

Senate File 2083 - Introduced

SENATE FILE 2083

BY R. TAYLOR, CARLIN,
BISIGNANO, LYKAM, GIDDENS,
QUIRMBACH, PETERSEN, J.
SMITH, WAHLS, KINNEY,
DOTZLER, T. TAYLOR, and
BOULTON

A BILL FOR

1 An Act providing a property assessment adjustment and a
2 property tax adjustment for certain property of persons
3 who have attained the age of sixty-five, applying income
4 limitations, providing a penalty, and including retroactive
5 and other applicability provisions.

6 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
5 an adjustment in the assessed value of the homestead or an
6 adjustment of the amount of taxes levied against the homestead,
7 as provided in this chapter, to prevent an increase in the
8 value or an increase in the amount of taxes owed on the
9 homestead.

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

11 As used in this chapter, unless the context otherwise
12 requires:

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

15 2. "*Base assessment year*" means the assessment year
16 beginning during the base year.

17 3. "*Base year*" means the calendar year last ending before
18 the claim is filed.

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

25 5. "*Earned income*" means the same as defined in section 32
26 of the Internal Revenue Code.

27 6. "*Homestead*" means the same as defined in section 425.11.

28 7. "*Owned*" means owned by an owner as defined in section
29 425.11.

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

31 The right to file a claim for an assessed value adjustment
32 under this chapter may be exercised by the claimant or on
33 behalf of a claimant by the claimant's legal guardian, spouse,
34 or attorney, or by the executor or administrator of the
35 claimant's estate. If a claimant dies after having filed a

1 claim for adjustment, the amount of any adjustment shall be
2 made as if the claimant had not died.

3 Sec. 4. NEW SECTION. **425B.4 Claim for adjustment.**

4 1. Subject to the limitations provided in this chapter,
5 a claimant may annually claim an adjustment of the assessed
6 value of the claimant's homestead for the base assessment year.
7 The adjustment claim shall be filed with the county assessor
8 between January 1 and February 15 following the end of the
9 base assessment year. However, in case of sickness, absence,
10 or other disability of the claimant, or if in the judgment of
11 the county assessor good cause exists, the county assessor may
12 extend the time for filing a claim for adjustment through June
13 30 of the same calendar year.

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

18 Sec. 5. NEW SECTION. **425B.5 Adjustment — maximum tax**
19 **dollars levied.**

20 1. If the earned income qualification specified in
21 subsection 2 is met, the assessed value of the claimant's
22 homestead in the base assessment year shall be adjusted, but
23 not increased, to equal the assessed value, as such assessed
24 value may have previously been adjusted pursuant to this
25 chapter, in the assessment year preceding the base assessment
26 year. If the amount of property taxes levied against the
27 adjusted assessment following application of all applicable
28 exemptions and credits exceeds the amount of property taxes
29 levied against the property following application of all
30 applicable exemptions and credits in the fiscal year for which
31 taxes were first levied against an adjusted assessment under
32 this chapter, the treasurer shall subtract and cancel the
33 difference from the amount due.

34 2. A claimant is eligible for an adjustment to the assessed
35 value of the claimant's homestead if the claimant's household

1 earned income is less than eight thousand dollars in the base
2 year.

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

4 The director of revenue shall make available suitable forms
5 for claiming an assessed value adjustment with instructions
6 for claimants. Each assessor and county treasurer shall make
7 available the forms and instructions. The claim shall be in a
8 form as the director may prescribe.

9 Sec. 7. NEW SECTION. **425B.7 Proof of claim.**

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

12 a. Age.

13 b. Changes of homestead.

14 c. Size and nature of the property claimed as the homestead.

15 d. Household earned income.

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

18 Sec. 8. NEW SECTION. **425B.8 Audit — denial.**

19 If on the audit of a claim for adjustment under this
20 chapter, the director of revenue determines the claim is not
21 allowable, the director shall notify the claimant of the denial
22 and the reasons for it. The director shall not deny a claim
23 after three years from October 31 of the year in which the
24 claim was filed. The director shall give notification to the
25 county assessor of the denial of the claim and the county
26 assessor shall instruct the county treasurer to proceed to
27 collect the tax that would have been levied on the applicable
28 adjusted assessed value in the same manner as other property
29 taxes due and payable are collected, if the property on which
30 the adjustment was granted is still owned by the claimant.
31 However, if the claim was incorrectly allowed due to a clerical
32 error, error by a person other than the claimant, or an
33 innocent misrepresentation by or on behalf of the claimant, the
34 proceedings to collect the tax shall be limited to the taxes
35 due and payable in the twelve months immediately preceding the

1 disallowance.

