

CHAPTER 1153**PROPERTY TAXES ON CONDEMNED PROPERTY***H.F. 724*

AN ACT relating to the payment of property taxes and special assessments on property acquired by condemnation for public use or public purposes.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 427.2, Code 1985, is amended to read as follows:

427.2 ROADS AND DRAINAGE RIGHTS OF WAY TAXABLE PROPERTY ACQUIRED THROUGH EMINENT DOMAIN.

Real estate occupied as a public road, and rights of way for established public levees and rights of way for established, open, public drainage improvements shall not be taxed.

When land or rights in land are acquired in connection with ~~the establishment or maintenance or improvement of a public road or for public use or public purposes~~, the acquiring authority shall assist in the collection of property taxes and special assessments. However, assistance in the collection of the property taxes and special assessments does not require the payment of property taxes and special assessments on the property acquired which exceed the amount of just compensation offered as required by section 472.45 for the acquisition of the property.

The property owner shall pay all property taxes and special assessments which are due and payable when the property owner surrenders possession of the property acquired and also those which become due and payable for the fiscal year the property is acquired in an amount equal to one-twelfth of the taxes and assessments due and payable on the property acquired for the preceding fiscal year multiplied by the number of months in the fiscal year in which the property was acquired which elapsed prior to the month in which the property owner surrenders possession, and including that month if the surrender of possession occurs after the fifteenth day of a month. For purposes of computing the payments, the property owner has surrendered possession of property acquired by eminent domain proceedings when the acquiring authority has the right to obtain possession of the acquired property by authority of section 472.26 as authorized by law. When part but not all of the property is acquired for public use or public road purposes, taxing authorities may collect property taxes and special assessments which the property owner is obligated to pay, in accordance with chapter 446, from that part of the property which is not acquired. The county treasurer shall collect and accept the payment received on property acquired for ~~road public use or public purposes~~ as full and final payment of all property tax and special assessments on the property and apportion the payment on the basis of the levy in effect in the fiscal year in which the property is acquired.

For that portion of the prorated year for which the acquiring authority has possession of the property or part of the property acquired in connection with ~~the establishment or improvement or maintenance of a public road or for public use or public purposes~~, all taxes and special assessments shall be canceled.

Upon sale of the acquired property by the acquiring authority to a new owner, the new owner shall pay all special assessments and property taxes which become due and payable or would have become due and payable but for the acquisition by the acquiring authority for the fiscal year the property is acquired by the new owner in an amount equal to one-twelfth of such taxes and assessments multiplied by the number of months in the fiscal year in which the new owner acquired the property which occurred after the month in which the new owner acquired the property. Thereafter, special assessments or installments of them which would have become due and payable after the date of the acquisition of the property by the new owner but for the acquisition of the property by the acquiring authority and this section, shall be reinstated by the county treasurer and shall be collectible as provided by law.

Approved April 28, 1986