

**House File 626 - Introduced**

HOUSE FILE 626

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 443)

(SUCCESSOR TO HSB 73)

**A BILL FOR**

1 An Act relating to the processes for appealing tax matters in  
2 this state by repealing the future repeal of the property  
3 assessment appeal board, providing for the future repeal of  
4 the state board of tax review, providing for appeals to the  
5 director of revenue for certain tax matters and modifying  
6 the powers and duties of the director of revenue, and  
7 including effective date provisions.

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

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DIVISION I

REPEAL OF FUTURE REPEAL OF PROPERTY ASSESSMENT APPEAL BOARD

Section 1. REPEAL. 2005 Iowa Acts, chapter 150, section 134, as amended by 2013 Iowa Acts, chapter 123, section 62, is repealed.

DIVISION II

FUTURE REPEAL OF

STATE BOARD OF TAX REVIEW — TRANSITION

Sec. 2. Section 421.1, Code 2015, is amended by adding the following new subsection:

NEW SUBSECTION. 6. *Future repeal.*

a. Notwithstanding subsection 5 or any other provision of law to the contrary, a party shall not appeal to the state board, nor shall the state board accept for review, any decision, order, directive, or assessment of the director of revenue or the department on or after the effective date of this division of this Act.

b. This section is repealed upon the occurrence of one of the following, whichever is earlier:

(1) The final disposition by the state board of all cases pending before the board on the effective date of this division of this Act. The chairperson of the board shall notify the Iowa Code editor upon the occurrence of this condition.

(2) July 1, 2016.

Sec. 3. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION III

CORRESPONDING CHANGES RELATED TO DIVISION II

Sec. 4. Section 68B.35, subsection 2, paragraph e, Code 2015, is amended to read as follows:

e. Members of the state banking council, the ethics and campaign disclosure board, the credit union review board, the economic development authority, the employment appeal board, the environmental protection commission, the health facilities

1 council, the Iowa finance authority, the Iowa public employees'  
2 retirement system investment board, the board of the Iowa  
3 lottery authority, the natural resource commission, the board  
4 of parole, the petroleum underground storage tank fund board,  
5 the public employment relations board, the state racing and  
6 gaming commission, the state board of regents, ~~the tax review~~  
7 ~~board~~, the transportation commission, the office of consumer  
8 advocate, the utilities board, the Iowa telecommunications  
9 and technology commission, and any full-time members of other  
10 boards and commissions as defined under section 7E.4 who  
11 receive an annual salary for their service on the board or  
12 commission. The Iowa ethics and campaign disclosure board  
13 shall conduct an annual review to determine if members of any  
14 other board, commission, or authority should file a statement  
15 and shall require the filing of a statement pursuant to rules  
16 adopted pursuant to chapter 17A.

17 Sec. 5. Section 421.17, subsection 19, paragraph b, Code  
18 2015, is amended to read as follows:

19 b. (1) The provisions of sections 17A.10 to 17A.18A  
20 relating to contested cases shall not apply to any matters  
21 involving the equalization of valuations of classes of property  
22 as authorized by this chapter and chapter 441.

23 (2) (a) This exemption from the provisions of sections  
24 17A.10 to 17A.18A shall not apply to a hearing before the state  
25 board of tax review.

26 (b) This subparagraph is repealed July 1, 2016.

27 (3) This exemption from the provisions of sections 17A.10  
28 to 17A.18A shall not apply to a hearing before the director as  
29 provided in section 441.49, subsection 5.

30 Sec. 6. Section 421.60, subsection 4, paragraph a,  
31 unnumbered paragraph 1, Code 2015, is amended to read as  
32 follows:

33 A prevailing taxpayer in an administrative hearing or a  
34 court proceeding related to the determination, collection, or  
35 refund of a tax, penalty, or interest may be awarded reasonable

1 litigation costs by the department, ~~state board of tax review,~~  
2 or a court, that are incurred subsequent to the issuance of  
3 the notice of assessment or denial of claim for refund in the  
4 proceeding, based upon the following:

5     Sec. 7. Section 425.7, subsection 3, Code 2015, is amended  
6 to read as follows:

7     3. *a.* If the ~~director~~ department of revenue determines  
8 that a claim for homestead credit has been allowed by the board  
9 of supervisors which is not justifiable under the law and not  
10 substantiated by proper facts, the ~~director~~ department may, at  
11 any time within thirty-six months from July 1 of the year in  
12 which the claim is allowed, set aside the allowance. Notice  
13 of the disallowance shall be given to the county auditor of  
14 the county in which the claim has been improperly granted and  
15 a written notice of the disallowance shall also be addressed  
16 to the claimant at the claimant's last known address. The  
17 claimant or board of supervisors may appeal to the ~~state board~~  
18 ~~of tax review pursuant to section 421.1, subsection 5~~  
19 director of revenue within thirty days from the date of the  
20 notice of disallowance. The director shall grant a hearing  
21 and if, upon the hearing, the director determines that the  
22 disallowance was incorrect, the director shall set aside the  
23 disallowance. The director shall notify the claimant and  
24 the board of supervisors of the result of the hearing. The  
25 claimant or the board of supervisors may seek judicial review  
26 of the action of the ~~state board of tax review~~ director of  
27 revenue in accordance with chapter 17A.

28     *b.* If a claim is disallowed by the ~~director~~ department  
29 of revenue and not appealed to the ~~state board of tax review~~  
30 director of revenue or appealed to the ~~state board of tax~~  
31 ~~review~~ director of revenue and thereafter upheld upon final  
32 resolution, including any judicial review, any amounts of  
33 credits allowed and paid from the homestead credit fund  
34 including the penalty, if any, become a lien upon the property  
35 on which credit was originally granted, if still in the hands

1 of the claimant, and not in the hands of a bona fide purchaser,  
 2 and any amount so erroneously paid including the penalty, if  
 3 any, shall be collected by the county treasurer in the same  
 4 manner as other taxes and the collections shall be returned to  
 5 the department of revenue and credited to the homestead credit  
 6 fund. The director of revenue may institute legal proceedings  
 7 against a homestead credit claimant for the collection of  
 8 payments made on disallowed credits and the penalty, if any.  
 9 If a person makes a false claim or affidavit with fraudulent  
 10 intent to obtain the homestead credit, the person is guilty  
 11 of a fraudulent practice and the claim shall be disallowed in  
 12 full. If the credit has been paid, the amount of the credit  
 13 plus a penalty equal to twenty-five percent of the amount of  
 14 credit plus interest, at the rate in effect under section  
 15 421.7, from the time of payment shall be collected by the  
 16 county treasurer in the same manner as other property taxes,  
 17 penalty, and interest are collected and when collected shall  
 18 be paid to the director of revenue. If a homestead credit is  
 19 disallowed and the claimant failed to give written notice to  
 20 the assessor as required by section 425.2 when the property  
 21 ceased to be used as a homestead by the claimant, a civil  
 22 penalty equal to five percent of the amount of the disallowed  
 23 credit is assessed against the claimant.

24 Sec. 8. Section 425.17, subsection 3, Code 2015, is amended  
 25 to read as follows:

26 3. "*Gross rent*" means rental paid at arm's length for the  
 27 right of occupancy of a homestead or manufactured or mobile  
 28 home, including rent for space occupied by a manufactured or  
 29 mobile home not to exceed one acre. If the ~~director~~ department  
 30 of revenue determines that the landlord and tenant have  
 31 not dealt with each other at arm's length, and the ~~director~~  
 32 department of revenue is satisfied that the gross rent charged  
 33 was excessive, the ~~director~~ department shall adjust the gross  
 34 rent to a reasonable amount as determined by the ~~director~~  
 35 department.

1     Sec. 9. Section 425.18, Code 2015, is amended to read as  
2 follows:

3     **425.18 Right to file a claim.**

4     The right to file a claim for reimbursement or credit under  
5 this division may be exercised by the claimant or on behalf  
6 of a claimant by the claimant's legal guardian, spouse, or  
7 attorney, or by the executor or administrator of the claimant's  
8 estate. If a claimant dies after having filed a claim for  
9 reimbursement for rent constituting property taxes paid, the  
10 amount of the reimbursement may be paid to another member of  
11 the household as determined by the ~~director~~ department of  
12 revenue. If the claimant was the only member of the household,  
13 the reimbursement may be paid to the claimant's executor or  
14 administrator, but if neither is appointed and qualified  
15 within one year from the date of the filing of the claim, the  
16 reimbursement shall escheat to the state. If a claimant dies  
17 after having filed a claim for credit for property taxes due,  
18 the amount of credit shall be paid as if the claimant had not  
19 died.

20     Sec. 10. Section 425.26, subsection 2, Code 2015, is amended  
21 to read as follows:

22     2. The ~~director~~ department may require any additional proof  
23 necessary to support a claim.

