

House Study Bill 703 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
HUMAN RESOURCES BILL BY
CHAIRPERSON LUNDGREN)

A BILL FOR

1 An Act relating to the administration of the reimbursement for
2 rent constituting property taxes paid and related matters
3 and including effective date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 331.559, subsection 12, Code 2020, is
2 amended to read as follows:

3 12. Carry out duties relating to the administration of the
4 homestead tax credit and other credits as provided in sections
5 425.4, 425.5, 425.7, 425.9, 425.10, and 425.25.

6 Sec. 2. Section 425.1, subsections 1, 4, and 6, Code 2020,
7 are amended to read as follows:

8 1. *a.* A homestead credit fund is created. There is
9 appropriated annually from the general fund of the state to
10 the department of revenue to be credited to the homestead
11 credit fund, an amount sufficient to implement this ~~chapter~~
12 subchapter.

13 *b.* The director of the department of administrative services
14 shall issue warrants on the homestead credit fund payable to
15 the county treasurers of the several counties of the state
16 under ~~this chapter~~ subchapter.

17 4. Annually the department of revenue shall certify to
18 the county auditor of each county the credit and its amount
19 in dollars. Each county auditor shall then enter the credit
20 against the tax levied on each eligible homestead in each
21 county payable during the ensuing year, designating on the tax
22 lists the credit as being from the homestead credit fund, and
23 credit shall then be given to the several taxing districts in
24 which eligible homesteads are located in an amount equal to the
25 credits allowed on the taxes of the homesteads. The amount of
26 credits shall be apportioned by each county treasurer to the
27 several taxing districts as provided by law, in the same manner
28 as though the amount of the credit had been paid by the owners
29 of the homesteads. However, the several taxing districts shall
30 not draw the funds so credited until after the semiannual
31 allocations have been received by the county treasurer, as
32 provided in ~~this chapter~~ subchapter. Each county treasurer
33 shall show on each tax receipt the amount of credit received
34 from the homestead credit fund.

35 6. The homestead tax credit allowed in this ~~chapter~~

1 subchapter shall not exceed the actual amount of taxes payable
2 on the eligible homestead, exclusive of any special assessments
3 levied against the homestead.

4 Sec. 3. Section 425.2, subsections 1 and 3, Code 2020, are
5 amended to read as follows:

6 1. A person who wishes to qualify for the homestead
7 credit allowed under ~~this chapter~~ subchapter shall obtain the
8 appropriate forms for filing for the credit from the assessor.
9 The person claiming the credit shall file a verified statement
10 and designation of homestead with the assessor for the year for
11 which the person is first claiming the credit. The claim shall
12 be filed not later than July 1 of the year for which the person
13 is claiming the credit. A claim filed after July 1 of the year
14 for which the person is claiming the credit shall be considered
15 as a claim filed for the following year.

16 3. In case the owner of the homestead is in active service
17 in the armed forces of this state or of the United States, or is
18 sixty-five years of age or older, or is disabled, the statement
19 and designation may be signed and delivered by any member of
20 the owner's family, by the owner's guardian or conservator, or
21 by any other person who may represent the owner under power
22 of attorney. If the owner of the homestead is married, the
23 spouse may sign and deliver the statement and designation. The
24 director of human services or the director's designee may make
25 application for the benefits of ~~this chapter~~ subchapter as the
26 agent for and on behalf of persons receiving assistance under
27 chapter 249.

28 Sec. 4. Section 425.6, Code 2020, is amended to read as
29 follows:

30 **425.6 Waiver by neglect.**

31 If a person fails to file a claim or to have a claim on file
32 with the assessor for the credits provided in this ~~chapter~~
33 subchapter, the person is deemed to have waived the homestead
34 credit for the year in which the person failed to file the
35 claim or to have a claim on file with the assessor.

1 Sec. 5. Section 425.7, subsections 1 and 2, Code 2020, are
2 amended to read as follows:

3 1. Any person whose claim is denied under the provisions of
4 this ~~chapter~~ subchapter may appeal from the action of the board
5 of supervisors to the district court of the county in which
6 said claimed homestead is situated by giving written notice of
7 such appeal to the county auditor of said county within twenty
8 days from the date of mailing of notice of such action by the
9 board of supervisors.

