

**House File 770 - Introduced**

HOUSE FILE 770

BY THOMPSON

**A BILL FOR**

1 An Act relating to property taxation by authorizing cities and  
2 counties to adopt ordinances providing for the abatement of  
3 property taxes due for certain persons seventy years of age  
4 or older and including applicability provisions.

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

1 Section 1. Section 331.402, subsection 2, Code 2019, is  
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. *j.* Authorize, by ordinance, the abatement of  
4 property taxes under section 427.4.

5 Sec. 2. Section 364.2, Code 2019, is amended by adding the  
6 following new subsection:

7 NEW SUBSECTION. 7. A city may, by ordinance, authorize the  
8 abatement of property taxes under section 427.4.

9 Sec. 3. Section 420.207, Code 2019, is amended to read as  
10 follows:

11 **420.207 Taxation in general.**

12 Sections 426A.11 through 426A.15, 427.1, 427.4, 427.8  
13 through 427.11, 428.4, 428.20, 428.22, 428.23, 437.1, 437.3,  
14 441.21, 443.1 through 443.3, 444.2 through 444.4, and 447.9  
15 through 447.13, so far as applicable, apply to cities acting  
16 under special charters.

17 Sec. 4. NEW SECTION. **427.4 Elderly resident local option**  
18 **abatement.**

19 1. Subject to the limitations of this section, the governing  
20 body of a city may, by ordinance, provide for the abatement  
21 of a portion of property taxes due on the homestead owned by  
22 a claimant within the city and a county may, by ordinance,  
23 provide for the abatement of a portion of property taxes due on  
24 the homestead owned by a claimant in the unincorporated areas  
25 of the county.

26 2. For purposes of this section, unless the context  
27 otherwise requires:

28 *a.* "Abate" or "abatement" means to cancel in their entirety  
29 all applicable amounts.

30 *b.* "Base year" means the calendar year last ending before  
31 the claim is filed.

32 *c.* "Claimant" means the owner of a homestead filing a  
33 claim for abatement under an ordinance adopted pursuant to  
34 this section who has attained the age of seventy years on or  
35 before December 31 of the base year and is domiciled in the

1 applicable city or county at the time the claim is filed or at  
2 the time of the person's death in the case of a claim filed  
3 by the executor or administrator of the claimant's estate.

4 "*Claimant*" includes a vendee in possession under a contract for  
5 deed and may include one or more joint tenants or tenants in  
6 common. "*Claimant*" includes the surviving spouse of a claimant  
7 who previously received an abatement of property taxes due  
8 on the homestead under this section if all other eligibility  
9 requirements are met.

10 *d.* "*Homestead*" means the same as defined in section 425.11.

11 *e.* "*Household*" means a claimant and the claimant's spouse  
12 if living with the claimant at any time during the base  
13 year. "*Living with*" refers to domicile and does not include a  
14 temporary visit.

15 *f.* "*Household income*" means all income of the claimant  
16 and the claimant's spouse in a household and actual monetary  
17 contributions received from any other person living with the  
18 claimant during their respective twelve-month income tax  
19 accounting periods ending with or during the base year.

20 *g.* "*Income*" means the same as defined in section 425.17.

21 *h.* "*Owned*" means owned by an owner as defined in section  
22 425.11.

23 *i.* "*Property taxes due*" means property taxes including any  
24 special assessments, but exclusive of delinquent interest and  
25 charges for services, due on a claimant's homestead in this  
26 state, but includes only property taxes for which the claimant  
27 is liable and which will actually be paid by the claimant.

28 "*Property taxes due*" shall be that amount following application  
29 of any credit under chapter 425. If a homestead is owned by  
30 two or more persons as joint tenants or tenants in common, and  
31 one or more persons are not members of a claimant's household,  
32 "*property taxes due*" is that part of property taxes due on the  
33 homestead which equals the ownership percentage of the claimant  
34 and the claimant's household.

35 *j.* "*Special assessment*" means an unpaid special assessment

1 certified pursuant to chapter 384, subchapter IV.

