

**House File 306 - Introduced**

HOUSE FILE 306

BY HANSON

**A BILL FOR**

1 An Act relating to requirements for accepting and maintaining  
2 a tract of land as a forest reservation for property tax  
3 exemption purposes.

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

1 Section 1. Section 427C.3, Code 2013, is amended to read as  
2 follows:

3 **427C.3 Forest reservation — forest management plan required.**

4 1. A forest reservation shall contain not less than two  
5 hundred growing forest trees on each acre. ~~If~~ Subject to the  
6 requirements of subsections 3 and 4, if the area selected is a  
7 forest containing the required number of growing forest trees,  
8 it shall be accepted as a forest reservation under this chapter  
9 provided application is made or on file on or before February 1  
10 of the exemption year.

11 2. If any buildings are standing on an area selected  
12 as a forest reservation under this section or a fruit-tree  
13 reservation under section 427C.7, one acre of that area shall  
14 be excluded from the tax exemption. However, the exclusion  
15 of that acre shall not affect the area's meeting the acreage  
16 requirement of section 427C.2.

17 3. On or after July 1, 2013, a tract of land shall not  
18 be initially accepted for a forest reservation tax exemption  
19 under this chapter unless the application for the exemption  
20 is accompanied by a forest management plan approved by a  
21 qualified forester who has a bachelor's or graduate degree  
22 from an accredited college or university with a major in  
23 forestry. The natural resource commission shall, by rule,  
24 define the qualifications of a qualified forester and specify  
25 what criteria must be included in the forest management plan.

26 4. a. The owner of a tract of land accepted for a forest  
27 reservation tax exemption before July 1, 2013, shall file  
28 a forest management plan approved by a qualified forester  
29 for the forest reservation as required under subsection 3,  
30 with the county assessor by July 1, 2018. If the plan is not  
31 timely filed with the assessor, the assessor shall assess the  
32 property for taxation at its fair market value or, on property  
33 classified as agricultural property, on the basis of the  
34 productivity and net earning capacity of the property, as of  
35 January 1, 2018, as provided in section 427C.12.

1     b. The owner of a tract of land accepted for a forest  
2 reservation tax exemption before July 1, 2013, who has a forest  
3 management plan for the forest reservation that was prepared  
4 within five years prior to July 1, 2013, shall file a copy of  
5 the forest management plan with the county assessor. However,  
6 if the forest management plan filed by the owner does not  
7 meet the requirements of subsection 3, the owner shall file  
8 a new forest management plan that meets the requirements of  
9 subsection 3 by July 1, 2018. If the plan is not timely filed  
10 with the assessor, the assessor shall assess the property for  
11 taxation at its fair market value or, on property classified  
12 as agricultural property, on the basis of the productivity and  
13 net earning capacity of the property, as of January 1, 2018,  
14 as provided in section 427C.12.

15     5. a. The owner of a tract of land accepted for a forest  
16 reservation tax exemption under this chapter shall have the  
17 forest management plan for the forest reservation reviewed  
18 by a qualified forester every ten years subsequent to the  
19 initial acceptance of the tract of land for the exemption and  
20 shall file a report of the review with the county assessor.  
21 The natural resource commission shall, by rule, define the  
22 requirements for renewal of a forest management plan under this  
23 subsection. If the landowner does not meet the requirements  
24 for renewal of a forest management plan under this subsection,  
25 the assessor shall assess the property for taxation as provided  
26 in section 427C.12.

27     b. Notwithstanding paragraph "a", the county assessor may  
28 require the owner of a tract of land accepted for a forest  
29 reservation tax exemption under this chapter to have the forest  
30 management plan for the forest reservation reviewed by a  
31 qualified forester and a report of the review filed with the  
32 assessor at any time, upon receipt of a complaint that the  
33 property is not being maintained as a forest reservation as  
34 required under this chapter. If the landowner does not meet  
35 the requirements for renewal of a forest management plan, the

1 assessor shall assess the property for taxation as provided in  
2 section 427C.12.

3     Sec. 2. Section 427C.12, Code 2013, is amended to read as  
4 follows:

5     **427C.12 Application — inspection — continuation of**  
6 **exemption — recapture of tax.**

7     1. It shall be the duty of the assessor to secure the facts  
8 relative to fruit-tree and forest reservations by taking the  
9 sworn statement, or affirmation, of the owner or owners making  
10 application under this chapter; and to make special report to  
11 the county auditor of all reservations made in the county under  
12 the provisions of this chapter.