10 2. In the event any claim under ~~this chapter~~ subchapter is
11 allowed, any owner of an eligible homestead may appeal from the
12 action of the board of supervisors to the district court of the
13 county in which said claimed homestead is situated, by giving
14 written notice of such appeal to the county auditor of said
15 county and such notice to the owner of said claimed homestead
16 as a judge of the district court shall direct.

17 Sec. 6. Section 425.8, Code 2020, is amended to read as
18 follows:

19 **425.8 Forms — rules.**

20 1. The director of revenue shall prescribe the form for the
21 making of verified statement and designation of homestead, the
22 form for the supporting affidavits required herein, and such
23 other forms as may be necessary for the proper administration
24 of ~~this chapter~~ subchapter. Whenever necessary, the department
25 of revenue shall forward to the county auditors of the
26 several counties in the state the prescribed sample forms,
27 and the county auditors shall furnish blank forms prepared in
28 accordance therewith with the assessment rolls, books, and
29 supplies delivered to the assessors. The department of revenue
30 shall prescribe and the county auditors shall provide on the
31 forms for claiming the homestead credit a statement to the
32 effect that the owner realizes that the owner must give written
33 notice to the assessor when the owner changes the use of the
34 property.

35 2. The director of revenue may prescribe rules, not

1 inconsistent with the provisions of this chapter subchapter,
2 necessary to carry out and effectuate its purposes.

3 Sec. 7. Section 425.9, subsection 1, Code 2020, is amended
4 to read as follows:

5 1. If the amount of credit apportioned to any homestead
6 under the provisions of this chapter subchapter in any
7 year shall exceed the total tax, exclusive of any special
8 assessments levied against said homestead, then such excess
9 shall be remitted by the county treasurer to the department of
10 revenue to be redeposited in the homestead credit fund and be
11 reallocated the following year by the department as provided in
12 this chapter subchapter.

13 Sec. 8. Section 425.10, Code 2020, is amended to read as
14 follows:

15 **425.10 Reversal of allowed claim.**

16 In the event any claim is allowed, and subsequently reversed
17 on appeal, any credit made thereunder shall be void, and the
18 amount of such credit shall be charged against the property in
19 question, and the director of revenue, the county auditor, and
20 the county treasurer are authorized and directed to correct
21 their books and records accordingly. The amount of such
22 erroneous credit, when collected, shall be returned by the
23 county treasurer to the homestead credit fund to be reallocated
24 the following year as provided in this chapter subchapter.

25 Sec. 9. Section 425.11, subsection 1, unnumbered paragraph
26 1, Code 2020, is amended to read as follows:

27 For the purpose of this chapter subchapter and wherever used
28 in this chapter subchapter:

29 Sec. 10. Section 425.11, subsection 1, paragraph d,
30 subparagraph (3), Code 2020, is amended to read as follows:

31 (3) It must not embrace more than one dwelling house, but
32 where a homestead has more than one dwelling house situated
33 thereon, the credit provided for in this chapter subchapter
34 shall apply to the home and buildings used by the owner, but
35 shall not apply to any other dwelling house and buildings

1 appurtenant.

2 Sec. 11. Section 425.11, subsection 1, paragraph e, Code
3 2020, is amended to read as follows:

4 e. "Owner" means the person who holds the fee simple
5 title to the homestead, and in addition shall mean the person
6 occupying as a surviving spouse or the person occupying under
7 a contract of purchase which contract has been recorded in
8 the office of the county recorder of the county in which the
9 property is located; or the person occupying the homestead
10 under devise or by operation of the inheritance laws where
11 the whole interest passes or where the divided interest is
12 shared only by persons related or formerly related to each
13 other by blood, marriage or adoption; or the person occupying
14 the homestead is a shareholder of a family farm corporation
15 that owns the property; or the person occupying the homestead
16 under a deed which conveys a divided interest where the divided
17 interest is shared only by persons related or formerly related
18 to each other by blood, marriage or adoption; or where the
19 person occupying the homestead holds a life estate with the
20 reversion interest held by a nonprofit corporation organized
21 under [chapter 504](#), provided that the holder of the life estate
22 is liable for and pays property tax on the homestead; or where
23 the person occupying the homestead holds an interest in a
24 horizontal property regime under [chapter 499B](#), regardless
25 of whether the underlying land committed to the horizontal
26 property regime is in fee or as a leasehold interest, provided
27 that the holder of the interest in the horizontal property
28 regime is liable for and pays property tax on the homestead;
29 or where the person occupying the homestead is a member of a
30 community land trust as defined in 42 U.S.C. §12773, regardless
31 of whether the underlying land is in fee or as a leasehold
32 interest, provided that the member of the community land
33 trust is occupying the homestead and is liable for and pays
34 property tax on the homestead. For the purpose of this ~~chapter~~
35 subchapter the word "owner" shall be construed to mean a bona