24     Sec. 11. Section 425.27, Code 2015, is amended to read as  
25 follows:

26     **425.27 Audit — recalculation or denial — appeals.**

27     If on the audit of a claim for credit or reimbursement  
28 under this division, the ~~director~~ department of revenue  
29 determines the amount of the claim to have been incorrectly  
30 calculated or that the claim is not allowable, the ~~director~~  
31 department shall recalculate the claim and notify the claimant  
32 of the recalculation or denial and the reasons for it. The  
33 recalculation of the claim shall be final unless appealed to  
34 the director within thirty days from the date of notice of  
35 recalculation or denial. The director shall grant a hearing,

1 and upon hearing determine the correct claim, if any, and  
2 notify the claimant of the decision by mail. The ~~director~~  
3 department of revenue shall not adjust a claim after three  
4 years from October 31 of the year in which the claim was filed.  
5 If the claim for reimbursement has been paid, the amount may  
6 be recovered by assessment in the same manner that income  
7 taxes are assessed under sections 422.26 and 422.30. If the  
8 claim for credit has been paid, the ~~director~~ department of  
9 revenue shall give notification to the claimant and the county  
10 treasurer of the recalculation or denial of the claim and the  
11 county treasurer shall proceed to collect the tax owed in  
12 the same manner as other property taxes due and payable are  
13 collected, if the property on which the credit was granted  
14 is still owned by the claimant, and repay the amount to  
15 the director upon collection. If the property on which the  
16 credit was granted is not owned by the claimant, the amount  
17 may be recovered from the claimant by assessment in the same  
18 manner that income taxes are assessed under sections 422.26  
19 and 422.30. The ~~recalculation of the claim~~ decision of the  
20 director shall be final unless appealed as provided in section  
21 425.31. Section 422.70 is applicable with respect to this  
22 division.

23 Sec. 12. Section 425.29, Code 2015, is amended to read as  
24 follows:

25 **425.29 False claim — penalty.**

26 A person who makes a false affidavit for the purpose  
27 of obtaining credit or reimbursement provided for in this  
28 division or who knowingly receives the credit or reimbursement  
29 without being legally entitled to it or makes claim for the  
30 credit or reimbursement in more than one county in the state  
31 without being legally entitled to it is guilty of a fraudulent  
32 practice. The claim for credit or reimbursement shall be  
33 disallowed in full and if the claim has been paid the amount  
34 shall be recovered in the manner provided in section 425.27.  
35 The ~~director~~ department of revenue shall send a notice of

1 disallowance of the claim.

2 Sec. 13. Section 425.31, Code 2015, is amended to read as  
3 follows:

4 **425.31 Appeals.**

5 Any person aggrieved by an act or decision of the director  
6 of revenue or the department of revenue under this division  
7 shall have the same rights of appeal and review as provided  
8 in ~~sections 421.1 and~~ section 423.38 and the rules of the  
9 department of revenue.

10 Sec. 14. Section 426A.6, Code 2015, is amended to read as  
11 follows:

12 **426A.6 Setting aside allowance.**

13 If the ~~director~~ department of revenue determines that a  
14 claim for military service tax exemption has been allowed by a  
15 board of supervisors which is not justifiable under the law and  
16 not substantiated by proper facts, the ~~director~~ department may,  
17 at any time within thirty-six months from July 1 of the year in  
18 which the claim is allowed, set aside the allowance. Notice  
19 of the disallowance shall be given to the county auditor of  
20 the county in which the claim has been improperly granted and  
21 a written notice of the disallowance shall also be addressed  
22 to the claimant at the claimant's last known address. The  
23 claimant or the board of supervisors may appeal to the ~~state~~  
24 ~~board of tax review pursuant to section 421.1, subsection 5~~  
25 director of revenue within thirty days from the date of the  
26 notice of disallowance. The director shall grant a hearing  
27 and if, upon the hearing, the director determines that the  
28 disallowance was incorrect, the director shall set aside  
29 the disallowance. The director shall notify the claimant  
30 and the board of supervisors of the result of the hearing.  
31 The claimant or the board of supervisors may seek judicial  
32 review of the action of the ~~state board of tax review~~ director  
33 of revenue in accordance with chapter 17A. If a claim is  
34 disallowed by the ~~director~~ department of revenue and not  
35 appealed to the ~~state board of tax review~~ director of revenue



1 or appealed to the ~~state board of tax review~~ director of  
2 revenue and thereafter upheld upon final resolution, including  
3 judicial review, the credits allowed and paid from the general  
4 fund of the state become a lien upon the property on which  
5 the credit was originally granted, if still in the hands of  
6 the claimant and not in the hands of a bona fide purchaser,  
7 the amount so erroneously paid shall be collected by the  
8 county treasurer in the same manner as other taxes, and the  
9 collections shall be returned to the department of revenue  
10 and credited to the general fund of the state. The director  
11 of revenue may institute legal proceedings against a military  
12 service tax exemption claimant for the collection of payments  
13 made on disallowed exemptions.

14 Sec. 15. Section 426C.7, Code 2015, is amended to read as  
15 follows:

16 **426C.7 Audit — recalculation or denial.**

17 1. If on the audit of a credit provided under this chapter,  
18 the ~~director~~ department of revenue determines the amount of the  
19 credit to have been incorrectly calculated or that the credit  
20 is not allowable, the ~~director~~ department shall recalculate the  
21 credit and notify the claimant and the county auditor of the  
22 recalculation or denial and the reasons for it. The ~~director~~  
23 department shall not adjust a credit after three years from  
24 October 31 of the year in which the claim for the credit was  
25 filed. If the credit has been paid, the ~~director~~ department  
26 shall give notification to the claimant, the county treasurer,  
27 and the applicable assessor of the recalculation or denial of  
28 the credit and the county treasurer shall proceed to collect  
29 the tax owed in the same manner as other property taxes due  
30 and payable are collected, if the parcel or property unit for  
31 which the credit was allowed is still owned by the claimant.  
32 If the parcel or property unit for which the credit was allowed  
33 is not owned by the claimant, the amount may be recovered from  
34 the claimant by assessment in the same manner that income taxes  
35 are assessed under sections 422.26 and 422.30. The amount of

1 such erroneous credit, when collected, shall be deposited in  
2 the fund.

3 2. The claimant or board of supervisors may appeal any  
4 decision of the ~~director~~ department of revenue to the state  
5 ~~board of tax review pursuant to section 421.1, subsection 5~~  
6 director of revenue within thirty days from the date of the  
7 notice of the recalculation or denial provided to the claimant  
8 and county auditor. The director shall grant a hearing, and  
9 upon hearing the director shall determine the correct credit,  
10 if any, and notify the claimant, board of supervisors, county  
11 auditor, and county treasurer of the decision by mail. The  
12 claimant, or the board of supervisors, or the director of  
13 revenue may seek judicial review of the action of the state  
14 board of tax review director of revenue in accordance with  
15 chapter 17A.

16 Sec. 16. Section 426C.8, Code 2015, is amended to read as  
17 follows:

18 **426C.8 False claim — penalty.**

19 A person who makes a false claim for the purpose of obtaining  
20 a credit provided for in this chapter or who knowingly receives  
21 the credit without being legally entitled to it is guilty of a  
22 fraudulent practice. The claim for a credit of such a person  
23 shall be disallowed and if the credit has been paid the amount  
24 shall be recovered in the manner provided in section 426C.7.  
25 In such cases, the ~~director~~ department of revenue shall send a  
26 notice of disallowance of the credit.

27 Sec. 17. Section 428.28, Code 2015, is amended to read as  
28 follows:

29 **428.28 Annual report by utility.**

30 1. Every individual, partnership, corporation, or  
31 association operating for profit, waterworks, other than  
32 waterworks taxed under chapter 437B, or gasworks or pipelines  
33 other than natural gas pipelines permitted pursuant to  
34 chapter 479, annually on or before May 1 of each calendar  
35 year, shall make a report on blanks to be provided by the

1 department of revenue of all of the property owned by such  
2 individual, partnership, corporation, or association within the  
3 incorporated limits of any city in the state, and give such  
4 other information as the ~~director~~ department of revenue shall  
5 require.

6 2. Every individual, partnership, corporation, or  
7 association which operates a public utility on a nonprofit  
8 basis other than a utility subject to tax under chapter 437A  
9 or chapter 437B, as defined in section 428.24 shall annually,  
10 on or before May 1 of each calendar year, make a report on  
11 blanks to be provided by the department of revenue of all of  
12 the property owned by the individual, partnership, corporation,  
13 or association within the incorporated limits of any city in  
14 the state, and give other information the ~~director~~ department  
15 of revenue requires.

16 Sec. 18. Section 428.29, Code 2015, is amended to read as  
17 follows:

18 **428.29 Assessment and certification.**

19 The ~~director~~ department of revenue shall on or before  
20 October 31 each year proceed to determine, upon the basis  
21 of the data required in the report under section 428.28 and  
22 any other information the ~~director~~ department may obtain,  
23 the actual value of all property, subject to the ~~director's~~  
24 department's jurisdiction, of said individual, partnership,  
25 corporation, or association, and shall make assessments upon  
26 the taxable value of the property, as provided by section  
27 441.21. The ~~director~~ department of revenue shall, on or before  
28 October 31, certify to the county auditor of every county in  
29 the state the valuations fixed for assessment upon all such  
30 property in each and every taxing district in each county by  
31 the department of revenue. This valuation shall then be spread  
32 upon the books in the same manner as other valuations fixed  
33 by the department of revenue upon property assessed under the  
34 department's jurisdiction.