13     2. The board of supervisors shall designate the county  
14 conservation board or the assessor who shall inspect the area  
15 for which an application is filed for a fruit-tree or forest  
16 reservation tax exemption before the application is accepted.  
17 Use of aerial photographs may be substituted for on-site  
18 inspection when appropriate. The application can only be  
19 accepted if it meets the criteria established by the natural  
20 resource commission to be a fruit-tree or forest reservation.  
21 Once the application has been accepted, the area shall continue  
22 to receive the tax exemption during each year in which the  
23 area is maintained as a fruit-tree or forest reservation  
24 without the owner having to refile. If the property is  
25 sold or transferred, the seller shall notify the buyer that  
26 all, or part of, the property is in fruit-tree or forest  
27 reservation and subject to the recapture tax provisions of  
28 this section. The tax exemption shall continue to be granted  
29 for the remainder of the eight-year period for fruit-tree  
30 reservation and for the following years for forest reservation  
31 or until the property no longer qualifies as a fruit-tree or  
32 forest reservation. The area may be inspected each year by  
33 the county conservation board or the assessor to determine if  
34 the area is maintained as a fruit-tree or forest reservation.  
35 If the area is not maintained or is used for economic gain

1 other than as a fruit-tree reservation during any year of the  
2 eight-year exemption period and any year of the following five  
3 years or as a forest reservation during any year for which the  
4 exemption is granted and any of the five years following those  
5 exemption years, the assessor shall assess the property for  
6 taxation at its fair market value or, on property classified  
7 as agricultural property, on the basis of the productivity and  
8 net earning capacity of the property, as of January 1 of that  
9 year and in addition the area shall be subject to a recapture  
10 tax. However, the area shall not be subject to the recapture  
11 tax if the owner, including one possessing under a contract  
12 of sale, and the owner's direct antecedents or descendants  
13 have owned the area for more than ten years. The tax shall be  
14 computed by multiplying the consolidated levy for each of those  
15 years, if any, of the five preceding years for which the area  
16 received the exemption for fruit-tree or forest reservation  
17 times the assessed value of the area that would have been taxed  
18 but for the tax exemption. This tax shall be entered against  
19 the property on the tax list for the current year and shall  
20 constitute a lien against the property in the same manner as  
21 a lien for property taxes. The tax when collected shall be  
22 apportioned in the manner provided for the apportionment of the  
23 property taxes for the applicable tax year.

24

EXPLANATION

25 This bill requires that a tract of land shall not be accepted  
26 for a forest reservation tax exemption unless the application  
27 for the exemption is accompanied by a forest management plan  
28 approved by a qualified forester with a bachelor's or graduate  
29 degree in forestry. The natural resource commission shall, by  
30 rule, define the qualifications of a qualified forester and  
31 specify what criteria must be included in the forest management  
32 plan.

33 The owner of land accepted for a forest reservation tax  
34 exemption before July 1, 2013, is required to file a forest  
35 management plan approved by a qualified forester with the

1 county assessor by July 1, 2018, or lose the tax exemption on  
2 that property.

3 The owner of land accepted for a forest reservation tax  
4 exemption before July 1, 2013, who has a forest management plan  
5 for the forest reservation that was prepared within five years  
6 prior to that date, shall file a copy of the forest management  
7 plan with the county assessor. However, if that plan does not  
8 meet the requirements of the bill, the owner must file a new  
9 forest management plan that does meet those requirements by  
10 July 1, 2018, or lose the tax exemption on that property.

11 The bill provides that if the tax exemption is lost, the  
12 property shall be assessed at its fair market value or, on  
13 property classified as agricultural, on the basis of the  
14 productivity and net earning capacity of the property, as of  
15 January 1 of the year the exemption is lost.

16 The bill also provides that the forest management plan of a  
17 forest reservation must be reviewed every 10 years after the  
18 initial acceptance of a tract of land as a forest reservation  
19 and a report of the review filed with the county assessor. The  
20 natural resource commission shall adopt rules that specify  
21 the requirements for renewal of a forest management plan. If  
22 the landowner does not meet the requirements for renewal, the  
23 assessor shall assess the property for taxation as provided in  
24 Code section 427C.12.

25 In addition, the county assessor may require review of a  
26 forest management plan by a qualified forester at any time,  
27 upon receipt of a complaint that the property is not being  
28 maintained as a forest reservation as required by Code chapter  
29 427C. If the landowner does not meet the requirements for  
30 renewal of the plan, the assessor shall assess the property for  
31 taxation as provided in Code section 427C.12.