1 fide owner and not one for the purpose only of availing the
2 person of the benefits of this chapter subchapter. In order
3 to qualify for the homestead tax credit, evidence of ownership
4 shall be on file in the office of the clerk of the district
5 court or recorded in the office of the county recorder at the
6 time the owner files with the assessor a verified statement
7 of the homestead claimed by the owner as provided in section
8 425.2.

9 Sec. 12. Section 425.12, Code 2020, is amended to read as
10 follows:

11 **425.12 Indian land.**

12 Each forty acres of land, or fraction thereof, occupied by
13 a member or members of the Sac and Fox Indians in Tama county,
14 which land is held in trust by the secretary of the interior of
15 the United States for said Indians, shall be given a homestead
16 tax credit within the meaning and under the provisions of this
17 chapter subchapter. Application for such homestead tax credit
18 shall be made to the county auditor of Tama county and may be
19 made by a representative of the tribal council.

20 Sec. 13. Section 425.13, Code 2020, is amended to read as
21 follows:

22 **425.13 Conspiracy to defraud.**

23 If any two or more persons conspire and confederate together
24 with fraudulent intent to obtain the credit provided for under
25 the terms of this chapter subchapter by making a false deed, or
26 a false contract of purchase, they are guilty of a fraudulent
27 practice.

28 Sec. 14. Section 425.15, subsection 1, unnumbered paragraph
29 1, Code 2020, is amended to read as follows:

30 If the owner of a homestead allowed a credit under this
31 chapter subchapter is any of the following, the credit allowed
32 on the homestead from the homestead credit fund shall be the
33 entire amount of the tax levied on the homestead:

34 Sec. 15. Section 425.16, Code 2020, is amended to read as
35 follows:

1 **425.16 Additional tax credit.**

2 1. In addition to the homestead tax credit allowed under
3 section 425.1, subsections 1 to 4, persons who own or rent
4 their homesteads and who meet the qualifications provided in
5 this subchapter are eligible for ~~an extraordinary~~ a property
6 tax credit for property taxes due or reimbursement of rent
7 constituting property taxes paid.

8 2. a. The property tax credit for property taxes due under
9 this subchapter shall be administered by the department of
10 revenue, the assessor, and other county officials as provided
11 in this subchapter.

12 b. The reimbursement of rent constituting property taxes
13 paid under this subchapter shall be administered by the
14 department of human services as provided in this subchapter.

15 Sec. 16. Section 425.17, subsection 3, Code 2020, is amended
16 to read as follows:

17 3. "*Gross rent*" means rental paid at arm's length for the
18 right of occupancy of a homestead or manufactured or mobile
19 home, including rent for space occupied by a manufactured
20 or mobile home not to exceed one acre. If the department
21 of ~~revenue~~ human services determines that the landlord and
22 tenant have not dealt with each other at arm's length, and
23 the department of ~~revenue~~ human services is satisfied that
24 the gross rent charged was excessive, the department of human
25 services shall adjust the gross rent to a reasonable amount as
26 determined by the department of human services.