35 Sec. 19. Section 429.1, Code 2015, is amended to read as

1 follows:

2 **429.1 Notice of assessment.**

3 The ~~director~~ department of revenue shall, at the time of  
4 making the assessment of property as provided in chapters 428,  
5 433, 434, 437, and 438, inform the person assessed, by mail,  
6 of the valuation put upon the taxpayer's property. The notice  
7 shall contain a notice of the taxpayer's right of appeal to the  
8 ~~state board of tax review~~ director of revenue as provided in  
9 section 429.2.

10 Sec. 20. Section 429.2, Code 2015, is amended to read as  
11 follows:

12 **429.2 Appeal.**

13 1. ~~Notwithstanding the provisions of chapter 17A, the~~ The  
14 taxpayer shall have thirty days from the date of the notice of  
15 assessment to appeal the assessment to the ~~state board of tax~~  
16 ~~review~~ director of revenue. Thereafter, the proceedings before  
17 the ~~state board of tax review~~ director of revenue shall conform  
18 to the provisions of subsection 2, ~~section 421.1, subsection~~  
19 ~~5,~~ and chapter 17A.

20 2. The following rules shall apply to the appeal proceedings  
21 in addition to those stated in ~~section 421.1, subsection 5, and~~  
22 chapter 17A:

23 a. The department's assessment shall be presumed correct  
24 and the burden of proof shall be on the taxpayer with respect  
25 to all issues raised on appeal, including any challenge of the  
26 ~~director's~~ department's valuation.

27 b. The burden of proof must be carried by a preponderance of  
28 the evidence.

29 c. The ~~board~~ director of revenue shall consider all evidence  
30 and witnesses offered by the taxpayer and ~~the department,~~  
31 including, but not limited to, evidence relating to the proper  
32 valuation of the property involved.

33 d. The ~~board~~ director of revenue shall make an independent  
34 determination of the value of the property based solely upon  
35 ~~its~~ the director's review of the evidence presented.

1 e. Upon the request of a party, the ~~board~~ director of  
2 revenue shall set the case for hearing within one year of  
3 the date of the request, unless for good cause shown, by  
4 application and ruling thereon after notice and not ex parte,  
5 the hearing date is continued by the ~~board~~ director of revenue.

6 Sec. 21. Section 429.3, Code 2015, is amended to read as  
7 follows:

8 **429.3 Judicial review.**

9 Judicial review of the action of the ~~state board of tax~~  
10 review director of revenue may be sought by the taxpayer ~~or the~~  
11 ~~director of revenue~~ in accordance with the terms of chapter  
12 17A.

13 Sec. 22. Section 433.1, unnumbered paragraph 1, Code 2015,  
14 is amended to read as follows:

15 Every telegraph and telephone company operating a line in  
16 this state shall, on or before the first day of May in each  
17 year, furnish to the ~~director~~ department of revenue a statement  
18 verified by its president or secretary showing:

19 Sec. 23. Section 433.2, Code 2015, is amended to read as  
20 follows:

21 **433.2 Additional statement.**

22 Upon the receipt of the statements required in section 433.1  
23 from the several companies, the ~~director~~ department of revenue  
24 shall examine the statements. If the ~~director~~ department deems  
25 the statements insufficient and that further information is  
26 requisite, the ~~director~~ department shall require the officer  
27 making the statements to make such other or further statement  
28 as the ~~director~~ department may desire.

29 Sec. 24. Section 433.3, Code 2015, is amended to read as  
30 follows:

31 **433.3 Failure to make statement.**

32 In case of failure or refusal of any company to make out or  
33 deliver to the ~~director~~ department of revenue the statements  
34 required in section 433.1, such company shall forfeit and pay  
35 to the state one hundred dollars for each day such report is

1 delayed beyond the first day of May, to be sued and recovered  
2 in any proper form of action in the name of the state, and on  
3 the relation of the director of revenue, and such penalty, when  
4 collected, shall be paid into the general fund of the state.

5 Sec. 25. Section 433.4, subsection 1, Code 2015, is amended  
6 to read as follows:

7 1. The ~~director~~ department of revenue shall on or before  
8 October 31 each year, find the actual value of the property of  
9 telegraph and telephone companies in this state that is used  
10 by the companies in the transaction of telegraph and telephone  
11 business, taking into consideration the information obtained  
12 from the statements required, and any further information the  
13 ~~director~~ department can obtain, using the same as a means for  
14 determining the actual value of the property of the companies  
15 within this state. The ~~director~~ department shall also take  
16 into consideration the valuation of all property of the  
17 companies, including franchises and the use of the property  
18 in connection with lines outside the state, and making these  
19 deductions as may be necessary on account of extra value of  
20 property outside the state as compared with the value of  
21 property in the state, in order that the actual value of the  
22 property of the company within this state may be ascertained.  
23 The assessment shall include all property of every kind  
24 and character whatsoever, real, personal, or mixed, used by  
25 the companies in the transaction of telegraph and telephone  
26 business. The property so included in the assessment shall not  
27 be taxed in any other manner than as provided in this chapter.

28 Sec. 26. Section 433.5, Code 2015, is amended to read as  
29 follows:

30 **433.5 Actual value per mile — exemption value per mile.**

31 1. The ~~director~~ department of revenue shall ascertain the  
32 actual value per mile of the property of each company within  
33 this state by dividing the total actual value, as ascertained  
34 under section 433.4, subsection 1, by the number of miles of  
35 line of such company within the state, and the result shall be

1 deemed and held to be the actual value per mile of line of the  
2 property of such company within this state.

3 2. The ~~director~~ department of revenue shall ascertain the  
4 exemption value per mile of the property of each company within  
5 this state by dividing the amount of the exemption for that  
6 company determined under section 433.4, subsection 2, by the  
7 number of miles of line of such company within the state, and  
8 the result shall be deemed and held to be the exemption value  
9 per mile of line for that company.

10 Sec. 27. Section 433.7, Code 2015, is amended to read as  
11 follows:

12 **433.7 Hearing.**

13 At the time of determination of value by the ~~director~~  
14 department of revenue, any company interested shall have the  
15 right to appear, by its officers or agents, before the ~~director~~  
16 department of revenue and be heard on the question of the  
17 valuation of its property for taxation.

18 Sec. 28. Section 433.8, Code 2015, is amended to read as  
19 follows:

20 **433.8 Assessment in each county — how certified.**

21 The ~~director~~ department of revenue shall, for the purpose  
22 of determining what amount shall be assessed to each company  
23 in each county of the state into which the line of the said  
24 company extends, certify to the several county auditors of the  
25 respective counties into, over, or through which said line  
26 extends the number of miles of line in the county for that  
27 company, the actual value per mile of line for that company,  
28 and the exemption value per mile of line for that company.

29 Sec. 29. Section 433.9, Code 2015, is amended to read as  
30 follows:

31 **433.9 Entry of certificate.**

32 At the first meeting of the board of supervisors held after  
33 the certification made under section 433.8 is received by  
34 the county auditor, the board shall cause such certification  
35 to be entered in its minute book, and make and enter therein

1 an order stating the length of the lines, the actual value  
2 of the property, and the exempted value of the property of  
3 each of said companies situated in each city, township, or  
4 lesser taxing district in its county, as fixed by the ~~director~~  
5 department of revenue. The value certified by the ~~director~~  
6 department of revenue, following application of the percentage  
7 of actual value under section 441.21, and following the  
8 application of the exemption value certified by the ~~director~~  
9 department of revenue, shall constitute the taxable value  
10 of said property for taxing purposes, and the taxes on said  
11 property when collected by the county treasurer shall be  
12 disposed of as other taxes on real estate. The county auditor  
13 shall transmit a copy of said order to the council or trustees  
14 of each city or township in which the lines of said company  
15 extend.

16 Sec. 30. Section 434.2, unnumbered paragraph 1, Code 2015,  
17 is amended to read as follows:

18 On or before October 31 each year, the ~~director~~ department  
19 of revenue shall assess all the property of each railway  
20 corporation in the state, excepting the lands, lots, and other  
21 real estate belonging thereto not used in the operation of any  
22 railway, and excepting railway bridges across the Mississippi  
23 and Missouri rivers, and excepting grain elevators; and for  
24 the purpose of making such assessment its president, vice  
25 president, general manager, general superintendent, receiver,  
26 or such other officer as the ~~director~~ department of revenue  
27 may designate, shall, on or before the first day of April  
28 in each year, furnish the department of revenue a verified  
29 statement showing in detail for the year ended December 31 next  
30 preceding:

31 Sec. 31. Section 434.2, subsection 8, Code 2015, is amended  
32 to read as follows:

33 8. Any and all other movable property owned by said railway  
34 within the state, classified and scheduled in such manner as  
35 may be required by the ~~director~~ department of revenue.



