

Senate Study Bill 3019 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
JUDICIARY BILL BY CHAIRPERSON
SCHULTZ)

A BILL FOR

- 1 An Act relating to real estate transfer tax, including
- 2 declarations of value.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 428A.1, subsection 2, Code 2026, is
2 amended to read as follows:

3 2. When each deed, instrument, or writing by which any real
4 property in this state is granted, assigned, transferred, or
5 otherwise conveyed is presented for recording to the county
6 recorder, a declaration of value signed by at least one of the
7 sellers or one of the buyers or their agents shall be submitted
8 to the county recorder. However, if the deed, instrument, or
9 writing contains multiple parcels some of which are located in
10 more than one county, separate declarations of value shall be
11 submitted on the parcels located in each county and submitted
12 to the county recorder of that county when paying the tax as
13 provided in section 428A.5. A declaration of value is not
14 required for those instruments described in section 428A.2,
15 subsections 2 through 5, and 7 through 13, ~~and 16 through 21~~
16 22, or described in section 428A.2, subsection 6, except in the
17 case of a federal agency or instrumentality, or if a transfer
18 is the result of acquisition of lands, whether by contract or
19 condemnation, for public purposes through an exercise of the
20 power of eminent domain.

21 EXPLANATION

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

24 This bill relates to real estate transfer tax, including
25 declarations of value.

26 A real estate transfer tax is imposed on deeds, instruments,
27 or writings when land, tenements, or other real property are
28 granted, assigned, transferred, or otherwise conveyed, except in
29 certain circumstances specified in Code section 428A.2. When a
30 deed, instrument, or writing conveys real property, a declaration
31 of value must be submitted to the county recorder.

32 Under current law, a declaration of value is not required
33 for certain instruments that are not subject to a real estate
34 transfer tax. The bill expands the categories of instruments
35 exempt from the declaration of value requirement to include

1 the following: (1) instruments of transfer made or delivered
2 as a result of a corporate or limited liability company
3 merger, consolidation, or reorganization; (2) deeds between a
4 family corporation, partnership, limited liability partnership,
5 or limited liability company and its stockholders, partners,
6 or members for the purpose of transferring real property in
7 an incorporation or corporate dissolution or the organization
8 or dissolution of a partnership, limited partnership, limited
9 liability partnership, or limited liability company, when the
10 deeds are given for no actual consideration other than shares
11 or debt securities of the entity; and (3) deeds transferring
12 distributions of trust assets to beneficiaries when conveyed
13 without consideration.

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