

House File 2611 - Introduced

HOUSE FILE 2611

BY HALL

A BILL FOR

1 An Act providing a property assessment adjustment for certain
2 persons, applying income and age limitations, providing a
3 penalty, and including retroactive applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 425B.1 Homestead assessed value
2 adjustment — purpose.

3 Persons who own their homesteads and who meet the
4 qualifications provided in this chapter are eligible for an
5 adjustment in the assessed value of their homesteads and the
6 amount of property taxes due and payable.

7 Sec. 2. NEW SECTION. 425B.2 Definitions.

8 As used in this chapter, unless the context otherwise
9 requires:

10 1. "*Assessed value*" means the actual value prior to any
11 adjustment pursuant to section 441.21, subsection 4.

12 2. "*Base assessment year*" means the assessment year
13 beginning in the base year.

14 3. "*Base year*" means the calendar year last ending before
15 the claim is filed.

16 4. "*Claimant*" means a person filing a claim for adjustment
17 under this chapter who has attained the age of sixty-five years
18 on or before December 31 of the base year and is domiciled in
19 this state at the time the claim is filed or at the time of the
20 person's death in the case of a claim filed by the executor or
21 administrator of the claimant's estate.

22 5. "*Homestead*" means the same as defined in section 425.17.

23 6. "*Household*", "*household income*", and "*income*" mean the
24 same as those terms are defined in section 425.17.

25 7. "*Owned*" means owned by an owner as defined in section
26 425.11.

27 Sec. 3. NEW SECTION. 425B.3 Right to file a claim.

28 The right to file a claim for an assessed value adjustment
29 under this chapter may be exercised by the claimant or on
30 behalf of a claimant by the claimant's legal guardian, spouse,
31 or attorney, or by the executor or administrator of the
32 claimant's estate. If a claimant dies after having filed a
33 claim for adjustment, the amount of any adjustment shall be
34 made as if the claimant had not died.

35 Sec. 4. NEW SECTION. 425B.4 Claim for adjustment.

1 1. Subject to the limitations provided in this chapter,
2 a claimant may annually claim an adjustment of the assessed
3 value of the claimant's homestead for the base assessment year.
4 The adjustment claim shall be filed with the county assessor
5 between January 1 and February 15 immediately following
6 the close of the base assessment year. However, in case of
7 sickness, absence, or other disability of the claimant, or
8 if in the judgment of the county assessor good cause exists,
9 the county assessor may extend the time for filing a claim for
10 adjustment through June 30 of the same calendar year.

11 2. The county assessor shall notify the department of
12 revenue by March 1 of the number of claimants receiving
13 adjustments under this chapter and the total amount of the
14 reduced assessed values for the base assessment year.

15 **Sec. 5. NEW SECTION. 425B.5 Qualification and adjustment**
16 **— maximum tax dollars levied.**

17 1. If the household income requirement of subsection 2 is
18 met, the assessed value of the claimant's homestead in the
19 base assessment year shall be adjusted, but not increased,
20 to equal the assessed value, as such assessed value may have
21 been adjusted pursuant to this chapter, in the assessment year
22 preceding the base assessment year. If the amount of property
23 taxes levied against the adjusted assessment exceed the amount
24 of property taxes levied against the property in the fiscal
25 year for which taxes were first levied against an adjusted
26 assessment under this chapter, the treasurer shall subtract the
27 difference from the amount due.

28 2. A claimant is eligible for the adjustments under
29 subsection 1 if the claimant's household income is thirty
30 thousand dollars or less in the base year.

31 **Sec. 6. NEW SECTION. 425B.6 Administration.**

32 The director of revenue shall make available suitable forms
33 for claiming an assessed value adjustment with instructions
34 for claimants. Each assessor and county treasurer shall make
35 available the forms and instructions. The claim shall be in a

1 form as the director may prescribe.

2 Sec. 7. NEW SECTION. 425B.7 Proof of claim.

3 1. Every claimant shall give the department of revenue, in
4 support of the claim, reasonable proof of:

5 a. Age.

6 b. Changes of homestead.

7 c. Household membership.

8 d. Household income.

9 e. Size and nature of the property claimed as the homestead.

10 2. The director of revenue may require any additional proof
11 necessary to support a claim.

