 Assessment of platted lots.**
31 When a subdivision plat is recorded pursuant to chapter
32 354, the individual lots within the subdivision plat shall
33 not be assessed in excess of the total assessment of the land
34 as acreage or unimproved property ~~for three years after the~~
35 ~~recording of the plat or~~ until the lot is actually improved

1 with permanent construction, ~~whichever occurs first~~. When an
2 individual lot has been improved with permanent construction,
3 the lot shall be assessed for taxation purposes as provided in
4 chapter 428 and this chapter. This section does not apply to
5 special assessment levies.
6   Sec. 3. APPLICABILITY. This Act applies to assessment years
7 beginning on or after January 1, 2012.
8   EXPLANATION
9   Currently, a platted lot for which a subdivision plat has
10 been recorded will be assessed for property tax purposes as
11 acreage or unimproved property for three years or until the lot
12 is actually improved with permanent construction, whichever
13 occurs first. This bill removes the three-year time limit and
14 provides that a platted lot will be assessed as acreage or
15 unimproved property until the lot is actually improved with
16 permanent construction.
17   The bill also repeals a provision that allowed a county of
18 20,000 or more to adopt an ordinance providing for assessment
19 of subdivided lots acquired for development of housing in the
20 manner they were assessed prior to acquisition for three years
21 from the date of subdivision or until the lot is sold for
22 construction or occupancy of housing, whichever is sooner. The
23 bill also amends a similar provision that allowed counties with
24 a population of less than 20,000 to adopt the same ordinance
25 but with a five-year assessment period, by removing the
26 five-year time limit and providing that such an ordinance may
27 allow each lot to be taxed in the manner it was prior to its
28 acquisition until the lot is sold for construction or occupancy
29 of housing.
30   The bill applies to assessment years beginning on or after
31 January 1, 2012.