27 Sec. 17. Section 425.18, Code 2020, is amended to read as
28 follows:

29 **425.18 Right to file a claim.**

30 The right to file a claim for reimbursement or credit under
31 this subchapter may be exercised by the claimant or on behalf
32 of a claimant by the claimant's legal guardian, spouse, or
33 attorney, or by the executor or administrator of the claimant's
34 estate. If a claimant dies after having filed a claim for
35 reimbursement for rent constituting property taxes paid, the

1 amount of the reimbursement may be paid to another member
2 of the household as determined by the department of ~~revenue~~
3 human services. If the claimant was the only member of the
4 household, the reimbursement may be paid to the claimant's
5 executor or administrator, but if neither is appointed and
6 qualified within one year from the date of the filing of
7 the claim, the reimbursement shall escheat to the state. If
8 a claimant dies after having filed a claim for credit for
9 property taxes due, the amount of credit shall be paid as if
10 the claimant had not died.

11 Sec. 18. Section 425.19, Code 2020, is amended to read as
12 follows:

13 **425.19 Claim and credit or reimbursement.**

14 Subject to the limitations provided in this subchapter, a
15 claimant may annually claim a credit for property taxes due
16 during the fiscal year next following the base year or claim
17 a reimbursement for rent constituting property taxes paid in
18 the base year. The amount of the credit for property taxes due
19 for a homestead shall be paid on June 15 of each year from the
20 elderly and disabled property tax credit fund under section
21 425.39, subsection 1, by the director of revenue to the county
22 treasurer who shall credit the money received against the
23 amount of the property taxes due and payable on the homestead
24 of the claimant and the amount of the reimbursement for rent
25 constituting property taxes paid shall be paid by the director
26 of human services to the claimant from the ~~state general~~
27 reimbursement fund under section 425.39, subsection 2, on or
28 before December 31 of each year.

29 Sec. 19. Section 425.20, subsections 1 and 3, Code 2020, are
30 amended to read as follows:

31 1. A claim for reimbursement for rent constituting property
32 taxes paid shall not be paid or allowed, unless the claim is
33 filed with and in the possession of the department of ~~revenue~~
34 human services on or before June 1 of the year following the
35 base year.

1 3. In case of sickness, absence, or other disability of the
2 claimant or if, in the judgment of the director of revenue,
3 good cause exists and the claimant requests an extension, the
4 director of human services may extend the time for filing a
5 claim for reimbursement ~~or~~ and the director of revenue may
6 extend the time for filing a claim for credit. However, any
7 further time granted shall not extend beyond December 31 of the
8 year following the year in which the claim was required to be
9 filed. Claims filed as a result of [this subsection](#) shall be
10 filed with the director of human services or the director of
11 revenue, as applicable, who shall provide for the reimbursement
12 of the claim to the claimant.

13 Sec. 20. Section 425.23, subsection 3, paragraph a, Code
14 2020, is amended to read as follows:

15 a. A person who is eligible to file a claim for credit
16 for property taxes due and who has a household income of
17 eight thousand five hundred dollars or less and who has
18 an unpaid special assessment levied against the homestead
19 may file a claim for a special assessment credit with the
20 county treasurer. The department of revenue shall provide
21 to the respective treasurers the forms necessary for the
22 administration of [this subsection](#). The claim shall be filed
23 not later than September 30 of each year. Upon the filing of
24 the claim, interest for late payment shall not accrue against
25 the amount of the unpaid special assessment due and payable.
26 The claim filed by the claimant constitutes a claim for credit
27 of an amount equal to the actual amount due upon the unpaid
28 special assessment, plus interest, payable during the fiscal
29 year for which the claim is filed against the homestead of
30 the claimant. However, where the claimant is an individual
31 described in [section 425.17, subsection 2](#), paragraph "a",
32 subparagraph (2), and the tentative credit is determined
33 according to the schedule in [subsection 1](#), paragraph "b",
34 subparagraph (2), of [this section](#), the claim filed constitutes
35 a claim for credit of an amount equal to one-half of the actual

1 amount due and payable during the fiscal year. The treasurer
2 shall certify to the director of revenue not later than October
3 15 of each year the total amount of dollars due for claims
4 allowed. The amount of reimbursement due each county shall be
5 certified by the director of revenue and paid by the director
6 of the department of administrative services by November 15
7 of each year, drawn upon warrants payable to the respective
8 treasurer. There is appropriated annually from the general
9 fund of the state to the department of revenue an amount
10 sufficient to carry out the provisions of **this subsection**. The
11 treasurer shall credit any moneys received from the department
12 of revenue against the amount of the unpaid special assessment
13 due and payable on the homestead of the claimant.

