

House File 1013 - Introduced

HOUSE FILE 1013
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 565)

A BILL FOR

1 An Act establishing a partial exemption on property taxes for
2 certain residential properties sold in disaster areas.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 427.1, Code 2025, is amended by adding the
2 following new subsection:

3 NEW SUBSECTION. 43. *Residential property acquired from*
4 *United States department of housing and urban development.*

5 a. A residential property sold by the United States
6 department of housing and urban development to an owner who
7 is occupying the residential property as a homestead shall be
8 partially exempt from taxation if the sale was to provide housing
9 to individuals following a major disaster or disaster emergency
10 and the residential property was located in the major disaster
11 area declared by the president of the United States or the
12 disaster emergency area for which the governor has proclaimed a
13 state of disaster emergency. The exemption is for a period of
14 four assessment years. The amount of the partial exemption is
15 equal to a percent of the actual value, determined as follows:

16 (1) For the first full assessment year occurring after the
17 sale, eighty percent.

18 (2) For the second full assessment year occurring after the
19 sale, sixty percent.

20 (3) For the third full assessment year occurring after the
21 sale, forty percent.

22 (4) For the fourth full assessment year occurring after the
23 sale, twenty percent.

24 b. For purposes of this subsection:

25 (1) "Homestead" means a dwelling house in which the owner,
26 acting in good faith, is occupying or plans to occupy, as a home
27 for at least six months during a calendar year.

28 (2) "Owner" means the same as defined in section 425.11.

29 **EXPLANATION**

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

32 A residential property sold by the United States department of
33 housing and urban development (HUD) to an owner who is occupying
34 the residential property as a homestead shall be partially
35 exempt from taxation if the sale was to provide housing to

1 individuals following a major disaster or disaster emergency and
2 the residential property was located in the major disaster or
3 disaster emergency area. The exemption is for a four-year period
4 beginning with the first full assessment year after the sale.
5 This bill provides an 80 percent exemption on the actual value in
6 the first assessment year, a 60 percent in the second year, a 40
7 percent in the third year, a 20 percent in the fourth year, and
8 the exemption expires in the fifth year.

9 The bill defines "owner" and "homestead".

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