

Senate File 2069 - Introduced

SENATE FILE 2069

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A BILL FOR

1 An Act relating to the property tax exemption for forest
2 reservations for certain assessment years.

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

1 Section 1. Section 427C.1, Code 2018, is amended to read as
2 follows:

3 **427C.1 Tax exemption – amount of exemption.**

4 1. Any person who establishes a forest or fruit-tree
5 reservation as provided in [this chapter](#) shall be entitled to
6 the tax exemption provided by law.

7 2. a. Except as provided in paragraph “b”, the exemption
8 for forest or fruit-tree reservations authorized in this
9 chapter shall be one hundred percent of the actual value of the
10 property comprising the reservation.

11 b. For assessment years beginning on or after January 1,
12 2019, the exemption for forest reservations authorized in this
13 chapter shall be fifty percent of the actual value of the
14 property comprising the forest reservation.

15 Sec. 2. Section 427C.2, Code 2018, is amended to read as
16 follows:

17 **427C.2 Reservations.**

18 1. ~~On~~ For assessment years beginning before January 1, 2019,
19 any tract of land in the state of Iowa, the owner or owners may
20 select a permanent forest reservation or reservations, each
21 not less than two acres in continuous area, or a fruit-tree
22 reservation or reservations, not less than one nor more than
23 ten acres in total area, or both, and upon compliance with
24 the provisions of [this chapter](#), such owner or owners shall be
25 entitled to the benefits provided by law.

26 2. For assessment years beginning on or after January
27 1, 2019, any tract of land in the state of Iowa, the owner
28 or owners may select a permanent forest reservation or
29 reservations, each not less than five acres in continuous area,
30 or a fruit-tree reservation or reservations, not less than
31 one nor more than ten acres in total area, or both, and upon
32 compliance with the provisions of this chapter, such owner or
33 owners shall be entitled to the benefits provided by law.

34 Sec. 3. Section 427C.6, Code 2018, is amended to read as
35 follows:

1 **427C.6 Groves.**

2 The trees of a forest reservation shall be in groves not
3 less than four rods wide except when the trees are growing or
4 are planted in or along a gully or ditch to control erosion in
5 which case any width will qualify provided the area meets the
6 size acreage requirement ~~of two acres.~~

7 Sec. 4. Section 441.22, Code 2018, is amended to read as
8 follows:

9 **441.22 Forest and fruit-tree reservations.**

10 Forest and fruit-tree reservations fulfilling the conditions
11 of ~~sections 427C.1 to 427C.13~~ chapter 427C shall be exempt from
12 taxation to the extent authorized in that chapter. In all
13 other cases where trees are planted upon any tract of land,
14 without regard to area, for forest, fruit, shade, or ornamental
15 purposes, or for windbreaks, the assessor shall not increase
16 the valuation of the property because of such improvements.

17 EXPLANATION

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

20 Current Code chapter 427C authorizes a property tax
21 exemption for certain forest reservations and fruit-tree
22 reservations. To qualify for the exemption as a forest
23 reservation, the property must be at least two acres in
24 continuous area and meet certain tree density requirements.

25 This bill lowers the exemption percentage from 100 percent
26 to 50 percent for forest reservations for assessment years
27 beginning on or after January 1, 2019. The bill also increases
28 the minimum acreage requirement for forest reservations for
29 assessment years beginning on or after January 1, 2019, from
30 two acres to five acres of continuous area.