14 Sec. 21. Section 425.23, subsection 4, Code 2020, is amended
15 by adding the following new paragraph:

16 NEW PARAGRAPH. c. The cumulative adjustment factor shall be
17 determined annually by the department of revenue.

18 Sec. 22. Section 425.25, Code 2020, is amended to read as
19 follows:

20 **425.25 Administration — claim forms.**

21 1. The director of revenue shall make available suitable
22 forms with instructions for claimants of the credit for
23 property taxes due. Each assessor and county treasurer
24 shall make available the forms and instructions. The claim
25 shall be in a form as the director of revenue may prescribe.
26 The director may also devise a tax credit ~~or reimbursement~~
27 table, with amounts rounded to the nearest even whole dollar.
28 ~~Reimbursements or credits~~ Credits in the amount of less than
29 one dollar shall not be paid.

30 2. The director of human services shall make available
31 suitable forms with instructions for claimants of the
32 reimbursement for rent constituting property taxes paid. The
33 claim shall be in a form as the director of human services may
34 prescribe. The director of revenue may devise a reimbursement
35 table with amounts rounded to the nearest even whole dollar

1 and provide such table to the director of human services.
2 Reimbursements in the amount of less than one dollar shall not
3 be paid.

4 Sec. 23. Section 425.26, Code 2020, is amended to read as
5 follows:

6 **425.26 Proof of claim.**

7 1. Every claimant for the credit for property taxes due
8 shall give the department of revenue, in support of the claim,
9 reasonable proof of:

10 a. Age and total disability, if any.

11 b. ~~Property taxes due or rent constituting property taxes~~
12 ~~paid, including the name and address of the owner or manager~~
13 ~~of the property rented and a statement whether the claimant is~~
14 ~~related by blood, marriage, or adoption to the owner or manager~~
15 ~~of the property rented.~~

16 c. Homestead credit allowed against property taxes due.

17 d. Changes of homestead.

18 e. Household membership.

19 f. Household income.

20 g. Size and nature of property claimed as the homestead.

21 2. Every claimant for reimbursement of rent constituting
22 property taxes paid shall give the department of human
23 services, in support of the claim, reasonable proof of:

24 a. Age and total disability, if any.

25 b. Rent constituting property taxes paid, including the name
26 and address of the owner or manager of the property rented and
27 a statement whether the claimant is related by blood, marriage,
28 or adoption to the owner or manager of the property rented.

29 c. Changes of homestead.

30 d. Household membership.

31 e. Household income.

32 f. Size and nature of property claimed as the homestead.

33 ~~2.~~ 3. The department of revenue or the department of human
34 services may require any additional proof necessary to support
35 a claim.

1 Sec. 24. Section 425.27, Code 2020, is amended to read as
2 follows:

3 **425.27 Audit — recalculation or denial — appeals.**

4 1. a. The department of revenue is responsible for the
5 audit of claims for credit of property taxes due under this
6 subchapter.

7 b. The department of human services is responsible for
8 the audit of claims for reimbursement for rent constituting
9 property taxes paid under this subchapter.

10 2. If on the audit of a claim for credit ~~or reimbursement~~
11 under this subchapter, the department of revenue determines
12 the amount of the claim to have been incorrectly calculated
13 or that the claim is not allowable, the department of revenue
14 shall recalculate the claim and notify the claimant of
15 the recalculation or denial and the reasons for it. The
16 recalculation of the claim shall be final unless appealed to
17 the director of revenue within thirty days from the date of
18 notice of recalculation or denial. The director of revenue
19 shall grant a hearing, and upon hearing determine the correct
20 claim, if any, and notify the claimant of the decision by mail.
21 The department of revenue shall not adjust a claim after three
22 years from October 31 of the year in which the claim was filed.
23 If the claim for reimbursement has been paid, the amount may be
24 recovered by assessment in the same manner that income taxes
25 are assessed under ~~sections 422.26 and 422.30.~~ If the claim
26 for credit has been paid, the department of revenue shall give
27 notification to the claimant and the county treasurer of the
28 recalculation or denial of the claim and the county treasurer
29 shall proceed to collect the tax owed in the same manner as
30 other property taxes due and payable are collected, if the
31 property on which the credit was granted is still owned by the
32 claimant, and repay the amount to the director upon collection.
33 If the property on which the credit was granted is not owned by
34 the claimant, the amount may be recovered from the claimant by
35 assessment in the same manner that income taxes are assessed

1 under sections 422.26 and 422.30. The decision of the director
2 of revenue shall be final unless appealed as provided in
3 section 425.31.

