

Senate File 633 - Introduced

SENATE FILE 633

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 1150)

A BILL FOR

1 An Act relating to the assessment of certain subdivided real
2 property and including applicability provisions.

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

1 Section 1. Section 441.72, Code 2019, is amended to read as
2 follows:

3 **441.72 Assessment of platted lots and subdivided property.**

4 1. ~~Except as provided in subsection 2,~~ when When a
5 subdivision plat is recorded pursuant to chapter 354, the
6 individual lots within the subdivision plat shall ~~not be~~
7 ~~assessed in excess of the total assessment of the land as~~
8 ~~acreage or unimproved property for five years after the~~
9 ~~recording of the plat or~~ continue to be assessed for taxation
10 in the manner that they were prior to subdivision and shall not
11 be assessed in excess of either the total assessment of the
12 land as acreage or unimproved property or the total assessment
13 under the lot's use prior to subdivision, as applicable, until
14 the lot is actually improved with permanent construction,
15 ~~whichever occurs first.~~ When an individual lot has been
16 improved with permanent construction, the lot shall be assessed
17 for taxation purposes as provided in chapter 428 and this
18 chapter.

19 2. ~~For subdivision plats recorded pursuant to chapter~~
20 ~~354 on or after January 1, 2004, but before January 1, 2011,~~
21 ~~the individual lots within the subdivision plat shall not~~
22 ~~be assessed in excess of the total assessment of the land~~
23 ~~as acreage or unimproved property for eight years after the~~
24 ~~recording of the plat or until the lot is actually improved~~
25 ~~with permanent construction, whichever occurs first.~~ When an
26 individual lot has been improved with permanent construction,
27 the lot shall be assessed for taxation purposes as provided in
28 chapter 428 and this chapter.

29 3. 2. This section does not apply to special assessment
30 levies.

31 Sec. 2. REPEAL. Section 405.1, Code 2019, is repealed.

32 Sec. 3. IMPLEMENTATION.

33 1. This Act shall not be construed to require the refund
34 or modification of property taxes that are attributable to
35 assessment years beginning before January 1, 2020, or the

1 adjustment of property assessments for assessment years
2 beginning before January 1, 2020.

3 2. Ordinances adopted under section 405.1 in effect on the
4 effective date of this Act shall be invalid for purposes of
5 assessment years beginning on or after January 1, 2020.

6 Sec. 4. APPLICABILITY. This Act applies to assessment years
7 beginning on or after January 1, 2020.

8 EXPLANATION

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

11 This bill relates to the assessment of certain subdivided
12 real property.

13 The bill repeals Code section 405.1, which authorizes a
14 county board of supervisors to adopt an ordinance providing
15 that property acquired and subdivided for development of
16 housing shall continue to be assessed for taxation in the
17 manner that it was prior to the acquisition for housing until
18 the lot is sold for construction or occupancy of housing or
19 five years from the date of subdivision, whichever is shorter.
20 Code section 405.1 also authorizes time extensions of certain
21 ordinances that affect the assessment of property subdivided
22 for development of housing and authorizes the time extensions
23 of certain ordinances by counties and by cities in the portion
24 of the applicable area located in the incorporated area of
25 the city. Additionally, the Code section authorizes cities
26 and counties to adopt, amend, or extend such ordinances and
27 provides that property acquired and subdivided for development
28 of housing shall continue to be assessed for taxation and taxed
29 in the manner it was prior to its acquisition for housing until
30 the lot is sold for construction or occupancy of housing.

31 Code section 441.72 provides that a platted lot for which
32 a subdivision plat was recorded is assessed for property tax
33 purposes as acreage or unimproved property for five years or
34 until the lot is actually improved with permanent construction,
35 whichever occurs first. However, for subdivision plats

1 recorded on or after January 1, 2004, but before January 1,
2 2011, the time limit is eight years.

3 The bill strikes the portions of Code section 441.72
4 relating to the five-year limitation and the eight-year
5 limitation and provides that when a subdivision plat is
6 recorded, the individual lots within the subdivision plat
7 shall continue to be assessed for taxation in the manner that
8 they were prior to subdivision and shall not be assessed in
9 excess of either the total assessment of the land as acreage or
10 unimproved property or the total assessment under the lot's use
11 prior to subdivision, as applicable, until the lot is actually
12 improved with permanent construction.

13 The bill shall not be construed to require the refund
14 or modification of property taxes that are attributable to
15 assessment years beginning before January 1, 2020, or the
16 adjustment of property assessments for assessment years
17 beginning before January 1, 2020. The bill also provides that
18 local ordinances adopted under existing Code section 405.1
19 in effect on the effective date of the bill are invalid for
20 purposes of assessment years beginning on or after January 1,
21 2020.

22 The bill applies to assessment years beginning on or after
23 January 1, 2020.