

House File 612 - Introduced

HOUSE FILE 612

BY JACOBY

A BILL FOR

1 An Act modifying the property tax assessment limitations for
2 residential property and agricultural property.

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

1 Section 1. Section 441.21, subsection 4, Code 2015, is
2 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 1,
15 1980, and each assessment year thereafter beginning before
16 January 1, 2013, the percentage of actual value as equalized
17 by the director of revenue as provided in section 441.49 at
18 which agricultural and residential property shall be assessed
19 shall be calculated in accordance with the methods provided
20 in this subsection, including the limitation of increases in
21 agricultural and residential assessed values to the percentage
22 increase of the other class of property if the other class
23 increases less than the allowable limit adjusted to include
24 the applicable and current values as equalized by the director
25 of revenue, except that any references to six percent in this
26 subsection shall be four percent. For valuations established
27 as of January 1, 2013, and each assessment year thereafter
28 beginning before January 1, 2016, the percentage of actual
29 value as equalized by the director of revenue as provided in
30 section 441.49 at which agricultural and residential property
31 shall be assessed shall be calculated in accordance with the
32 methods provided in this subsection, including the limitation
33 of increases in agricultural and residential assessed values to
34 the percentage increase of the other class of property if the
35 other class increases less than the allowable limit adjusted to

1 include the applicable and current values as equalized by the
2 director of revenue, except that any references to six percent
3 in this subsection shall be three percent. For valuations
4 established as of January 1, 2016, and each assessment year
5 thereafter, the percentage of actual value as equalized by
6 the director of revenue as provided in section 441.49 at
7 which agricultural and residential property shall be assessed
8 shall be calculated in accordance with the methods provided
9 in this subsection, excluding the limitation of increases in
10 agricultural and residential assessed values to the percentage
11 increase of the other class of property if the other class
12 increases less than the allowable limit adjusted to include
13 the applicable and current values as equalized by the director
14 of revenue, except that any references to six percent in this
15 subsection shall be three percent.

16 EXPLANATION

17 The inclusion of this explanation does not constitute agreement with
18 the explanation's substance by the members of the general assembly.

19 Current Code section 441.21 imposes limitations on the
20 annual increase in statewide actual value of residential
21 property and agricultural property due to revaluation.
22 Accordingly, the assessed value subject to taxation is a
23 percentage of the assessed value as a result of those statewide
24 limitations on annual growth.

25 As part of the assessment limitation calculation for
26 residential property and agricultural property, Code section
27 441.21 provides that if the increase due to revaluation for
28 either class of property is less than 3 percent, the annual
29 increase in each class of property is limited to the smaller
30 of the two increases in either class of property. This bill
31 removes that provision for the calculation of assessment
32 limitations for assessment years beginning on or after January
33 1, 2016.