

CHAPTER 116

STATE AND LOCAL TAXES AND RELATED LAWS — PROPERTY, SALES AND USE, AND INCOME TAXES — FLOOD MITIGATION PROGRAM

H.F. 616

AN ACT relating to state revenue and finance laws including property tax credits, assessments, and exemptions, the sales and use tax, the individual income tax, the flood mitigation program, and including effective date and retroactive and other applicability provisions.

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

DIVISION I PROPERTY TAX ASSESSMENTS AND BUSINESS PROPERTY TAX CREDIT

Section 1. Section 426C.1, subsection 4, Code 2015, is amended by striking the subsection and inserting in lieu thereof the following:

4. a. “Parcel” means as defined in section 445.1.

b. (1) For purposes of business property tax credits claimed for the fiscal year beginning July 1, 2016, “parcel” also means that portion of a parcel assigned a classification of commercial property, industrial property, or railway property under chapter 434 pursuant to section 441.21, subsection 13, paragraph “c”.

(2) For purposes of business property tax credits claimed for fiscal years beginning on or after July 1, 2017, “parcel” also means that portion of a parcel assigned a classification of commercial property or industrial property pursuant to section 441.21, subsection 13, paragraph “c”.

Sec. 2. Section 426C.3, subsection 2, paragraph a, Code 2015, is amended to read as follows:

a. (1) Claims for the business property tax credit against taxes due and payable in fiscal years beginning before July 1, 2017, shall be filed not later than March 15 preceding the fiscal year during which the taxes for which the credit is claimed are due and payable.

(2) Claims for the business property tax credit against taxes due and payable in fiscal years beginning on or after July 1, 2017, shall be filed not later than July 1 preceding the fiscal year during which the taxes for which the credit is claimed are due and payable.

Sec. 3. Section 441.21, subsection 13, paragraphs a and c, Code 2015, are amended to read as follows:

a. ~~(1) Beginning with valuations established on or after~~ For the assessment year beginning January 1, 2015, mobile home parks, manufactured home communities, land-leased communities, assisted living facilities, property primarily used or intended for human habitation containing three or more separate dwelling units, and that portion of a building that is used or intended for human habitation and a proportionate share of the land upon which the building is situated, regardless of the number of dwelling units located in the building, if the use for human habitation is not the primary use of the building and such building is not otherwise classified as residential property, shall be valued as a separate class of property known as multiresidential property and, excluding properties referred to in section 427A.1, subsection 8, shall be assessed at a percentage of its actual value, as determined in this subsection.

(2) Beginning with valuations established on or after January 1, 2016, all of the following shall be valued as a separate class of property known as multiresidential property and, excluding properties referred to in section 427A.1, subsection 8, shall be assessed at a percentage of its actual value, as determined in this subsection:

(a) Mobile home parks.

(b) Manufactured home communities.

(c) Land-leased communities.

(d) Assisted living facilities.

(e) A parcel primarily used or intended for human habitation containing three or more separate dwelling units. If a portion of such a parcel is used or intended for a purpose that, if the primary use, would be classified as commercial property or industrial property, each such portion, including a proportionate share of the land included in the parcel, if applicable, shall be assigned the appropriate classification pursuant to paragraph "c".

(f) For a parcel that is primarily used or intended for use as commercial property or industrial property, that portion of the parcel that is used or intended for human habitation, regardless of the number of dwelling units contained on the parcel, including a proportionate share of the land included in the parcel, if applicable. The portion of such a parcel used or intended for use as commercial property or industrial property, including a proportionate share of the land included in the parcel, if applicable, shall be assigned the appropriate classification pursuant to paragraph "c".

c. (1) Accordingly For the assessment year beginning January 1, 2015, for parcels that, in part, satisfy the requirements for classification as multiresidential property, the assessor shall assign to that portion of the parcel the classification of multiresidential property and to such other portions of the parcel the property classification for which such other portions qualify.

(2) Beginning with valuations established on or after January 1, 2016, for parcels for which a portion of the parcel satisfies the requirements for classification as multiresidential property pursuant to paragraph "a", subparagraph (2), subparagraph division (e) or (f), the assessor shall assign to that portion of the parcel the classification of multiresidential property and to such other portions of the parcel the property classification for which such other portions qualify.

Sec. 4. Section 441.26, subsection 1, Code 2015, is amended to read as follows:

1. The director of revenue shall each year prescribe the form of assessment roll to be used by all assessors in assessing property, in this state, also the form of pages of the assessor's assessment book. The assessment rolls shall be in a form that will permit entering, separately, the names of all persons assessed, and shall also contain a notice in substantially the following form:

If you are not satisfied that the foregoing assessment is correct, you may contact the assessor on or after April 1 2, to and including ~~May 4~~ April 25, of the year of the assessment to request an informal review of the assessment pursuant to section 441.30.

