

Senate Study Bill 1180 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
LOCAL GOVERNMENT BILL BY
CHAIRPERSON WEBSTER)

A BILL FOR

- 1 An Act relating to the assessment of certain development
- 2 property, and including effective date and retroactive
- 3 applicability provisions.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 441.72, Code 2025, is amended to read as
2 follows:

3 **441.72 Assessment of ~~platted lots~~ development property.**

4 1. a. ~~Except as provided in subsection 2, when a subdivision~~
5 ~~plat is recorded pursuant to chapter 354, the individual lots~~
6 ~~within the subdivision plat shall not be assessed in excess~~
7 ~~of the total assessment of the land as acreage or unimproved~~
8 ~~property for five years after the recording of the plat or~~
9 ~~until the lot is actually improved with permanent construction,~~
10 ~~whichever occurs first. When an individual lot has been improved~~
11 ~~with permanent construction, the lot shall be assessed for~~
12 ~~taxation purposes as provided in chapter 428 and this chapter.~~
13 Property acquired for development on or after January 1, 2020, or
14 property owned for development upon which development activities
15 occur on or after January 1, 2020, shall continue to be
16 classified and assessed for taxation in the manner the property
17 was prior to the acquisition or commencement of development
18 activities. The assessor shall not change the classification
19 or assessment of the property or a lot on the property while
20 development is occurring until the property or lot is improved
21 with a new permanent structure, sold, or five years have elapsed
22 from the date the subdivision plat is recorded pursuant to
23 chapter 354, if applicable. Upon the occurrence of one or more
24 such events, the property or lot shall be assessed for taxation
25 purposes as provided in chapter 428 and this chapter.

26 b. As used in this subsection, "development" means any of the
27 following:

28 (1) A reconstruction, alteration of the size or material
29 change in the external appearance of an existing structure on a
30 lot.

31 (2) A change in the intensity of the use of lots or a change
32 in zoning, including an increase in the number of dwelling units
33 in an existing structure, or further subdividing the lots to
34 increase the number of dwelling units, commercial structures,
35 manufacturing establishments, or offices.

1 sold for construction or occupancy of housing or five years from
2 the date of subdivision, whichever is shorter. Code section
3 405.1 also authorizes time extensions of certain ordinances that
4 affect the assessment of property subdivided for development of
5 housing and authorizes the time extensions of certain ordinances
6 by counties and by cities in the portion of the applicable area
7 located in the incorporated area of the city. Additionally,
8 the Code section authorizes cities and counties to adopt, amend,
9 or extend such ordinances and provides that property acquired
10 and subdivided for development of housing shall continue to be
11 assessed for taxation and taxed in the manner it was prior to its
12 acquisition for housing until the lot is sold for construction or
13 occupancy of housing.

14 Code section 441.72 provides that a platted lot for which
15 a subdivision plat was recorded is assessed for property tax
16 purposes as acreage or unimproved property for five years or
17 until the lot is actually improved with permanent construction,
18 whichever occurs first. However, for subdivision plats recorded
19 on or after January 1, 2004, but before January 1, 2011, the time
20 limit is eight years.

21 The bill strikes the portions of Code section 441.72 relating
22 to the five-year limitation and the eight-year limitation and
23 provides that property acquired for development on or after
24 January 1, 2020, or property owned for development upon which
25 development activities occur on or after January 1, 2020, shall
26 continue to be classified and assessed for taxation in the manner
27 the property was prior to the acquisition or commencement of
28 development activities. The bill specifies the assessor shall
29 not change the classification or assessment until the property
30 or lot is improved with a new permanent structure, sold, or five
31 years have elapsed since the subdivision plat was recorded, if
32 applicable.

33 The bill defines "development" to include reconstruction,
34 zoning changes, clearing lots, depositing fill dirt, and
35 installing streets and public utilities on the lots.

S.F. _____

1 The bill specifies nothing shall be construed to require the
2 refund or modification of property taxes that are attributable
3 to assessment years beginning before January 1, 2025, or the
4 adjustment of property assessments for assessment years beginning
5 before January 1, 2025.

6 The bill takes effect upon enactment and applies retroactively
7 to assessment years beginning on or after January 1, 2025.

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