4 3. If on the audit of a claim for reimbursement for rent
5 constituting property taxes paid under this subchapter, the
6 department of human services determines the amount of the claim
7 to have been incorrectly calculated or that the claim is not
8 allowable, the department of human services shall recalculate
9 the claim and notify the claimant of the recalculation or
10 denial and the reasons for it. The recalculation of the
11 claim shall be final unless appealed to the director of
12 human services within thirty days from the date of notice of
13 recalculation or denial. The director of human services shall
14 grant a hearing, and upon hearing determine the correct claim,
15 if any, and notify the claimant of the decision by mail. The
16 department of human services shall not adjust a claim after
17 three years from October 31 of the year in which the claim
18 was filed. If the claim for reimbursement has been paid, the
19 amount may be recovered by the department of human services.
20 The decision of the director of human services shall be final
21 unless appealed as provided in section 425.31.

22 4. a. Section For the purpose of administering the credit
23 for property taxes due, including the duties of the director
24 of revenue and the department of revenue, section 422.70 is
25 applicable with respect to this subchapter.

26 b. For the purpose of administering the reimbursement for
27 rent constituting property taxes paid, including the duties
28 of the director of human services and the department of human
29 services under this subchapter, the director of human services
30 shall have the same powers as those described in section
31 422.70.

32 Sec. 25. Section 425.28, Code 2020, is amended to read as
33 follows:

34 **425.28 Waiver of confidentiality.**

35 1. A claimant for the credit for property taxes due shall

1 expressly waive any right to confidentiality relating to all
2 income tax information obtainable through the department of
3 revenue, including all information covered by **sections 422.20**
4 and **422.72**. This waiver shall apply to information available
5 to the county treasurer who shall hold the information
6 confidential except that it may be used as evidence to disallow
7 the credit.

8 2. A claimant for reimbursement of rent constituting
9 property taxes paid shall expressly waive any right to
10 confidentiality relating to all income tax information
11 obtainable by the department of human services.

12 3. For the effective administration of this subchapter,
13 the department of revenue and the department of human services
14 shall share information obtained by each department from
15 claimants under this subchapter.

16 ~~2.~~ 4. The In addition to the sharing of information under
17 subsection 3, the department of revenue human services may
18 release information pertaining to a person's eligibility or
19 claim for or receipt of rent reimbursement to an employee of
20 the department of inspections and appeals in the employee's
21 official conduct of an audit or investigation.

22 Sec. 26. Section 425.29, Code 2020, is amended to read as
23 follows:

24 **425.29 False claim — penalty.**

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

35 2. The In the case of a claim for credit disallowed by the

1 department of revenue, the department of revenue may impose
2 penalties under [section 421.27](#). The department of revenue
3 shall send a notice of disallowance of the claim.

4 3. In the case of a claim for reimbursement disallowed
5 by the department of human services, the department of human
6 services may impose penalties described in section 421.27.
7 The department of human services shall send a notice of
8 disallowance of the claim.

9 Sec. 27. Section 425.30, Code 2020, is amended by striking
10 the section and inserting in lieu thereof the following:

11 **425.30 Notices.**

12 1. A notice authorized or required under this subchapter
13 related to a credit for property taxes due may be given by
14 mailing the notice to the person for whom it is intended,
15 addressed to that person at the address given in the last
16 credit claim form filed by the person pursuant to this
17 subchapter, or if no return has been filed, then to any address
18 obtainable.

19 2. A notice authorized or required under this subchapter
20 related to a reimbursement for rent constituting property taxes
21 paid may be given by mailing the notice to the person for whom
22 it is intended, addressed to that person at the address given
23 in the reimbursement claim form filed by the person pursuant
24 to this subchapter, or if no return has been filed, then to any
25 address obtainable.