If you are not satisfied that the foregoing assessment is correct, you may file a protest against such assessment with the board of review on or after April 7 2, to and including ~~May 5~~ April 30, of the year of the assessment, such protest to be confined to the grounds specified in section 441.37.

Dated: day of (month), (year)

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County/City Assessor.

Sec. 5. Section 441.26, subsection 2, Code 2015, is amended to read as follows:

2. The notice in ~~1981 and~~ each odd-numbered year thereafter shall contain a statement that the assessments are subject to equalization pursuant to an order issued by the director of revenue, that the county auditor shall give notice on or before October 15 8 by publication in an official newspaper of general circulation to any class of property affected by the equalization order, that the county auditor shall give notice by mail postmarked on or before October 8 to each property owner or taxpayer whose valuation has been increased by the equalization order, and that the board of review shall be in session from October 15 10 to November 15 to hear protests of affected property owners or taxpayers whose valuations have been adjusted by the equalization order.

Sec. 6. Section 441.28, Code 2015, is amended to read as follows:

441.28 Assessment rolls — change — notice to taxpayer.

The assessment shall be completed not later than April 1 each year. If the assessor makes any change in an assessment after it has been entered on the assessor's rolls, the assessor shall note on the roll, together with the original assessment, the new assessment and the reason for the change, together with the assessor's signature and the date of the change. Provided, however, in the event the assessor increases any assessment the assessor shall give notice of the increase in writing to the taxpayer by mail postmarked no later than April 1. No changes shall be made on the assessment rolls after April 1 except by written agreement of the taxpayer and assessor under section 441.30, by order of the board of review or of the property assessment appeal board, or by decree of court.

Sec. 7. Section 441.30, subsections 1 and 2, Code 2015, are amended to read as follows:

1. Any property owner or aggrieved taxpayer who is dissatisfied with the owner's or taxpayer's assessment may contact the assessor by telephone or in writing by paper or electronic medium on or after April 1 ~~2~~, to and including ~~May 4~~ April 25, of the year of the assessment to inquire about the specifics and accuracy of the assessment. Such an inquiry may also include a request for an informal review of the assessment by the assessor under one or more of the grounds for protest authorized under section 441.37 for the same assessment year.

2. In response to an inquiry under subsection 1, if the assessor, following an informal review, determines that the assessment was incorrect under one or more of the grounds for protest authorized under section 441.37 for the same assessment year, the assessor may, on or before April 25, recommend that the property owner or aggrieved taxpayer file a protest with the local board of review and may file a recommendation with the local board of review related to the informal review, or may enter into a signed written agreement with the property owner or aggrieved taxpayer authorizing the assessor to correct or modify the assessment according to the agreement of the parties.

Sec. 8. Section 441.35, subsection 2, Code 2015, is amended to read as follows:

2. In any year after the year in which an assessment has been made of all of the real estate in any taxing district, the board of review shall meet as provided in section 441.33, and where the board finds the same has changed in value, the board shall revalue and reassess any part or all of the real estate contained in such taxing district, and in such case, the board shall determine the actual value as of January 1 of the year of the revaluation and reassessment and compute the taxable value thereof. If the assessment of any such property is raised, or any property is added to the tax list by the board, the clerk shall give notice in the manner provided in section 441.36. ~~However, if the assessment of~~ If all property in any taxing district is raised revalued and reassessed, the board ~~may shall~~, in addition to notices required to be provided in the manner specified in section 441.36, instruct the clerk to give immediate notice by one publication in one of the official newspapers located in the taxing district, ~~and such published notice shall take the place of the mailed notice provided for in section 441.36, but all other provisions of that section shall apply.~~ The decision of the board as to the foregoing matters shall be subject to appeal to the property assessment appeal board within the same time and in the same manner as provided in section 441.37A and to the district court within the same time and in the same manner as provided in section 441.38.

Sec. 9. Section 441.37, subsection 1, paragraph a, unnumbered paragraph 1, Code 2015, is amended to read as follows:

Any property owner or aggrieved taxpayer who is dissatisfied with the owner's or taxpayer's assessment may file a protest against such assessment with the board of review on or after April 7 ~~2~~, to and including ~~May 5~~ April 30, of the year of the assessment. In any county which has been declared to be a disaster area by proper federal authorities after March 1 and prior to May 20 of said year of assessment, the board of review shall be authorized to remain in session until June 15 and the time for filing a protest shall be extended to and include the period from May 25 to June 5 of such year. The protest shall be in writing and, except as provided in subsection 3, signed by the one protesting or by the protester's duly authorized agent. The taxpayer may have an oral hearing on the protest

if the request for the oral hearing is made in writing at the time of filing the protest. The protest must be confined to one or more of the following grounds:

Sec. 10. Section 441.37, subsection 3, Code 2015, is amended to read as follows:

3. For assessment years beginning on or after January 1, 2014, the board of review may allow property owners or aggrieved taxpayers who are dissatisfied with the owner's or taxpayer's assessment to file a protest against such assessment by electronic means. Electronic filing of assessment protests may be authorized for the protest period that begins April 7 ~~2~~, the protest period that begins October 15 ~~9~~, or both. Except for the requirement that a protest be signed, all other requirements of this section for an assessment protest to the board of review shall apply to a protest filed electronically. If electronic filing is authorized by the local board of review, the availability of electronic filing shall be clearly indicated on the assessment roll notice provided to the property owner or taxpayer and included in both the published equalization order notice and the equalization order notice mailed to the property owner or taxpayer if applicable.