1     Sec. 32. Section 434.12, Code 2015, is amended to read as  
2 follows:

3     **434.12 Refusal to obey.**

4     If any railway company shall fail or refuse to obey or  
5 conform to the rules, regulations, method, and requirements  
6 so made or prescribed by the director of revenue under the  
7 provisions of sections 434.7 to 434.11 or to make the reports  
8 therein provided, the ~~director~~ department of revenue shall  
9 proceed to assess the property of such railway company so  
10 failing or refusing, according to the best information  
11 obtainable, and shall then add to the taxable valuation of such  
12 railway company twenty-five percent thereof, which valuation  
13 and penalty shall be separately shown, and together shall  
14 constitute the assessment for that year.

15     Sec. 33. Section 434.14, Code 2015, is amended to read as  
16 follows:

17     **434.14 Amended statement.**

18     The ~~director~~ department of revenue may demand, in writing,  
19 detailed, explanatory, and amended statements of any of the  
20 items mentioned in section 434.2, or any other items deemed by  
21 the ~~director~~ department important, to be furnished the ~~director~~  
22 department by such railway corporation within thirty days  
23 from such demand, in such form as the ~~director~~ department may  
24 designate, which shall be verified as required for the original  
25 statement. The returns, both original and amended, shall show  
26 such other facts as the ~~director~~ department, in writing, shall  
27 require.

28     Sec. 34. Section 434.15, unnumbered paragraph 1, Code 2015,  
29 is amended to read as follows:

30     The said property shall be valued at its actual value, and  
31 the assessments shall be made upon the taxable value of the  
32 entire railway within the state, except as otherwise provided,  
33 and the actual value so ascertained shall be assessed as  
34 provided by section 441.21, and shall include the right-of-way,  
35 roadbed, bridges, culverts, rolling stock, depots, station

1 grounds, shops, buildings, gravel beds, and all other property,  
2 real and personal, exclusively used in the operation of such  
3 railway. In assessing said railway and its equipments, the  
4 ~~director~~ department of revenue shall take into consideration  
5 the gross earnings per mile for the year ending January 1,  
6 preceding, and any and all other matters necessary to enable  
7 the ~~director~~ department to make a just and equitable assessment  
8 of said railway property. If a part of any railway is without  
9 this state, then, in estimating the value of its rolling stock  
10 and movable property, the ~~director~~ department shall take into  
11 consideration the proportion which the business of that part  
12 of the railway lying within the state bears to the business of  
13 the railway without this state.

14 Sec. 35. Section 434.16, Code 2015, is amended to read as  
15 follows:

16 **434.16 Assessment of sleeping and dining cars.**

17 The ~~director~~ department of revenue shall, at the time of  
18 the assessment of other railway property for taxation, assess  
19 for taxation the average number of sleeping and dining cars  
20 as provided in section 434.6 so used by such corporation each  
21 month and the assessed value of said cars shall bear the same  
22 proportion to the entire value thereof that the monthly average  
23 number of miles such cars have been run or operated within  
24 the state shall bear to the monthly average number of miles  
25 such cars have been used or operated within and without the  
26 state. Such valuation shall be in the same ratio as that of  
27 the property of individuals, and shall be added to the assessed  
28 valuation of the corporation, fixed under section 434.15.

29 Sec. 36. Section 434.17, Code 2015, is amended to read as  
30 follows:

31 **434.17 Certification to county auditors.**

32 On or before October 31 each year, the ~~director~~ department of  
33 revenue shall transmit to the county auditor of each county,  
34 through and into which any railway may extend, a statement  
35 showing the length of the main track within the county, and

1 the assessed value per mile of the same, as fixed by a ratable  
2 distribution per mile of the assessed valuation of the whole  
3 property.

4 Sec. 37. Section 434.22, Code 2015, is amended to read as  
5 follows:

6 **434.22 Levy and collection of tax.**

7 At the first meeting of the board of supervisors held after  
8 said statement is received by the county auditor, the board  
9 shall cause the same to be entered on its minute book, and make  
10 and enter in the minute book an order stating the length of  
11 the main track and the assessed value of each railway lying in  
12 each city, township, or lesser taxing district in its county,  
13 through or into which the railway extends, as fixed by the  
14 ~~director~~ department of revenue, which shall constitute the  
15 taxable value of the property for taxing purposes; and the  
16 taxes on the property, when collected by the county treasurer,  
17 shall be disposed of as other taxes. The county auditor shall  
18 transmit a copy of the order to the council or trustees of the  
19 city or township.

20 Sec. 38. Section 437.2, unnumbered paragraph 1, Code 2015,  
21 is amended to read as follows:

22 Every company owning or operating a transmission line or  
23 lines for the conduct of electric energy and which line or  
24 lines are located within the state, and which said line or  
25 lines are also located wholly or partly outside cities, shall,  
26 on or before the first day of May in each year, furnish to the  
27 ~~director~~ department of revenue a verified statement as to its  
28 entire line or lines within this state, when all of said line  
29 or lines are located outside cities, and as to such portion  
30 of its line or lines within this state as are located outside  
31 cities, when such line or lines are located partly outside and  
32 partly inside cities, showing:

33 Sec. 39. Section 437.4, Code 2015, is amended to read as  
34 follows:

35 **437.4 Additional statement.**

1 Upon receipt of the statements from the companies, the  
2 ~~director~~ department of revenue shall examine the statements,  
3 and if the ~~director~~ department deems them insufficient, and  
4 that further information is required, the ~~director~~ department  
5 shall require the company making the statements to make  
6 other or further statement as the ~~director~~ department deems  
7 necessary, notifying the company by mail.

8 Sec. 40. Section 437.5, Code 2015, is amended to read as  
9 follows:

10 **437.5 Failure to furnish.**

11 In case of the total failure or refusal to make any statement  
12 required by sections 437.2 and 437.4 to be made by May 1 in  
13 any year, or of failure or refusal to make other or further  
14 statement within thirty days from the time the notice is  
15 received by the company that the additional statement is  
16 required by the ~~director~~ department of revenue, the company  
17 shall forfeit and pay to the state, one hundred dollars for  
18 each day the total failure or refusal to make any report is  
19 continued beyond the first day of May of the year in which it is  
20 required, or in case of any other or further report required  
21 by the ~~director~~ department for each day it is delayed beyond  
22 thirty days from the receipt of the notice by the company that  
23 the additional report is required. The forfeiture shall be  
24 sued for and recovered in any proper form of action in the name  
25 of the state and on relation of the director of revenue of the  
26 state, and the penalty, when collected, shall be paid into the  
27 general fund of the state.

28 Sec. 41. Section 437.6, Code 2015, is amended to read as  
29 follows:

30 **437.6 Actual value.**

31 On or before October 31 each year, the ~~director~~ department of  
32 revenue shall proceed to find the actual value of that part of  
33 such transmission line or lines referred to in section 437.2,  
34 owned or operated by any company, that is located within this  
35 state but outside cities, including the whole of such line

1 or lines when all of such line or lines owned or operated by  
2 said company is located wholly outside of cities, taking into  
3 consideration the information obtained from the statements  
4 required by this chapter, and any further information  
5 obtainable, using the same as a means of determining the  
6 actual cash value of such transmission line or lines or part  
7 thereof, within this state, located outside of cities. The  
8 ~~director~~ department shall then ascertain the value per mile  
9 of such transmission line or lines owned or operated by each  
10 company specified in section 437.2, by dividing the total value  
11 as above ascertained by the number of miles of line of such  
12 company within the state located outside of cities, and the  
13 result shall be deemed and held to be the actual value per mile  
14 of said transmission line or lines of each of said companies  
15 within the state located outside of cities.

16 Sec. 42. Section 437.7, Code 2015, is amended to read as  
17 follows:

18 **437.7 Taxable value.**

19 The taxable value of such line or lines of which the ~~director~~  
20 department of revenue by this chapter is required to find the  
21 value, shall be determined by taking the percentage of the  
22 actual value so ascertained, as provided by section 441.21,  
23 and the ratio between the actual value and the assessed or  
24 taxable value of the transmission line or lines of each of said  
25 companies located outside of cities shall be the same as in the  
26 case of the property of private individuals.

27 Sec. 43. Section 437.8, Code 2015, is amended to read as  
28 follows:

29 **437.8 Hearing.**

30 At the time of determination of value by the ~~director~~  
31 department of revenue, any company interested shall have the  
32 right to appear by its officers, agents, and attorneys before  
33 the ~~director~~ department, and be heard on the question of the  
34 value of its property for taxation.

35 Sec. 44. Section 437.9, Code 2015, is amended to read as

1 follows:

2 **437.9 County assessment — certification.**

3 The ~~director~~ department of revenue shall, for the purpose  
4 of determining what amount shall be assessed to any one of  
5 said companies in each county of the state into which the  
6 line or lines of the company extend, multiply the assessed or  
7 taxable value per mile of line of said company, as ascertained  
8 according to the provisions of this chapter, by the number of  
9 miles of line in each of said counties, and the result thereof  
10 shall be by the ~~director~~ department certified to the several  
11 county auditors of the respective counties into, over, or  
12 through which said line or lines extend.

