

**Senate File 2047 - Introduced**

SENATE FILE 2047

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**A BILL FOR**

1 An Act relating to the property tax exemption for property  
2 designated to be a native prairie or wetland and including  
3 effective date and retroactive applicability provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 427.1, subsection 23, paragraph a, Code  
2 2020, is amended to read as follows:

3 a. Application for the exemption shall be made on forms  
4 provided by the department of revenue. Land designated as  
5 a protected wetland shall be assessed at a value equal to  
6 the average value of the land where the wetland is located  
7 and which is owned by the person granted the exemption. The  
8 application forms shall be filed with the assessing authority  
9 not later than the first of February of the year for which the  
10 exemption is requested. The application must be accompanied  
11 by an affidavit signed by the applicant that if the exemption  
12 is granted, the property will not be used for economic gain  
13 during the assessment year in which the exemption is granted.  
14 The receipt of payments required to be made in connection with  
15 a contract, agreement, or easement under the federal wetlands  
16 reserve program, formerly codified at 16 U.S.C. §3837 et seq.,  
17 and as authorized by the federal Agricultural Act of 2014, Pub.  
18 L. No. 113-79, §2703(b), or the receipt of payments under the  
19 federal agricultural conservation easement program established  
20 under the federal Food Security Act of 1985, Tit. XII, subtit.  
21 H, as enacted in the federal Agricultural Act of 2014, Pub.  
22 L. No. 113-79, §2301, and codified at 16 U.S.C. §3865 et  
23 seq., shall not be considered a use for economic gain. If  
24 the property is used for economic gain during the assessment  
25 year in which the exemption is granted, the property shall  
26 lose its tax exemption and shall be taxed at the rate levied  
27 by the county for the fiscal year beginning in that assessment  
28 year. The first annual application shall be accompanied by a  
29 certificate from the department of natural resources stating  
30 that the land is native prairie or protected wetland. The  
31 department of natural resources shall issue a certificate for  
32 the native prairie exemption if the department finds that the  
33 land has never been cultivated, is unimproved, is primarily  
34 a mixture of warm season grasses interspersed with flowering  
35 plants, and meets the other criteria established by the natural

1 resource commission for native prairie. The department of  
2 natural resources shall issue a certificate for the wetland  
3 exemption if the department finds the land is a protected  
4 wetland, as defined under [section 456B.1](#), or if the wetland  
5 was previously drained and cropped but has been restored under  
6 a nonpermanent restoration agreement with the department or  
7 other county, state, or federal agency or private conservation  
8 group. A taxpayer may seek judicial review of a decision of  
9 the department according to [chapter 17A](#). The natural resource  
10 commission shall adopt rules to implement [this subsection](#).

11 Sec. 2. IMPLEMENTATION OF ACT. Section 25B.7 shall  
12 not apply to this Act to the extent of any insufficient  
13 reimbursement of lost tax revenue from exempted protected  
14 wetlands or native prairie under section 427.1, subsection 23.

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

17 Sec. 4. RETROACTIVE APPLICABILITY. This Act applies  
18 retroactively to January 1, 2020, for assessment years  
19 beginning on or after that date.

20 EXPLANATION

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

23 Current Code section 427.1(23) provides a property tax  
24 exemption for land designated as native prairie or land  
25 designated as a protected wetland by the department of natural  
26 resources if the property is not used for economic gain.  
27 This bill specifies that the receipt of payments under the  
28 federal wetlands reserve program or the federal agricultural  
29 conservation easement program shall not be considered a use for  
30 economic gain.

31 Code section 25B.7 provides that for a property tax credit  
32 or exemption enacted on or after January 1, 1997, if a state  
33 appropriation made to fund the credit or exemption is not  
34 sufficient to fully fund the credit or exemption, the political  
35 subdivision shall be required to extend to the taxpayer only

1 that portion of the credit or exemption estimated by the  
2 department of revenue to be funded by the state appropriation.

3 Code section 25B.7 does not apply to the bill insofar  
4 as state reimbursement for lost tax revenue from exempted  
5 protected wetlands or native prairie is insufficient.

6 The bill takes effect upon enactment and applies  
7 retroactively to January 1, 2020, for assessment years  
8 beginning on or after that date.