12 Sec. 8. NEW SECTION. 425B.8 Audit — denial.

13 If on the audit of a claim for adjustment under this chapter,
14 the director of revenue determines the claim is not allowable,
15 the director shall notify the claimant of the denial and the
16 reasons for it. The director shall not deny a claim after
17 three years from October 31 of the year in which the claim was
18 filed. The director shall give notification to the county
19 assessor of the denial of the claim and the county assessor
20 shall instruct the county treasurer to proceed to collect the
21 tax that would have been levied on the applicable adjusted
22 assessed value in the same manner as other property taxes
23 due and payable are collected, if the property on which the
24 adjustment was granted is still owned by the claimant.

25 Sec. 9. NEW SECTION. 425B.9 Waiver of confidentiality.

26 1. A claimant shall expressly waive any right to
27 confidentiality relating to all income tax information
28 obtainable through the department of revenue, including all
29 information covered by sections 422.20 and 422.72. This waiver
30 shall apply to information available to the county assessor who
31 shall hold the information confidential except that it may be
32 used as evidence to disallow the assessed value adjustment.

33 2. The department of revenue may release information
34 pertaining to a person's eligibility or claim for or receipt of
35 the assessed value adjustment to an employee of the department

1 of inspections and appeals in the employee's official conduct
2 of an audit or investigation.

3 Sec. 10. NEW SECTION. **425B.10 False claim — penalty.**

4 A person who makes a false affidavit for the purpose of
5 obtaining an adjustment in assessed value provided for in
6 this chapter or who knowingly receives the adjustment without
7 being legally entitled to it or makes claim for the adjustment
8 in more than one county in the state without being legally
9 entitled to it is guilty of a fraudulent practice. The claim
10 for adjustment shall be disallowed in full and property tax
11 shall be levied on the disallowed adjustment at the rate that
12 would have been levied but for the adjustment. The director of
13 revenue shall send a notice of disallowance of the claim.

14 Sec. 11. NEW SECTION. **425B.11 Notices, appeals, and rules.**

15 To the extent not otherwise contrary to the provisions of
16 this chapter:

17 1. Section 423.39, subsection 1, shall apply to all notices
18 under this chapter.

19 2. Any person aggrieved by an act or decision of the
20 director of revenue or the department of revenue under this
21 chapter shall have the same rights of appeal and review as
22 provided in section 423.38 and the rules of the department of
23 revenue.

24 3. A claim for adjustment shall be disallowed if the
25 department finds that the claimant or a person of the
26 claimant's household received title to the homestead primarily
27 for the purpose of receiving benefits under this chapter.

28 4. The department of revenue shall adopt rules pursuant to
29 chapter 17A to administer and interpret this chapter, including
30 rules to prevent and disallow duplication of benefits and to
31 prevent any unreasonable hardship or advantage to any person.

32 Sec. 12. RETROACTIVE APPLICABILITY. This Act applies
33 retroactively to January 1, 2020, for assessment years
34 beginning on or after that date and to the filing of claims on
35 or after January 1, 2021, for adjustments of assessed values.

1

EXPLANATION

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

3

4 This bill allows adjustments to certain homesteads based on
5 age and income limits.

6 The bill provides for an adjustment in the assessed value
7 of a homestead if the owner is a person who is 65 or older
8 and whose household income is \$30,000 or less. If those
9 qualifications are met, the assessed value of the homestead
10 upon which property taxes are levied in a fiscal year is the
11 same assessed value as for the previous fiscal year. The bill
12 also authorizes an adjustment of the total property taxes due
13 and payable on the homestead if the amount due exceeds the
14 amount due in the fiscal year for which the homestead's value
15 was first adjusted under the bill. Assessed value is that
16 value prior to any rollback being applied.

17 The bill provides that a person who makes a false affidavit
18 for the purpose of obtaining an adjustment, knowingly receives
19 the adjustment without being legally entitled to it, or makes
20 claim for the adjustment in more than one county without being
21 legally entitled to it is guilty of a fraudulent practice and
22 is subject to a criminal penalty.

23 The bill applies retroactively to January 1, 2020, for
24 assessment years beginning on or after that date and applies to
25 claims filed on or after January 1, 2021, for the adjustments.