2 Sec. 9. NEW SECTION. **425B.9 Waiver of confidentiality.**

3 1. A claimant shall expressly waive any right to
4 confidentiality relating to all income tax information
5 obtainable through the department of revenue including all
6 information covered by sections 422.20 and 422.72. This waiver
7 shall apply to information available to the county assessor who
8 shall hold the information confidential except that it may be
9 used as evidence to disallow the assessed value adjustment.

10 2. The department of revenue may release information
11 pertaining to a person's eligibility or claim for or receipt of
12 the assessed value adjustment to an employee of the department
13 of inspections and appeals in the employee's official conduct
14 of an audit or investigation.

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

16 A person who makes a false affidavit for the purpose of
17 obtaining an adjustment in assessed value provided for in this
18 chapter or who knowingly receives the adjustment without being
19 legally entitled to it or makes claim for the adjustment in
20 more than one county without being legally entitled to it is
21 guilty of a fraudulent practice. The claim for adjustment
22 shall be disallowed in full and property tax shall be levied
23 on the disallowed adjustment at the rate that would have been
24 levied but for the adjustment. The director of revenue shall
25 send a notice of disallowance of the claim.

26 Sec. 11. NEW SECTION. **425B.11 Notices.**

27 Section 423.39, subsection 1, shall apply to all notices
28 under this chapter.

29 Sec. 12. NEW SECTION. **425B.12 Appeals.**

30 Any person aggrieved by an act or decision of the director
31 of revenue or the department of revenue under this chapter
32 shall have the same rights of appeal and review as provided in
33 section 423.38 and the rules of the department of revenue.

34 Sec. 13. NEW SECTION. **425B.13 Disallowance of certain**
35 **claims.**

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

5 Sec. 14. NEW SECTION. **425B.14 Rules.**

6 The director of revenue shall adopt rules in accordance with
7 chapter 17A for the interpretation and administration of this
8 chapter, including rules to prevent and disallow duplication of
9 benefits and to prevent any unreasonable hardship or advantage
10 to any person.

11 Sec. 15. IMPLEMENTATION. The adjustments to assessed value
12 and property taxes due under this Act shall not be considered
13 an exemption or credit for purposes of section 25B.7.

14 Sec. 16. APPLICABILITY. This Act applies retroactively to
15 January 1, 2020, for assessment years beginning on or after
16 that date and to the filing of claims on or after January 1,
17 2021, for adjustments of assessed values.

18 **EXPLANATION**

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

21 This bill provides for an adjustment in the assessed value of
22 a homestead, as defined in the bill, if the owner is a person
23 who is 65 or older and who has household earned income of less
24 than \$8,000 per year. If the qualifications established in the
25 bill are met, the assessed value of the homestead upon which
26 property taxes are levied in a fiscal year is the same assessed
27 value as for the previous fiscal year. The bill specifies
28 that assessed value is that value prior to any rollback being
29 applied.

30 The bill further provides that if the amount of property
31 taxes levied against the adjusted assessment following
32 application of all applicable exemptions and credits exceeds
33 the amount of property taxes levied against the property in
34 the fiscal year for which taxes were first levied against an
35 adjusted assessment under the bill, the county treasurer is

1 required to subtract and cancel such difference from the amount
2 due.

3 The bill provides that a person who makes a false affidavit
4 for the purpose of obtaining an adjustment, knowingly receives
5 the adjustment without being legally entitled to it, or makes
6 claim for the adjustment in more than one county without being
7 legally entitled to it is guilty of a fraudulent practice and
8 is subject to a criminal penalty.

9 The adjustments provided for in the bill shall not be
10 considered an exemption or credit for purposes of Code section
11 25B.7.

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