26 3. The mailing of the notice is presumptive evidence of the
27 receipt of the notice by the person to whom addressed. Any
28 period of time which is determined according to this subchapter
29 by the giving of notice commences to run from the date of
30 mailing of the notice.

31 Sec. 28. Section 425.31, Code 2020, is amended by striking
32 the section and inserting in lieu thereof the following:

33 **425.31 Appeals.**

34 1. Judicial review of the actions of the director of revenue
35 or the department of revenue under this subchapter may be

1 sought in accordance with the terms of chapter 17A and the
2 rules of the department of revenue.

3 2. Judicial review of the actions of the director of
4 human services or the department of human services under this
5 subchapter may be sought in accordance with the terms of
6 chapter 17A and the rules of the department of human services.

7 3. For cause and upon a showing by the director of revenue
8 or the director of human services, as applicable, that
9 collection of the amount in dispute is in doubt, the court may
10 order the petitioner to file with the clerk a bond for the use
11 of the respondent, with sureties approved by the clerk, equal
12 to the amount appealed from, conditioned that the petitioner
13 shall perform the orders of the court.

14 4. An appeal may be taken by the claimant or the director
15 of revenue or the director of human services, as applicable,
16 to the supreme court of this state irrespective of the amount
17 involved.

18 Sec. 29. Section 425.32, Code 2020, is amended to read as
19 follows:

20 **425.32 Disallowance of certain claims for credit.**

21 A claim for credit for property taxes due shall be disallowed
22 if the department of revenue finds that the claimant or a
23 person of the claimant's household received title to the
24 homestead primarily for the purpose of receiving benefits under
25 this subchapter.

26 Sec. 30. Section 425.33, Code 2020, is amended to read as
27 follows:

28 **425.33 Rent increase — request and order for reduction.**

29 1. If upon petition by a claimant the department of ~~revenue~~
30 human services determines that a landlord has increased the
31 claimant's rent primarily because the claimant is eligible for
32 reimbursement under this subchapter, the department of ~~revenue~~
33 human services shall request the landlord by mail to reduce the
34 rent appropriately.

35 2. In determining whether a landlord has increased a

1 claimant's rent primarily because the claimant is eligible for
2 reimbursement under [this subchapter](#), the department of ~~revenue~~
3 human services shall consider the following factors:

4 a. The amount of the increase in rent.

5 b. If the landlord operates other rental property, whether a
6 similar increase was imposed on the other rental property.

7 c. Increased or decreased costs of materials, supplies,
8 services, and taxes in the area.

9 d. The time the rent was increased.

10 e. Other relevant factors in each particular case.

11 3. If the landlord fails to comply with the request of
12 the department of ~~revenue~~ human services within fifteen days
13 after the request is mailed ~~by the department~~, the department
14 of ~~revenue~~ human services shall order the rent reduced by an
15 appropriate amount.

16 Sec. 31. Section 425.34, Code 2020, is amended to read as
17 follows:

18 **425.34 ~~Hearings~~ Rent increase hearings and appeals.**

19 1. If the department of ~~revenue~~ human services orders a
20 landlord to reduce rent to a claimant, then upon the request
21 of the landlord the department of ~~revenue~~ human services
22 shall hold a prompt hearing of the matter, to be conducted in
23 accordance with the rules of the department. The department
24 of ~~revenue~~ human services shall give notice of the decision by
25 mail to the claimant and to the landlord.

26 2. The claimant and the landlord shall have the rights of
27 appeal and review as provided in [section 425.31](#).

28 Sec. 32. Section 425.37, Code 2020, is amended to read as
29 follows:

30 **425.37 Rules.**

31 The director of revenue and the director of human services
32 shall each adopt rules in accordance with [chapter 17A](#) for the
33 interpretation and proper administration of this subchapter
34 and each department's applicable powers and duties under this
35 subchapter, including rules to prevent and disallow duplication

1 of benefits and to prevent any unreasonable hardship or
2 advantage to any person.