13 Sec. 45. Section 437.10, Code 2015, is amended to read as  
14 follows:

15 **437.10 Entry of certificate.**

16 At the first meeting of the board of supervisors held after  
17 said statements are received by the county auditor, the board  
18 shall cause such statement to be entered in its minute book  
19 and make and enter in the minute book an order stating the  
20 length of the lines and the assessed value of the property  
21 of each of the companies situated in each township or lesser  
22 taxing district in each county outside cities, as fixed by the  
23 ~~director~~ department of revenue, which shall constitute the  
24 taxable value of the property for taxing purposes. The county  
25 auditor shall transmit a copy of the order to the trustees of  
26 each township and to the proper taxing boards in lesser taxing  
27 districts into which the line or lines of the company extend  
28 in the county. The taxes on the property when collected by the  
29 county treasurer shall be disposed of as other taxes on real  
30 estate.

31 Sec. 46. Section 437.12, Code 2015, is amended to read as  
32 follows:

33 **437.12 Assessment exclusive.**

34 Every transmission line or part of a transmission line,  
35 of which the ~~director~~ department of revenue is required by

1 this chapter to find the value, shall be exempt from other  
2 assessment or taxation either under sections 428.24 to 428.26,  
3 or under any other law of this state except as provided in this  
4 chapter.

5 Sec. 47. Section 438.3, unnumbered paragraph 1, Code 2015,  
6 is amended to read as follows:

7 Every pipeline company having lines in the state of Iowa  
8 shall annually, on or before the first day of April in each  
9 year, make out and deliver to the ~~director~~ department of  
10 revenue a statement, verified by the oath of an officer or  
11 agent of such pipeline company making such statement, showing  
12 in detail for the year ended December 31 next preceding:

13 Sec. 48. Section 438.4, Code 2015, is amended to read as  
14 follows:

15 **438.4 Real estate holdings.**

16 Every pipeline company required by law to report to the  
17 ~~director~~ department of revenue under the provisions of this  
18 chapter shall, on or before the first day of April 1932, make  
19 to the ~~director~~ department a detailed statement showing the  
20 amount of real estate owned or used by it on December 31, 1931,  
21 for pipeline purposes, the county in which said real estate  
22 is situated, including the rights-of-way, pumping or station  
23 grounds, buildings, storage or tank yards, equipment grounds  
24 for any and all purposes, with the estimated actual value  
25 thereof, in such manner as may be required by the ~~director~~  
26 department.

27 Sec. 49. Section 438.5, Code 2015, is amended to read as  
28 follows:

29 **438.5 Statement deemed permanent.**

30 Only one such detailed statement by any pipeline company  
31 shall be necessary, and when received by the ~~director~~  
32 department of revenue, it shall become the record of the  
33 pipeline lands of such company, and be deemed as annually  
34 thereafter reported for valuation and assessment by the  
35 ~~director~~ department.

1     Sec. 50. Section 438.6, Code 2015, is amended to read as  
2 follows:

3     **438.6 Additional corrective statements.**

4     On or before the first day of April of each subsequent  
5 year, such company shall, in like manner, report all real  
6 estate acquired for any of the pipeline purposes above named  
7 during the preceding calendar year; and also, a list of any  
8 real estate, previously reported, disposed of during the same  
9 period, which disposition shall be noted by the ~~director~~  
10 department of revenue in an appropriate column opposite to the  
11 description of said tract in the original report of the same  
12 in the record of pipeline land.

13     Sec. 51. Section 438.7, Code 2015, is amended to read as  
14 follows:

15     **438.7 Consolidated list of real estate.**

16     The ~~director~~ department of revenue shall, by some convenient  
17 method of binding, arrange the statements required to be made  
18 by sections 438.4 to 438.6 so as to form a consolidated list of  
19 all real estate reported to the ~~director~~ department as being  
20 owned or used for pipeline purposes within the state of Iowa.

21     Sec. 52. Section 438.8, Code 2015, is amended to read as  
22 follows:

23     **438.8 Gross earnings.**

24     For the purpose of making reports to the ~~director~~ department  
25 of revenue, the gross earnings of a pipeline company, owning or  
26 operating a line or lines within this state, shall be computed  
27 and reported by said company upon such bases as the director  
28 may by rule require.

29     Sec. 53. Section 438.9, Code 2015, is amended to read as  
30 follows:

31     **438.9 Accounts — regulation.**

32     The director of revenue may prescribe such rules with  
33 respect to the keeping of accounts by the pipeline companies  
34 doing business or having property in this state as will insure  
35 the accurate division of the accounts and the information to be



1 reported, and uniformity in reporting the same to the ~~director~~  
2 department.

3 Sec. 54. Section 438.11, Code 2015, is amended to read as  
4 follows:

5 **438.11 Refusal to comply — penalty.**

6 If any pipeline company shall fail or refuse to obey and  
7 conform to the rules, method and requirements so made and  
8 prescribed by the director of revenue under the provisions  
9 of this chapter, or to make the reports herein provided, the  
10 ~~director~~ department shall proceed to assess the property of  
11 such pipeline company so failing or refusing, according to  
12 the best information obtainable, and shall then add to the  
13 ~~director's~~ department's valuation of such pipeline company  
14 twenty-five percent thereof, which valuation and penalty  
15 shall be separately shown, and together shall constitute the  
16 assessment for that year.

17 Sec. 55. Section 438.12, Code 2015, is amended to read as  
18 follows:

19 **438.12 Amended and explanatory statements.**

20 The ~~director~~ department of revenue may demand, in writing,  
21 detailed, explanatory and amended statements of any of the  
22 items mentioned in section 438.3, or any other item deemed  
23 to be important, to be furnished to the ~~director~~ department  
24 by such pipeline company within thirty days from such demand  
25 in such form as the ~~director~~ department may designate, which  
26 shall be verified as required for the original statement. The  
27 returns, both original and amended, shall show such other facts  
28 as the ~~director~~ department, in writing, shall require.

29 Sec. 56. Section 438.13, Code 2015, is amended to read as  
30 follows:

31 **438.13 Basis of valuation and assessment.**

32 The said property shall be valued at its actual value,  
33 and the assessments shall be made upon the taxable value  
34 of the entire pipeline property within the state, except  
35 as otherwise provided, and the actual and taxable value so

1 ascertained shall be assessed as provided by section 441.21;  
2 and shall include the rights-of-way, easements, the pipelines,  
3 stations, grounds, shops, buildings, pumps and all other  
4 property, real and personal exclusively used in the operation  
5 of such pipeline. In assessing said pipeline company and its  
6 equipment, the ~~director~~ department of revenue shall take into  
7 consideration the gross earnings and the net earnings for the  
8 entire property, and per mile, for the year ending December 31  
9 preceding, and any and all other matters necessary to enable  
10 the ~~director~~ department to make a just and equitable assessment  
11 of said pipeline property.

12 Sec. 57. Section 438.14, Code 2015, is amended to read as  
13 follows:

14 **438.14 Valuation and certification.**

15 The ~~director~~ department of revenue shall on or before  
16 October 31 each year determine the value of pipeline property  
17 located in each taxing district of the state, and in fixing the  
18 value shall take into consideration the structures, equipment,  
19 pumping stations, etc., located in the taxing district, and  
20 shall transmit to the county auditor of each such county  
21 through and into which any pipeline may extend, a statement  
22 showing the assessed value of the property in each of the  
23 taxing districts of the county. The property shall then be  
24 taxed in the county and lesser taxing districts, based upon  
25 the valuation so certified, in the same manner as in other  
26 property.

27 Sec. 58. Section 438.15, Code 2015, is amended to read as  
28 follows:

29 **438.15 Assessed value in each taxing district — record.**

30 At the first meeting of the board of supervisors held after  
31 said statement is received by the county auditor, the board  
32 shall cause the same to be entered on its minute book, and  
33 make and enter in the minute book an order describing and  
34 stating the assessed value of each pipeline lying in each city,  
35 township, or lesser taxing district in its county, through

1 or into which the pipeline extends, as fixed by the ~~director~~  
2 department of revenue, which shall constitute the assessed  
3 value of the property for taxing purposes; and the taxes on  
4 the property, when collected by the county treasurer, shall be  
5 disposed of as other taxes. The county auditor shall transmit  
6 a copy of the order to the council of the city, or the trustees  
7 of the township, as the case may be.

8 Sec. 59. Section 440.2, Code 2015, is amended to read as  
9 follows:

10 **440.2 Assessment of omitted property.**

11 When the ~~director~~ department of revenue is vested with the  
12 power and duty to assess property and an assessment has, for  
13 any reason, been omitted, the ~~director~~ department shall proceed  
14 to assess the property at any time within two years from the  
15 date at which such assessment should have been made. The  
16 omitted assessment may apply to not more than the assessment  
17 year in which the omitted assessment is made and the prior  
18 assessment year. Chapter 429 shall apply to assessments of  
19 omitted property.