2 3. a. An ordinance adopted under this section may provide  
3 for the abatement of a portion of property taxes due on a  
4 homestead owned by a claimant if the claimant's household  
5 income is less than forty-five thousand dollars.

6 b. An ordinance adopted under this section may establish  
7 household income limitations for the abatement of property  
8 taxes due that are less than forty-five thousand dollars.

9 c. The amount of taxes that are abated under an ordinance  
10 adopted under this section shall not cause the remaining amount  
11 of property taxes due on the homestead to be less than the  
12 amount of property taxes due on the homestead in the fiscal  
13 year preceding the year for which the claim is filed following  
14 any abatement allowed under this section, if applicable, or the  
15 amount of property taxes due on the homestead for the first  
16 fiscal year for which the homestead was assessed following  
17 completion of construction, whichever is greater.

18 4. Upon adoption of an ordinance under this section, the  
19 governing body of the city or the board of supervisors, as  
20 applicable, shall notify the county treasurer of the ordinance  
21 within ten days of adoption and shall direct the county  
22 treasurer to make available forms for claiming the abatement.  
23 The director of revenue shall prescribe forms for abatement  
24 claims under this section and make such forms available to a  
25 county treasurer upon request. Claims for abatement authorized  
26 under this section shall be made annually with the county  
27 treasurer and must be filed between January 1 and March 1  
28 preceding the fiscal year in which the property taxes are due  
29 and payable. Every claimant shall be required to provide to  
30 the county treasurer, in support of the claim, reasonable  
31 proof of age, size and nature of the property claimed as the  
32 homestead, household income, and any additional proof necessary  
33 to support the claim.

34 5. In case the owner of the homestead is disabled, the  
35 claim may be signed and delivered by any member of the owner's

1 family, by the owner's guardian or conservator, or by any other  
2 person who may represent the owner under power of attorney. If  
3 the owner of the homestead is married, the spouse may sign and  
4 deliver the claim.

5 6. Upon receipt of a qualifying claim for abatement, the  
6 county treasurer shall suspend the collection of property taxes  
7 due for the applicable fiscal year and such amounts shall be  
8 abated and be deemed to be fully satisfied and canceled and  
9 the county treasurer shall show the satisfaction on the county  
10 system.

11 Sec. 5. APPLICABILITY. This Act applies to ordinances for  
12 the abatement of property taxes due and payable in fiscal years  
13 beginning on or after July 1, 2021.

14 EXPLANATION

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

17 This bill authorizes the governing body of a city to, by  
18 ordinance, provide for the abatement of a portion of property  
19 taxes due on the homestead owned by a claimant within the city  
20 and authorizes a county to, by ordinance, provide for the  
21 abatement of a portion of property taxes due on the homestead  
22 owned by a claimant in the unincorporated areas of the county.  
23 An ordinance adopted under the bill may provide an abatement  
24 of a portion of the property taxes due on a homestead owned  
25 by a claimant that is at least 70 years of age and who has  
26 a household income of \$45,000 or less. The bill provides,  
27 however, that an abatement ordinance may establish household  
28 income limitations that are less than \$45,000.

29 The bill provides that the amount of taxes that are abated  
30 shall not cause the remaining amount of property taxes due on  
31 the homestead to be less than the amount of property taxes due  
32 on the homestead in the fiscal year preceding the year for  
33 which the claim is filed following any abatement allowed under  
34 the bill, if applicable, or the amount of property taxes due on  
35 the homestead for the first fiscal year for which the homestead

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1 was assessed following completion of construction, whichever  
2 is greater.

3 Claims for abatement authorized under the bill must be made  
4 annually with the county treasurer and must be filed between  
5 January 1 and March 1 preceding the fiscal year in which the  
6 property taxes are due and payable. Every claimant is required  
7 to provide to the county treasurer, in support of the claim,  
8 reasonable proof of age, size and nature of the property  
9 claimed as the homestead, household income, and any additional  
10 proof necessary to support the claim.

11 The bill applies to ordinances for the abatement of property  
12 taxes due and payable in fiscal years beginning on or after  
13 July 1, 2021.