

reservation. The area may be inspected each year by the county conservation board or the assessor to determine if the area is maintained as a fruit-tree or forest reservation. If the area is not maintained or is used for economic gain other than as a fruit-tree reservation during any year of the eight-year exemption period and any year of the following five years or as a forest reservation during any year for which the exemption is granted and any of the five years following those exemption years, the assessor shall assess the property for taxation at its fair market value as of January 1 of that year and in addition the area shall be subject to a recapture tax. However, the area shall not be subject to the recapture tax if the owner, including one possessing under a contract of sale, and the owner's direct antecedents or descendants have owned the area for more than ten years. The tax shall be computed by multiplying the consolidated levy for each of those years, if any, of the five preceding years for which the area received the exemption for fruit-tree or forest reservation times the assessed value of the area that would have been taxed but for the tax exemption. This tax shall be entered against the property on the tax list for the current year and shall constitute a lien against the property in the same manner as a lien for property taxes. The tax when collected shall be apportioned in the manner provided for the apportionment of the property taxes for the applicable tax year.

Sec. 2. This Act, being deemed of immediate importance, takes effect upon enactment and applies to sales or transfers of property made on or after the date of enactment.

Approved May 4, 1995

CHAPTER 157

ASSESSMENT OF CERTAIN COOPERATIVE AND NONPROFIT RESIDENTIAL PROPERTY

H.F. 559

AN ACT defining multiple housing cooperatives and certain other property of nonprofit organizations as residential property for purposes of assessing the value of the property for taxation purposes, and providing for the Act's retroactive applicability.

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

Section 1. Section 441.21, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 12. Beginning with valuations established 12 or after January 1, 1995, as used in this section, "residential property" includes all land and buildings of multiple housing cooperatives organized under chapter 499A and includes land and buildings used primarily for human habitation which land and buildings are owned and operated by organizations that have received tax-exempt status under section 501(c)(3) of the Internal Revenue Code and rental income from the property is not taxed as unrelated business income under section 422.33, subsection 1A.

Sec. 2. **RETROACTIVE APPLICABILITY.** This Act applies retroactively to January 1, 1995, for assessment years beginning on or after that date.

Approved May 4, 1995