

House File 2419 - Introduced

HOUSE FILE 2419

BY JACOBY

A BILL FOR

1 An Act modifying the calculation to determine the percentage
2 of actual value at which agricultural and residential
3 properties are taxed, and including applicability
4 provisions.

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

1 Section 1. Section 441.21, subsection 4, paragraph a,
2 subparagraph (2), Code 2024, is amended by striking the
3 subparagraph.

4 Sec. 2. Section 441.21, subsection 4, paragraph c,
5 subparagraph (2), Code 2024, is amended to read as follows:

6 (2) For valuations established as of January 1, 2013, and
7 each assessment year thereafter, the percentage of actual
8 value as equalized by the department of revenue as provided in
9 section 441.49 at which agricultural and residential property
10 shall be assessed shall be calculated in accordance with the
11 methods provided in **this subsection**, ~~including the limitation~~
12 ~~of increases in agricultural and residential assessed values to~~
13 ~~the percentage increase of the other class of property if the~~
14 ~~other class increases less than the allowable limit adjusted~~
15 ~~to include the applicable and current values as equalized by~~
16 ~~the department of revenue~~, except that any references to six
17 percent in **this subsection** shall be three percent.

18 Sec. 3. APPLICABILITY. This Act applies to assessment years
19 beginning on or after January 1, 2025.

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 Under current law, calculations of the percentage of actual
24 value at which agricultural and residential property are
25 assessed for taxation are based on several factors. One such
26 factor is the percentage of growth in each class of property.
27 Under current law, the amount of growth that may be used to
28 calculate the taxable percentage of each class of property is
29 limited to the amount of growth of whichever class of property
30 had less growth in the previous year if at least one class of
31 property had less than 3 percent growth.

32 This bill removes the limitation that residential property
33 growth and agricultural property growth may only be calculated
34 based on whichever class of property had lower growth. Both
35 classes of property are still subject to the limitation that

H.F. 2419

1 growth for that class of property cannot exceed 3 percent in
2 an assessment year.

3 The bill applies to assessment years beginning on or after
4 January 1, 2025.