

Senate File 633 - Reprinted

SENATE FILE 633
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 219)

(As Amended and Passed by the Senate May 13, 2025)

A BILL FOR

1 An Act relating to forest and fruit-tree reservations by
2 establishing a program fee and including contingent effective
3 date provisions.

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

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1 Section 1. NEW SECTION. **427C.14 Program fee.**

2 1. a. For each assessment year beginning on or after January
3 1, 2026, each acre of forest and fruit-tree reservation that
4 is exempt from tax pursuant to this chapter shall be subject
5 to a program fee to be paid no later than September 1 of each
6 assessment year to the county treasurer of the county where the
7 forest or fruit-tree reservation is located to be deposited into
8 the county general fund.

9 b. (1) Amounts collected by the county that are due on
10 September 1, 2026, and due on September 1, 2027, may be used for
11 any county general fund purpose.

12 (2) Amounts collected by a county that are due on or after
13 September 1, 2028, shall be used for property tax relief for
14 fiscal years beginning on or after July 1, 2029, including,
15 for counties subject to section 331.423, subsection 1, paragraph
16 "d", subparagraph (2), as enacted in 2025 Iowa Acts, Senate File
17 651, an adjustment to the calculation of the county's authorized
18 levy rate for general county services under section 331.423,
19 subsection 1, paragraph "d", subparagraph (2), subparagraph
20 division (a), as enacted in 2025 Iowa Acts, Senate File 651.

21 2. Fee rates shall be in the following amounts:

22 a. Subject to paragraph "c", for forest and fruit-tree
23 reservations located in the county where at least one of the
24 owners of the forest or fruit-tree reservation maintains a
25 homestead, as defined in section 425.11, two dollars per acre,
26 as adjusted pursuant to subsection 4.

27 b. Subject to paragraph "c", for forest and fruit-tree
28 reservations not subject to paragraph "a" and located in a county
29 that is contiguous to the county where at least one of the owners
30 of the forest or fruit-tree reservation maintains a homestead, as
31 defined in section 425.11, three dollars per acre, as adjusted
32 pursuant to subsection 4.

33 c. (1) For forest and fruit-tree reservations not described
34 by paragraph "a" or "b", and forest and fruit-tree reservations
35 located inside the corporate limits of a city, a rate per acre

1 equal to the product of the average property taxes due per acre
2 of agricultural property in the county with the most acres of
3 land subject to an exemption under this chapter for the most
4 recently available assessment year multiplied by the quotient
5 of thirteen divided by the average corn suitability rating for
6 agricultural property located in the county with the most acres
7 of property subject to an exemption under this chapter.

8 (2) The department of management shall make all calculations
9 necessary to determine the fee rate in subparagraph (1) and
10 transmit the rate to each county treasurer no later than July 1
11 of each year.

12 3. For purposes of this section:

13 a. "Annual inflation factor" means an index, expressed as
14 a percentage, determined by the department of management based
15 upon the consumer price index for all urban consumers for
16 the twelve-month period ending six months prior to January 1
17 of the assessment year for which the factor is determined.
18 In determining the annual inflation factor, the department of
19 management shall use the annual percent change, but not less
20 than zero percent, in the consumer price index for all urban
21 consumers in the applicable twelve-month period and shall add
22 all of that percent change to one hundred percent. The annual
23 inflation factor and the cumulative inflation factor shall each
24 be expressed as a percentage rounded to the nearest one-tenth
25 of one percent. The annual inflation factor shall not be less
26 than one hundred percent. The annual inflation factor for
27 the assessment year beginning January 1, 2026, is one hundred
28 percent.

29 b. "Cumulative inflation factor" means the product of the
30 annual inflation factor for the assessment year beginning on
31 January 1, 2027, and all annual inflation factors for subsequent
32 assessment years as determined pursuant to this subsection.
33 The cumulative inflation factor applies to all assessment years
34 beginning on or after January 1 of the assessment year for which
35 the latest annual inflation factor has been determined pursuant

1 to paragraph "a".

2 4. For each assessment year beginning on or after January 1,
3 2027, the department of management shall multiply the adjusted
4 fee amount, if applicable, set forth in subsection 2, paragraphs
5 "a" and "b", by the cumulative inflation factor, and shall round
6 off the resulting product to the nearest cent. The resulting
7 factor shall be the fee rate used in subsection 2, paragraphs
8 "a" and "b", for the applicable assessment year. However, the
9 fee rate in subsection 2, paragraphs "a" and "b", including any
10 adjusted fee amount calculated under this subsection, shall not
11 exceed the fee rate calculated under subsection 2, paragraph
12 "c", used during the same assessment year. The department of
13 management shall transmit the fee rate as adjusted pursuant to
14 this subsection, if applicable, to the county treasurer no later
15 than July 1 of each year.

16 Sec. 2. Section 331.423, subsection 1, paragraph d,
17 subparagraph (2), subparagraph division (a), as enacted by 2025
18 Iowa Acts, Senate File 651, section 3, is amended to read as
19 follows:

20 (a) If the total assessed value, excluding value attributable
21 to new valuation, used to calculate taxes for general county
22 services under this subsection 1 for the budget year is equal
23 to or exceeds one hundred two percent of the total assessed
24 value used to calculate taxes for general county services for the
25 current fiscal year, the levy rate imposed under this subsection
26 1 shall not exceed a levy rate per one thousand dollars of
27 assessed value that is equal to one thousand multiplied by
28 the quotient obtained by dividing the product of the budget
29 adjustment factor multiplied by the remainder of current fiscal
30 year's actual property tax dollars certified for levy under
31 this subsection 1 minus, for fiscal years beginning on or after
32 July 1, 2029, the amount of fees collected by the county under
33 section 427C.14 due by September 1 preceding the budget year
34 by the remainder of the total assessed value used to calculate
35 such taxes for the budget year minus value attributable to new

1 valuation.

2 Sec. 3. CONTINGENT EFFECTIVE DATE. This Act takes effect on
3 the effective date of 2025 Iowa Acts, Senate File 651, division
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