

House File 2341 - Introduced

HOUSE FILE 2341
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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 2026, 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. A*
5 *residential property sold by the United States department of*
6 *housing and urban development to an owner who is receiving the*
7 *homestead tax credit under section 425.1 on the residential*
8 *property shall be partially exempt from taxation if the sale was*
9 *to provide housing to individuals following a major disaster or*
10 *disaster emergency and the residential property was located in*
11 *the major disaster area declared by the president of the United*
12 *States or the disaster emergency area for which the governor has*
13 *proclaimed a state of disaster emergency. The exemption is for*
14 *a period of four assessment years. The amount of the partial*
15 *exemption is equal to a percent of the actual value, determined*
16 *as follows:*

17 a. For the first full assessment year occurring after the
18 sale, eighty percent.

19 b. For the second full assessment year occurring after the
20 sale, sixty percent.

21 c. For the third full assessment year occurring after the
22 sale, forty percent.

23 d. For the fourth full assessment year occurring after the
24 sale, twenty percent.

25 EXPLANATION

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

28 A residential property sold by the United States department of
29 housing and urban development (HUD) to an owner who is receiving
30 the homestead tax credit on the residential property shall be
31 partially exempt from taxation if the sale was to provide housing
32 to individuals following a major disaster or disaster emergency
33 and the residential property was located in the major disaster or
34 disaster emergency area. The exemption is for a four-year period
35 beginning with the first full assessment year after the sale.

H.F. 2341

1 This bill provides an 80 percent exemption on the actual value in
2 the first assessment year, a 60 percent in the second year, a 40
3 percent in the third year, a 20 percent in the fourth year, and
4 the exemption expires in the fifth year.

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