20 Sec. 60. Section 440.5, Code 2015, is amended to read as  
21 follows:

22 **440.5 Procedure — penalty.**

23 If it is made to appear that the property is assessable by  
24 the ~~director~~ department of revenue as omitted property, the  
25 ~~director~~ department shall proceed in the manner in which the  
26 ~~director~~ department would have proceeded had the assessment not  
27 been omitted, except that the ~~director~~ department shall find  
28 the value of the omitted property for each year during which  
29 it has been omitted but for not more than the two previous  
30 assessment years and shall add ten percent to each yearly value  
31 as a penalty.

32 Sec. 61. Section 440.6, Code 2015, is amended to read as  
33 follows:

34 **440.6 Fraudulent withholding — penalty.**

35 In case the property has been fraudulently withheld from

1 assessment, the ~~director~~ department of revenue may, in addition  
2 to said ten percent add any additional percent, not exceeding  
3 fifty percent.

4 Sec. 62. Section 440.7, Code 2015, is amended to read as  
5 follows:

6 **440.7 Entry on tax books.**

7 Should an assessment be made at such time in the year that,  
8 in the opinion of the ~~director~~ department of revenue, said  
9 assessment cannot conveniently be entered on the current tax  
10 books, the ~~director~~ department may direct that the assessment  
11 be entered on the first ensuing tax books.

12 Sec. 63. Section 441.17, subsection 9, Code 2015, is amended  
13 to read as follows:

14 9. Furnish to the ~~director~~ department of revenue any  
15 information which the assessor may have relative to the  
16 ownership of any property that may be assessable within this  
17 state, but not assessable or subject to being listed for  
18 taxation by the assessor.

19 Sec. 64. Section 441.21, subsection 1, paragraph i,  
20 subparagraphs (2), (4), and (5), Code 2015, are amended to read  
21 as follows:

22 (2) The conference board shall respond to the department  
23 within thirty days of receipt of the notice of noncompliance.  
24 The conference board may respond to the notice by asserting  
25 that the assessor is in compliance with the rules, guidelines,  
26 and forms of the department or by informing the department that  
27 the conference board intends to submit a plan of action to  
28 achieve compliance. If the conference board responds to the  
29 notification by asserting that the assessor is in compliance, a  
30 hearing before the director of revenue shall be scheduled on  
31 the matter. Judicial review of the decision of the director  
32 of revenue may be sought by the conference board in accordance  
33 with chapter 17A.

34 (4) By January 1 of the assessment year following  
35 the calendar year in which the plan was submitted to the

1 department, the conference board shall submit a report to the  
 2 department indicating that the plan of action was followed and  
 3 compliance has been achieved. The department may conduct a  
 4 field inspection to ensure that the assessor is in compliance.  
 5 By January 31, the department shall notify the assessor and the  
 6 conference board, by restricted certified mail, either that  
 7 compliance has been achieved or that the assessor remains in  
 8 noncompliance. If the department determines that the assessor  
 9 remains in noncompliance, the department shall take steps  
 10 to withhold up to five percent of the reimbursement payment  
 11 authorized in section 425.1 until the ~~director~~ department of  
 12 revenue determines that the assessor is in compliance.

13 (5) If the conference board disputes the determination  
 14 of the department, the chairperson of the conference board  
 15 may appeal the determination to the ~~state board of tax~~  
 16 review director of revenue within thirty days from the date  
 17 of the notice that the assessor remains in noncompliance.  
 18 The director of revenue shall grant a hearing, and upon  
 19 hearing shall determine the correctness of the department's  
 20 determination of noncompliance. The director of revenue shall  
 21 notify the conference board of the decision by mail. Judicial  
 22 review of the decision of the director of revenue may be sought  
 23 by the chairperson of the conference board in accordance with  
 24 chapter 17A.

25 Sec. 65. Section 441.21, subsection 4, Code 2015, is amended  
 26 to read as follows:

27 4. For valuations established as of January 1, 1979,  
 28 the percentage of actual value at which agricultural and  
 29 residential property shall be assessed shall be the quotient  
 30 of the dividend and divisor as defined in this section. The  
 31 dividend for each class of property shall be the dividend  
 32 as determined for each class of property for valuations  
 33 established as of January 1, 1978, adjusted by the product  
 34 obtained by multiplying the percentage determined for that  
 35 year by the amount of any additions or deletions to actual

1 value, excluding those resulting from the revaluation of  
2 existing properties, as reported by the assessors on the  
3 abstracts of assessment for 1978, plus six percent of the  
4 amount so determined. However, if the difference between the  
5 dividend so determined for either class of property and the  
6 dividend for that class of property for valuations established  
7 as of January 1, 1978, adjusted by the product obtained by  
8 multiplying the percentage determined for that year by the  
9 amount of any additions or deletions to actual value, excluding  
10 those resulting from the revaluation of existing properties,  
11 as reported by the assessors on the abstracts of assessment  
12 for 1978, is less than six percent, the 1979 dividend for the  
13 other class of property shall be the dividend as determined for  
14 that class of property for valuations established as of January  
15 1, 1978, adjusted by the product obtained by multiplying  
16 the percentage determined for that year by the amount of  
17 any additions or deletions to actual value, excluding those  
18 resulting from the revaluation of existing properties, as  
19 reported by the assessors on the abstracts of assessment for  
20 1978, plus a percentage of the amount so determined which is  
21 equal to the percentage by which the dividend as determined  
22 for the other class of property for valuations established  
23 as of January 1, 1978, adjusted by the product obtained by  
24 multiplying the percentage determined for that year by the  
25 amount of any additions or deletions to actual value, excluding  
26 those resulting from the revaluation of existing properties,  
27 as reported by the assessors on the abstracts of assessment  
28 for 1978, is increased in arriving at the 1979 dividend for  
29 the other class of property. The divisor for each class of  
30 property shall be the total actual value of all such property  
31 in the state in the preceding year, as reported by the  
32 assessors on the abstracts of assessment submitted for 1978,  
33 plus the amount of value added to said total actual value by  
34 the revaluation of existing properties in 1979 as equalized  
35 by the director of revenue pursuant to section 441.49. The

1 director shall utilize information reported on abstracts of  
 2 assessment submitted pursuant to section 441.45 in determining  
 3 such percentage. For valuations established as of January 1,  
 4 1980, and each assessment year thereafter beginning before  
 5 January 1, 2013, the percentage of actual value as equalized  
 6 by 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, including 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 four percent. For valuations established  
 16 as of January 1, 2013, and each assessment year thereafter,  
 17 the percentage of actual value as equalized by the ~~director~~  
 18 department of revenue as provided in section 441.49 at which  
 19 agricultural and residential property shall be assessed shall  
 20 be calculated in accordance with the methods provided in  
 21 this subsection, including the limitation of increases in  
 22 agricultural and residential assessed values to the percentage  
 23 increase of the other class of property if the other class  
 24 increases less than the allowable limit adjusted to include  
 25 the applicable and current values as equalized by the ~~director~~  
 26 department of revenue, except that any references to six  
 27 percent in this subsection shall be three percent.

28 Sec. 66. Section 441.21, subsection 5, paragraphs b and c,  
 29 Code 2015, are amended to read as follows:

30 *b.* For valuations established on or after January 1, 2013,  
 31 commercial property, excluding properties referred to in  
 32 section 427A.1, subsection 8, shall be assessed at a percentage  
 33 of its actual value, as determined in this paragraph "b".  
 34 For valuations established for the assessment year beginning  
 35 January 1, 2013, the percentage of actual value as equalized

1 by the ~~director~~ department of revenue as provided in section  
2 441.49 at which commercial property shall be assessed shall  
3 be ninety-five percent. For valuations established for the  
4 assessment year beginning January 1, 2014, and each assessment  
5 year thereafter, the percentage of actual value as equalized  
6 by the ~~director~~ department of revenue as provided in section  
7 441.49 at which commercial property shall be assessed shall be  
8 ninety percent.

9 c. For valuations established on or after January 1, 2013,  
10 industrial property, excluding properties referred to in  
11 section 427A.1, subsection 8, shall be assessed at a percentage  
12 of its actual value, as determined in this paragraph "c".  
13 For valuations established for the assessment year beginning  
14 January 1, 2013, the percentage of actual value as equalized  
15 by the ~~director~~ department of revenue as provided in section  
16 441.49 at which industrial property shall be assessed shall  
17 be ninety-five percent. For valuations established for the  
18 assessment year beginning January 1, 2014, and each assessment  
19 year thereafter, the percentage of actual value as equalized  
20 by the ~~director~~ department of revenue as provided in section  
21 441.49 at which industrial property shall be assessed shall be  
22 ninety percent.

23 Sec. 67. Section 441.21, subsection 10, Code 2015, is  
24 amended to read as follows:

25 10. The percentage of actual value computed by the  
26 ~~director~~ department of revenue for agricultural property,  
27 residential property, commercial property, industrial property,  
28 multiresidential property, property valued by the department  
29 of revenue pursuant to chapter 434, and property valued by the  
30 department of revenue pursuant to chapters 428, 433, 437, and  
31 438 and used to determine assessed values of those classes  
32 of property does not constitute a rule as defined in section  
33 17A.2, subsection 11.