3 Sec. 33. Section 425.39, Code 2020, is amended to read as
4 follows:

5 **425.39 ~~Fund~~ Funds created — ~~appropriation~~ appropriations —**
6 **priority.**

7 1. The elderly and disabled property tax credit and
8 reimbursement fund is created. There is appropriated annually
9 from the general fund of the state to the department of revenue
10 to be credited to the elderly and disabled property tax credit
11 and reimbursement fund, from funds not otherwise appropriated,
12 an amount sufficient to implement **this subchapter** for credits
13 for property taxes due for claimants described in section
14 425.17, subsection 2, paragraph "a", subparagraph (1).

15 2. The elderly and disabled rent reimbursement fund is
16 created. There is appropriated annually from the general fund
17 of the state to the department of human services to be credited
18 to the elderly and disabled rent reimbursement fund, from funds
19 not otherwise appropriated, an amount sufficient to implement
20 this subchapter for reimbursement for rent constituting
21 property taxes paid for claimants described in section 425.17,
22 subsection 2, paragraph "a", subparagraph (1).

23 Sec. 34. Section 425.40, Code 2020, is amended to read as
24 follows:

25 **425.40 Low-income fund created.**

26 1. A low-income tax credit and reimbursement fund is
27 created. Within the low-income tax credit and reimbursement
28 fund, a rent reimbursement account is created under the control
29 of the department of human services and a tax credit account
30 is created under the control of the department of revenue.
31 Amounts appropriated to the fund shall first be credited to the
32 reimbursement account.

33 2. a. If The director of human services shall use amounts
34 credited to the rent reimbursement account for a fiscal year
35 to pay all claims for reimbursement of rent constituting

1 property taxes paid for claimants described in section 425.17,
2 subsection 2, paragraph "a", subparagraph (2). If the amount
3 appropriated for purposes of this section for a fiscal year and
4 credited to the rent reimbursement account is insufficient to
5 pay all claims in full, the director of human services shall
6 ~~pay, in full, all claims to be paid during the fiscal year~~
7 ~~for reimbursement of rent constituting property taxes paid or~~
8 ~~if moneys are insufficient to pay all such claims on a pro~~
9 ~~rata basis. If the amount of claims for credit for property~~
10 ~~taxes due to be paid during the fiscal year exceed the amount~~
11 ~~remaining after payment to renters, the director of revenue~~
12 ~~shall prorate the payments to the counties for the property tax~~
13 ~~credit.~~

14 b. If the amount appropriated for purposes of this section
15 for a fiscal year and credited to the rent reimbursement
16 account exceeds the amount necessary to pay in full all
17 reimbursement claims for the fiscal year, the department
18 of human services shall transfer such excess amount to the
19 department of revenue for deposit in the tax credit account.
20 The department of revenue shall use any amounts credited to the
21 tax credit account for a fiscal year to pay to the counties all
22 claims for credit for property taxes due for the fiscal year,
23 or if such amount is insufficient, to pay to the counties all
24 such claims on a pro rata basis.

25 3. In order for the director of revenue or the director of
26 human services to carry out the requirements of this subsection
27 2, notwithstanding any provision to the contrary in this
28 subchapter, claims for reimbursement for rent constituting
29 property taxes paid filed before May 1 of the fiscal year
30 shall be eligible to be paid in full during the fiscal year
31 and those claims filed on or after May 1 of the fiscal year
32 shall be eligible to be paid during the following fiscal year
33 and the director of revenue is not required to make payments
34 to counties for the property tax credit before June 15 of the
35 fiscal year.

1 The bill provides for the creation of two separate funds
2 in lieu of the elderly and disabled property tax credit and
3 reimbursement fund under current Code section 425.39 and
4 modifies the structure of the low-income fund under Code
5 section 425.40 to include a tax credit account under the
6 control of the department of revenue and a rent reimbursement
7 account under the control of the department of human services.

8 The bill also changes several references to "this chapter"
9 within Code chapter 425, subchapter I, to reflect the
10 provisions' applicability.

11 The bill takes effect upon enactment.

12 Under the bill, the department of revenue will continue
13 to administer that portion of Code chapter 425, subchapter
14 II, relating to claims for reimbursement of rent constituting
15 property taxes paid until the department of human services has
16 adopted rules to assume such administration as provided in the
17 bill, but not later than January 1, 2021.