

Senate File 15 - Introduced

SENATE FILE 15

BY ZAUN

A BILL FOR

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

5 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 an
5 adjustment in the assessed value of their homesteads, as
6 provided in this chapter, to prevent an increase in such
7 values.

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

9 As used in this chapter, unless the context otherwise
10 requires:

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

13 2. "*Base assessment year*" means the assessment year
14 beginning in the base year.

15 3. "*Base year*" means the calendar year last ending before
16 the claim is filed.

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

23 5. "*Homestead*" means the dwelling owned and actually used
24 as a home by the claimant during any part of the base year
25 and so much of the land surrounding it, including one or more
26 contiguous lots or tracts of land, as is reasonably necessary
27 for use of the dwelling as a home, and may consist of a part
28 of a multidwelling or multipurpose building and a part of the
29 land upon which it is built. It does not include personal
30 property except that a manufactured or mobile home may be
31 a homestead. Any dwelling or a part of a multidwelling or
32 multipurpose building which is exempt from taxation does not
33 qualify as a homestead under this chapter. A homestead must
34 be located in this state. When a person is confined in a
35 nursing home, extended-care facility, or hospital, the person

1 shall be considered as occupying or living in the person's
2 homestead if the person is the owner of the homestead and the
3 person maintains the homestead and does not lease, rent, or
4 otherwise receive profits from other persons for the use of the
5 homestead.

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

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

9 The right to file a claim for an assessed value adjustment
10 under this chapter may be exercised by the claimant or on
11 behalf of a claimant by the claimant's legal guardian, spouse,
12 or attorney, or by the executor or administrator of the
13 claimant's estate. If a claimant dies after having filed a
14 claim for adjustment, the amount of any adjustment shall be
15 made as if the claimant had not died.

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

17 1. Subject to the limitations provided in this chapter,
18 a claimant may annually claim an adjustment of the assessed
19 value of the claimant's homestead for the base assessment year.
20 The adjustment claim shall be filed with the county assessor
21 between January 1 and February 15 immediately following
22 the close of the base assessment year. However, in case of
23 sickness, absence, or other disability of the claimant, or
24 if in the judgment of the county assessor good cause exists,
25 the county assessor may extend the time for filing a claim for
26 adjustment through June 30 of the same calendar year.

27 2. The county assessor shall notify the department of
28 revenue by March 1 of the number of claimants receiving
29 adjustments under this chapter and the total amount of the
30 reduced assessed values for the base assessment year.

31 Sec. 5. NEW SECTION. **425B.5 Adjustment — maximum tax**
32 **dollars levied.**

33 If the claimant's assessed value in the base assessment year
34 prior to an adjustment under this chapter is less than one
35 hundred fifty thousand dollars or if the claimant's assessed

1 value for the assessment year preceding the base assessment
2 year, if adjusted under this chapter, is less than one hundred
3 fifty thousand dollars, the assessed value of the claimant's
4 homestead in the base assessment year shall be adjusted, but
5 not increased, to equal the assessed value, as such assessed
6 value may have been adjusted pursuant to this chapter, in
7 the assessment year preceding the base assessment year. If
8 the amount of property taxes levied against the adjusted
9 assessment exceeds the amount of property taxes levied against
10 the property in the fiscal year for which taxes were first
11 levied against an adjusted assessment under this chapter, the
12 treasurer shall subtract the difference from the amount due.

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

14 The director of revenue shall make available suitable forms
15 for claiming an assessed value adjustment with instructions
16 for claimants. Each assessor and county treasurer shall make
17 available the forms and instructions. The claim shall be in a
18 form as the director may prescribe.

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

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

22 a. Age.

23 b. Changes of homestead.

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

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

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

28 If on the audit of a claim for adjustment under this chapter,
29 the director of revenue determines the claim is not allowable,
30 the director shall notify the claimant of the denial and the
31 reasons for it. The director shall not deny a claim after
32 three years from October 31 of the year in which the claim was
33 filed. The director shall give notification to the county
34 assessor of the denial of the claim and the county assessor
35 shall instruct the county treasurer to proceed to collect the

1 tax that would have been levied on the applicable adjusted
2 assessed value in the same manner as other property taxes
3 due and payable are collected, if the property on which the
4 adjustment was granted is still owned by the claimant.

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

6 1. A claimant shall expressly waive any right to
7 confidentiality relating to all information available to the
8 county assessor who shall hold the information confidential
9 except that it may be used as evidence to disallow the assessed
10 value adjustment.

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

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

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

27 Sec. 11. NEW SECTION. **425B.11 Notices, appeals, and**
28 **rules.**

29 To the extent not otherwise contrary to the provisions of
30 this chapter:

31 1. Section 423.39, subsection 1, shall apply to all notices
32 under this chapter.

33 2. Any person aggrieved by an act or decision of the
34 director of revenue or the department of revenue under this
35 chapter shall have the same rights of appeal and review as

1 provided in section 423.38 and the rules of the department of
2 revenue.

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

7 4. The department of revenue shall adopt rules pursuant to
8 chapter 17A to administer and interpret this chapter, including
9 rules to prevent and disallow duplication of benefits and to
10 prevent any unreasonable hardship or advantage to any person.

11 Sec. 12. APPLICABILITY. This Act applies retroactively to
12 January 1, 2021, for assessment years beginning on or after
13 that date and to the filing of claims on or after January 1,
14 2022, for adjustments of assessed values.

15

EXPLANATION

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

18 This bill provides for an adjustment in the assessed value
19 of a homestead, as defined in the bill, if the owner is a
20 person who is 65 or older. The bill also limits the adjustment
21 in assessed value to homesteads that have certain assessed
22 valuations of less than \$150,000. If those qualifications are
23 met, the assessed value of the homestead upon which property
24 taxes are levied in a fiscal year is the same assessed value as
25 for the previous fiscal year. The bill specifies that assessed
26 value is the actual value prior to any rollback being applied.

27 The bill provides that a person who makes a false affidavit
28 for the purpose of obtaining an adjustment, knowingly receives
29 the adjustment without being legally entitled to it, or makes
30 claim for the adjustment in more than one county without being
31 legally entitled to it is guilty of a fraudulent practice and
32 is subject to a criminal penalty.

33 The bill applies retroactively to January 1, 2021, for
34 assessment years beginning on or after that date and applies to
35 claims filed on or after January 1, 2022, for the adjustments.