34 Sec. 68. Section 441.21, subsection 13, paragraph b, Code  
35 2015, is amended to read as follows:



1     *b.* For valuations established for the assessment year  
2 beginning January 1, 2015, the percentage of actual value  
3 as equalized by the ~~director~~ department of revenue as  
4 provided in section 441.49 at which multiresidential property  
5 shall be assessed shall be the greater of eighty-six and  
6 twenty-five hundredths percent or the percentage of actual  
7 value determined by the ~~director~~ department of revenue at which  
8 property assessed as residential property is assessed for  
9 the same assessment year under subsection 4. For valuations  
10 established for the assessment year beginning January 1,  
11 2016, the percentage of actual value as equalized by the  
12 ~~director~~ department of revenue as provided in section 441.49  
13 at which multiresidential property shall be assessed shall  
14 be the greater of eighty-two and five-tenths percent or  
15 the percentage of actual value determined by the ~~director~~  
16 department of revenue at which property assessed as residential  
17 property is assessed for the same assessment year under  
18 subsection 4. For valuations established for the assessment  
19 year beginning January 1, 2017, the percentage of actual  
20 value as equalized by the ~~director~~ department of revenue as  
21 provided in section 441.49 at which multiresidential property  
22 shall be assessed shall be the greater of seventy-eight and  
23 seventy-five hundredths percent or the percentage of actual  
24 value determined by the ~~director~~ department of revenue at which  
25 property assessed as residential property is assessed for  
26 the same assessment year under subsection 4. For valuations  
27 established for the assessment year beginning January 1, 2018,  
28 the percentage of actual value as equalized by the ~~director~~  
29 department of revenue as provided in section 441.49 at which  
30 multiresidential property shall be assessed shall be the  
31 greater of seventy-five percent or the percentage of actual  
32 value determined by the ~~director~~ department of revenue at which  
33 property assessed as residential property is assessed for  
34 the same assessment year under subsection 4. For valuations  
35 established for the assessment year beginning January 1, 2019,

1 the percentage of actual value as equalized by the ~~director~~  
2 department of revenue as provided in section 441.49 at which  
3 multiresidential property shall be assessed shall be the  
4 greater of seventy-one and twenty-five hundredths percent or  
5 the percentage of actual value determined by the ~~director~~  
6 department of revenue at which property assessed as residential  
7 property is assessed for the same assessment year under  
8 subsection 4. For valuations established for the assessment  
9 year beginning January 1, 2020, the percentage of actual value  
10 as equalized by the ~~director~~ department of revenue as provided  
11 in section 441.49 at which multiresidential property shall be  
12 assessed shall be the greater of sixty-seven and five-tenths  
13 percent or the percentage of actual value determined by the  
14 ~~director~~ department of revenue at which property assessed  
15 as residential property is assessed for the same assessment  
16 year under subsection 4. For valuations established for the  
17 assessment year beginning January 1, 2021, the percentage  
18 of actual value as equalized by the ~~director~~ department of  
19 revenue as provided in section 441.49 at which multiresidential  
20 property shall be assessed shall be the greater of sixty-three  
21 and seventy-five hundredths percent or the percentage of actual  
22 value determined by the ~~director~~ department of revenue at which  
23 property assessed as residential property is assessed for  
24 the same assessment year under subsection 4. For valuations  
25 established for the assessment year beginning January 1, 2022,  
26 and each assessment year thereafter, the percentage of actual  
27 value as equalized by the ~~director~~ department of revenue as  
28 provided in section 441.49 at which multiresidential property  
29 shall be assessed shall be equal to the percentage of actual  
30 value determined by the ~~director~~ department of revenue at which  
31 property assessed as residential property is assessed under  
32 subsection 4 for the same assessment year.

33 Sec. 69. Section 441.24, subsection 1, Code 2015, is amended  
34 to read as follows:

35 1. If a person refuses to furnish the verified statements

1 required in connection with the assessment of property by the  
2 assessor, or to list the corporation's or person's property,  
3 the ~~director~~ department of revenue, or assessor, as the case  
4 may be, shall proceed to list and assess the property according  
5 to the best information obtainable, and shall add to the  
6 taxable valuation one hundred percent thereof, which valuation  
7 and penalty shall be separately shown, and shall constitute the  
8 assessment; and if the valuation of the property is changed by  
9 a board of review, or on appeal from a board of review, a like  
10 penalty shall be added to the valuation thus fixed.

11 Sec. 70. Section 441.26, subsections 2 and 3, Code 2015, are  
12 amended to read as follows:

13 2. The notice in 1981 and each odd-numbered year thereafter  
14 shall contain a statement that the assessments are subject  
15 to equalization pursuant to an order issued by the ~~director~~  
16 department of revenue, that the county auditor shall give  
17 notice on or before October 15 by publication in an official  
18 newspaper of general circulation to any class of property  
19 affected by the equalization order, and that the board of  
20 review shall be in session from October 15 to November 15 to  
21 hear protests of affected property owners or taxpayers whose  
22 valuations have been adjusted by the equalization order.

23 3. The assessment rolls shall be used in listing the  
24 property and showing the values affixed to the property of all  
25 persons assessed. The rolls shall be made in duplicate. The  
26 duplicate roll shall be signed by the assessor, detached from  
27 the original and delivered to the person assessed if there has  
28 been an increase or decrease in the valuation of the property.  
29 If there has been no change in the valuation, the information  
30 on the roll may be printed on computer stock paper and  
31 preserved as required by this chapter. If the person assessed  
32 requests in writing a copy of the roll, the copy shall be  
33 provided to the person. The pages of the assessor's assessment  
34 book shall contain columns ruled and headed for the information  
35 required by this chapter and that which the ~~director~~ department

1 of revenue deems essential in the equalization work of the  
2 ~~director~~ department. The assessor shall return all assessment  
3 rolls and schedules to the county auditor, along with the  
4 completed assessment book, as provided in this chapter, and the  
5 county auditor shall carefully keep and preserve the rolls,  
6 schedules, and book for a period of five years from the time of  
7 its filing in the county auditor's office.

8 Sec. 71. Section 441.47, unnumbered paragraph 1, Code 2015,  
9 is amended to read as follows:

10 The ~~director~~ department of revenue on or about August  
11 15, 1977, and every two years thereafter shall order the  
12 equalization of the levels of assessment of each class of  
13 property in the several assessing jurisdictions by adding to  
14 or deducting from the valuation of each class of property such  
15 percentage in each case as may be necessary to bring the same  
16 to its taxable value as fixed in this chapter and chapters  
17 427 to 443. The ~~director~~ department shall adjust to actual  
18 value the valuation of any class of property as set out in  
19 the abstract of assessment when the valuation is at least  
20 five percent above or below actual value as determined by the  
21 ~~director~~ department. For purposes of such value adjustments  
22 and before such equalization the director shall adopt, in  
23 the manner prescribed by chapter 17A, such rules as may be  
24 necessary to determine the level of assessment for each class  
25 of property in each county. The rules shall cover:

26 Sec. 72. Section 441.47, subsection 3, Code 2015, is amended  
27 to read as follows:

28 3. The proposed use of other methods that would assist  
29 the ~~director~~ department in arriving at the accurate level  
30 of assessment of each class of property in each assessing  
31 jurisdiction.

32 Sec. 73. Section 441.48, Code 2015, is amended to read as  
33 follows:

34 **441.48 Notice of adjustment.**

35 Before the ~~director~~ department of revenue shall adjust the

1 valuation of any class of property any such percentage, the  
 2 ~~director~~ department shall serve ten days' notice by mail, on  
 3 the county auditor of the county whose valuation is proposed  
 4 to be adjusted and the ~~director~~ department shall hold an  
 5 adjourned meeting after such ten days' notice, at which time  
 6 the county or assessing jurisdiction may appear by its city  
 7 council or board of supervisors, city or county attorney, and  
 8 other assessing jurisdiction, city or county officials, and  
 9 make written or oral protest against such proposed adjustment,  
 10 which protest shall consist simply of a statement of the error,  
 11 or errors, complained of with such facts as may lead to their  
 12 correction, and at such adjourned meeting final action may be  
 13 taken in reference thereto.

14 Sec. 74. Section 441.49, subsections 1, 4, 5, and 6, Code  
 15 2015, are amended to read as follows:

16 1. *a.* The ~~director~~ department shall keep a record of the  
 17 review and adjustment proceedings and finish the proceedings  
 18 on or before October 1 unless for good cause the proceedings  
 19 cannot be completed by that date. The ~~director~~ department  
 20 shall notify each county auditor by mail of the final action  
 21 taken at the proceedings and specify any adjustments in the  
 22 valuations of any class of property to be made effective for  
 23 the jurisdiction.

