

House File 2093 - Introduced

HOUSE FILE 2093

BY FRY

A BILL FOR

1 An Act authorizing county boards of supervisors to determine
2 whether the county permits forest and fruit-tree reservation
3 tax exemptions.

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

1 Section 1. Section 427C.1, Code 2024, is amended to read as
2 follows:

3 **427C.1 Tax exemption.**

4 Any Subject to the provisions of section 427C.14, any person
5 who establishes a forest or fruit-tree reservation as provided
6 in **this chapter** shall be entitled to the tax exemption provided
7 by law.

8 Sec. 2. Section 427C.2, Code 2024, is amended to read as
9 follows:

10 **427C.2 Reservations.**

11 On any tract of land in the state of Iowa, the owner or
12 owners may select a permanent, subject to section 427C.14,
13 forest reservation or reservations, each not less than two
14 acres in continuous area, or a fruit-tree reservation or
15 reservations, not less than one nor more than ten acres in
16 total area, or both, and upon compliance with the provisions
17 of **this chapter**, such owner or owners shall be entitled to the
18 benefits provided by law.

19 Sec. 3. Section 427C.7, Code 2024, is amended to read as
20 follows:

21 **427C.7 Fruit-tree reservation — duration of exemption.**

22 A fruit-tree reservation shall contain on each acre,
23 at least forty apple trees, or seventy other fruit trees,
24 growing under proper care and annually pruned and sprayed. A
25 reservation may be claimed as a fruit-tree reservation, under
26 **this chapter**, for a period of eight years, subject to section
27 427C.14, after planting provided application is made or on file
28 on or before February 1 of the exemption year.

29 Sec. 4. Section 427C.12, Code 2024, is amended to read as
30 follows:

31 **427C.12 Application — inspection — continuation of**
32 **exemption — recapture of tax.**

33 1. It shall be the duty of the assessor to secure the facts
34 relative to fruit-tree and forest reservations by taking the
35 sworn statement, or affirmation, of the owner or owners making

1 application under [this chapter](#); and to make special report to
2 the county auditor of all reservations made in the county under
3 the provisions of [this chapter](#).

4 2. a. The board of supervisors shall designate the county
5 conservation board or the assessor who shall inspect the area
6 for which an application is filed for a fruit-tree or forest
7 reservation tax exemption before the application is accepted.

8 b. Use of aerial photographs may be substituted for on-site
9 inspection when appropriate.

10 c. The application can only be accepted if it meets the
11 criteria established by the natural resource commission to be a
12 fruit-tree or forest reservation.

13 3. Once the application has been accepted, and subject to
14 section 427C.14, the area shall continue to receive the tax
15 exemption during each year in which the area is maintained as a
16 fruit-tree or forest reservation without the owner having to
17 refile.

18 4. If the property is sold or transferred, the seller shall
19 notify the buyer that all, or part of, the property is in
20 fruit-tree or forest reservation and subject to the recapture
21 tax provisions of [this section](#).

22 5. The tax exemption shall continue to be granted for the
23 remainder of the eight-year period for fruit-tree reservation
24 and for the following years for forest reservation or until
25 the property no longer qualifies as a fruit-tree or forest
26 reservation.

27 6. a. The area may be inspected each year by the county
28 conservation board or the assessor to determine if the area is
29 maintained as a fruit-tree or forest reservation.

30 b. If the area is not maintained or is used for economic
31 gain other than as a fruit-tree reservation during any year of
32 the eight-year exemption period and any year of the following
33 five years or as a forest reservation during any year for which
34 the exemption is granted and any of the five years following
35 those exemption years, the assessor shall assess the property

1 for taxation at its fair market value as of January 1 of that
2 year and in addition the area shall be subject to a recapture
3 tax. ~~However, the~~

4 c. The area shall not be subject to the recapture tax if the
5 owner, including one possessing under a contract of sale, and
6 the owner's direct antecedents or descendants have owned the
7 area for more than ten years.

8 7. a. The tax due after a county conservation board or
9 assessor determines, pursuant to subsection 6, paragraph "b",
10 that an area is no longer entitled to an exemption shall be
11 computed by multiplying the consolidated levy for each of those
12 years, if any, of the five preceding years for which the area
13 received the exemption for fruit-tree or forest reservation
14 times the assessed value of the area that would have been taxed
15 but for the tax exemption.

16 b. This tax shall be entered against the property on the tax
17 list for the current year and shall constitute a lien against
18 the property in the same manner as a lien for property taxes.

19 c. The tax when collected shall be apportioned in the manner
20 provided for the apportionment of the property taxes for the
21 applicable tax year.

22 Sec. 5. Section 427C.13, Code 2024, is amended to read as
23 follows:

24 **427C.13 Report to department of natural resources.**

25 The county assessor shall keep a record of all forest and
26 fruit-tree reservations in the county and submit a report of
27 the reservations to the department of natural resources not
28 later than June 15 of each year. This section shall not apply
29 to counties which have an ordinance passed pursuant to section
30 427C.14, subsection 1, in effect.

31 Sec. 6. NEW SECTION. **427C.14 Availability of exemptions**
32 **within county.**

33 1. A county board of supervisors may discontinue exemptions
34 pursuant to this chapter in the county by ordinance.

35 2. Areas within a county designated as a forest or

1 fruit-tree reservation pursuant to this chapter prior to the
2 passage of such an ordinance shall no longer be designated as a
3 forest or fruit-tree reservation on January 1 of the assessment
4 year after passage of the ordinance.

5 3. An application for an exemption pursuant to this chapter
6 that has not been processed by January 1 of the assessment
7 year after the passage of an ordinance pursuant to subsection
8 1 shall be disallowed.

9 4. *a.* If a county previously passed an ordinance pursuant
10 to subsection 1, the board may reinstate exemptions pursuant
11 to this chapter by ordinance.

12 *b.* An owner of an area previously designated as a forest or
13 fruit-tree reservation shall be required to reapply in order to
14 receive a forest or fruit-tree reservation exemption upon the
15 passage of an ordinance pursuant to this subsection.

16 EXPLANATION

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

19 This bill authorizes county boards of supervisors (boards)
20 to determine whether the boards' respective county permits
21 forest and fruit-tree reservation tax exemptions.

22 The bill allows a board to discontinue any exemptions for
23 establishing a forest or fruit-tree reservation by ordinance.

24 The bill removes all designations of areas within a county
25 as a forest or fruit-tree reservation on January 1 of the
26 assessment year following the passage of an ordinance to
27 discontinue forest or fruit-tree reservation exemptions in the
28 county.

29 The bill disallows any applications which have not yet been
30 processed for a forest or fruit-tree reservation exemption upon
31 January 1 of the assessment year following the passage of an
32 ordinance to discontinue forest and fruit-tree reservation
33 exemptions.

34 The bill allows a board to reinstate forest and fruit-tree
35 reservation exemptions by ordinance. An owner of an area

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1 previously designated as a forest or fruit-tree reservation
2 must reapply in order to receive a forest or fruit-tree
3 reservation exemption upon the passage of an ordinance
4 reinstating forest and fruit-tree reservation exemptions.
5 The bill makes conforming changes.