24 *b.* However, an assessing jurisdiction may request the  
 25 ~~director~~ department to permit the use of an alternative method  
 26 of applying the equalization order to the property values in  
 27 the assessing jurisdiction, provided that the final valuation  
 28 shall be equivalent to the ~~director's~~ department's equalization  
 29 order. The assessing jurisdiction shall notify the county  
 30 auditor of the request for the use of an alternative method of  
 31 applying the equalization order and the ~~director's~~ department's  
 32 disposition of the request. The request to use an alternative  
 33 method of applying the equalization order, including procedures  
 34 for notifying affected property owners and appealing valuation  
 35 adjustments, shall be made within ten days from the date

1 the county auditor receives the equalization order and  
2 the valuation adjustments, and appeal procedures shall be  
3 completed by November 30 of the year of the equalization order.  
4 Compliance with the provisions of section 441.21 is sufficient  
5 grounds for the ~~director~~ department to permit the use of an  
6 alternative method of applying the equalization order.

7 4. The local board of review shall reconvene in special  
8 session from October 15 to November 15 for the purpose of  
9 hearing the protests of affected property owners or taxpayers  
10 within the jurisdiction of the board whose valuation of  
11 property if adjusted pursuant to the equalization order issued  
12 by the ~~director~~ department of revenue will result in a greater  
13 value than permitted under section 441.21. The board of review  
14 shall accept protests only during the first ten days following  
15 the date the local board of review reconvenes. The board  
16 of review shall limit its review to only the timely filed  
17 protests. The board of review may adjust all or a part of  
18 the percentage increase ordered by the ~~director~~ department of  
19 revenue by adjusting the actual value of the property under  
20 protest to one hundred percent of actual value. Any adjustment  
21 so determined by the board of review shall not exceed the  
22 percentage increase provided for in the ~~director's~~ department's  
23 equalization order. The determination of the board of review  
24 on filed protests is final, subject to appeal to the property  
25 assessment appeal board. A final decision by the local board  
26 of review, or the property assessment appeal board, if the  
27 local board's decision is appealed, is subject to review by the  
28 director of revenue for the purpose of determining whether the  
29 board's actions substantially altered the equalization order.  
30 In making the review, the director has all the powers provided  
31 in chapter 421, and in exercising the powers the director  
32 is not subject to chapter 17A. Not later than fifteen days  
33 following the adjournment of the board, the board of review  
34 shall submit to the director of revenue, on forms prescribed  
35 by the director, a report of all actions taken by the board of

1 review during this session.

2 5. Not later than ten days after the date the final  
3 equalization order is issued, the city or county officials  
4 of the affected county or assessing jurisdiction may appeal  
5 the final equalization order to the ~~state board of tax~~  
6 ~~review~~ director of revenue. The appeal shall not delay the  
7 implementation of the equalization orders. The director shall  
8 grant a hearing, and upon hearing the director shall determine  
9 the correctness of the final equalization order, and notify  
10 city or county officials of the affected county or assessing  
11 jurisdiction of the decision by mail. Judicial review of the  
12 decision of the director of revenue may be sought by the city  
13 or county officials in accordance with chapter 17A.

14 6. Tentative and final equalization orders issued by the  
15 ~~director~~ department of revenue are not rules as defined in  
16 section 17A.2, subsection 7.

17 Sec. 75. EFFECTIVE DATES.

18 1. Except as provided in subsection 2, this division of this  
19 Act, being deemed of immediate importance, takes effect upon  
20 enactment.

21 2. The following provisions of this division of this Act  
22 take effect July 1, 2016:

23 a. The section of this Act amending section 68B.35.

24 b. The section of this Act amending section 421.60.

25 EXPLANATION

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

28 This bill relates to the processes for appealing tax matters  
29 in this state by repealing the future repeal of the property  
30 assessment appeal board, providing for the future repeal of  
31 the state board of tax review, providing for appeals to the  
32 director of revenue (director) for certain tax matters, and by  
33 modifying the powers and duties of the director.

34 DIVISION I — REPEAL OF FUTURE REPEAL OF PROPERTY ASSESSMENT  
35 APPEAL BOARD. Pursuant to 2005 Iowa Acts, chapter 150, section

1 134, and as amended by 2013 Iowa Acts, chapter 123, section 62,  
2 the property assessment appeal board (PAAB) is scheduled to be  
3 repealed on July 1, 2018. Division I strikes that repeal date.  
4 PAAB will no longer have a future automatic repeal date.

5 DIVISION II — FUTURE REPEAL OF STATE BOARD OF TAX REVIEW  
6 — TRANSITION. Division II provides for the future repeal of  
7 the state board of tax review. The state board of tax review  
8 (board) is an independent, bipartisan board consisting of  
9 three members appointed by the governor and confirmed by the  
10 senate. One of the powers and duties of the board is to review  
11 final decisions of the director, including but not limited  
12 to final decisions issued by the director in a contested  
13 case proceeding. The board also has original jurisdiction  
14 to review the director's assessments of centrally assessed  
15 property, which means the taxpayer appeals the assessment of  
16 the director directly to the board. An appeal must be made to  
17 the board within 30 days of a director's decision in order to  
18 be considered timely. Both the taxpayer and the director have  
19 the right to appeal a decision of the board to district court.

20 The division prohibits the board from accepting cases for  
21 review, and prohibits a taxpayer from filing an appeal with the  
22 board, on or after the effective date of the division. The  
23 board is repealed and dissolved on the date that it disposes of  
24 all pending cases or on July 1, 2016, whichever occurs earlier.  
25 The division takes effect immediately upon enactment.

26 DIVISION III — CORRESPONDING CHANGES. Division III makes  
27 corresponding changes to Code sections that reference the board  
28 and provides for appeals to the director for certain actions  
29 that are appealed directly to the board under current law.

30 The division removes members of the board from the  
31 requirement to file certain financial statements with the  
32 ethics and campaign disclosure board. The division also  
33 strikes references to the board from the ability of a  
34 prevailing taxpayer to be awarded litigation costs in certain  
35 proceedings. These provisions take effect July 1, 2016.



1 The division amends the procedures for appealing the  
2 director's disallowance, recalculation, or denial of a  
3 homestead property tax credit, property tax credit or rent  
4 reimbursement for elderly and disabled, military service  
5 property tax exemption, or business property tax credit.  
6 Current law provides that these decisions are made by the  
7 director and may be appealed to the board. The division  
8 provides that these decisions will be made by the department  
9 of revenue (department) and may be appealed to the director  
10 within 30 days of the notice of disallowance, recalculation,  
11 or denial. If such an appeal is made, the director is  
12 required to grant a hearing and determine the correctness of  
13 the disallowance, recalculation, or denial. The director's  
14 decisions are subject to judicial review.

15 The division amends procedures and rules for appealing the  
16 director's assessment of telegraph and telephone companies  
17 (Code chapter 433), railway companies (Code chapter 434),  
18 electric transmission line companies (Code chapter 437),  
19 pipeline companies (Code chapter 438), and certain other  
20 property assessed by the director (Code chapter 428).  
21 Current law provides that these tax assessments are made by  
22 the director and shall be appealed directly to the board,  
23 and provides for certain additional rules that apply to  
24 proceedings before the board. The division provides that  
25 these tax assessments will be made by the department and shall  
26 be appealed to the director and provides that the existing  
27 additional rules shall apply to appeal proceedings before the  
28 director. The director's decisions are subject to judicial  
29 review. The division also replaces references to the director  
30 with references to the department where appropriate in  
31 provisions that relate to the assessment of omitted property  
32 (Code chapter 440).

33 The division specifies that a city or county conference  
34 board may seek judicial review of the decision of the director  
35 following a hearing to determine a city or county assessor's

1 noncompliance with the rules for valuation of property.  
2 The division also amends the procedures for appealing a  
3 determination by the department of revenue that an assessor  
4 remains in noncompliance following a plan of action by a  
5 conference board to achieve compliance. Current law provides  
6 that such a determination may be appealed to the board. The  
7 division provides that the decision may be appealed to the  
8 director within 30 days of the notice of noncompliance. The  
9 director is required to grant a hearing and determine the  
10 correctness of the noncompliance determination. Judicial  
11 review may be sought by the chairperson of the conference  
12 board.

13 The division amends the procedures for equalizing property  
14 and appealing a final equalization order of the director.  
15 Current law provides that the equalization of property and the  
16 issuance of equalization orders are done by the director and  
17 that such orders may be appealed to the board. The division  
18 provides that the equalization of property will be done by the  
19 department and that the equalization orders will be issued  
20 by the department and may be appealed to the director. The  
21 director is required to grant a hearing and determine the  
22 correctness of the final equalization order. Judicial review  
23 of the director's decision may be sought by the city or county  
24 officials.

25 The division also amends the duties and powers of the  
26 director with regard to the appeal of a final equalization  
27 order. Current law provides that certain rules relating to  
28 contested case proceedings in Code chapter 17A (administrative  
29 procedures Act) do not apply to matters involving the  
30 equalization of property, except in a hearing before the board.  
31 The division provides that the contested case proceeding rules  
32 will apply in a hearing before the director from an appeal of a  
33 final equalization order, and provides for the future repeal on  
34 July 1, 2016, of the reference to the board's exemption from  
35 those rules.

H.F. 626

1     Except as otherwise provided in the division, the division  
2 takes effect immediately upon enactment.