Sec. 11. Section 441.49, subsections 2 and 4, Code 2015, are amended to read as follows:

2. a. On or before October 15 ~~8~~ the county auditor shall cause to be published in official newspapers of general circulation the final equalization order. The county auditor shall also notify each property owner or taxpayer whose valuation has been increased by the final equalization order by mail postmarked on or before October 8. The publication and the individual notice mailed to each property owner or taxpayer whose valuation has been increased shall include, in type larger than the remainder of the publication or notice, the following ~~statement~~ statements:

Assessed values are equalized by the department of revenue every two years. Local taxing authorities determine the final tax levies and may reduce property tax rates to compensate for any increase in valuation due to equalization. If you are not satisfied that your assessment as adjusted by the equalization order is correct, you may file a protest against such assessment with the board of review on or after October 9, to and including October 31.

b. Failure to publish the equalization order or to notify property owners or taxpayers of the equalization order has no effect upon the validity of the orders.

4. The local board of review shall reconvene in special session from October 15 ~~10~~ to November 15 for the purpose of hearing the protests of affected property owners or taxpayers within the jurisdiction of the board whose valuation of property if adjusted pursuant to the equalization order issued by the director of revenue will result in a greater value than permitted under section 441.21. The board of review shall accept protests only during the first ten days following the date the local board of review reconvenes period of time from October 9, to and including October 31. The board of review shall limit its review to only the timely filed protests. The board of review may adjust all or a part of the percentage increase ordered by the director of revenue by adjusting the actual value of the property under protest to one hundred percent of actual value. Any adjustment so determined by the board of review shall not exceed the percentage increase provided for in the director's equalization order. The determination of the board of review on filed protests is final, subject to appeal to the property assessment appeal board. A final decision by the local board of review, or the property assessment appeal board, if the local board's decision is appealed, is subject to review by the director of revenue for the purpose of determining whether the board's actions substantially altered the equalization order. In making the review, the director has all the powers provided in chapter 421, and in exercising the powers the director is not subject to chapter 17A. Not later than fifteen days following the adjournment of the board, the board of review shall submit to the director of revenue, on forms prescribed by the director, a report of all actions taken by the board of review during this session.

Sec. 12. IMPLEMENTATION OF ACT. Section 25B.2, subsection 3, shall not apply to this division of this Act.

Sec. 13. APPLICABILITY. Except for the sections of this division of this Act amending sections 426C.1 and 426C.3, this division of this Act applies to assessment years beginning on or after January 1, 2016.

DIVISION II
SALES AND USE TAXES

Sec. 14. Section 423.1, subsection 25, Code 2015, is amended to read as follows:

25. “Livestock” includes but is not limited to an animal classified as an ostrich, rhea, emu, bison, ~~or~~ farm deer, or preserve whitetail as defined in section 484C.1.

Sec. 15. Section 423.3, Code 2015, is amended by adding the following new subsection:

NEW SUBSECTION. 3A. The sale of preserve whitetail as defined in section 484C.1 if the sale occurred between July 1, 2005, and December 31, 2015.

Sec. 16. Section 423.3, subsection 8, paragraph d, Code 2015, is amended to read as follows:

d. (1) For purposes of this subsection, the following items are exempt under paragraph “a” when used primarily in agricultural production:

- (a) A diesel fuel trailer, regardless of the vehicle to which it is to be attached.
- (b) A seed tender, regardless of the vehicle to which it is to be attached.
- (c) An all-terrain vehicle.
- (d) An off-road utility vehicle.

(2) For purposes of this paragraph:

- (a) “All-terrain vehicle” means the same as defined in section 321I.1.
- ~~(a)~~ (b) “Fuel trailer” means a trailer that holds dyed diesel fuel or diesel exhaust fluid and that is used to transport such fuel or fluid to a self-propelled implement of husbandry.
- (c) “Off-road utility vehicle” means the same as defined in section 321I.1.
- ~~(b)~~ (d) “Seed tender” means a trailer that holds seed and that is used to transport seed to an implement of husbandry and load seed into an implement of husbandry.

Sec. 17. REFUNDS. Refunds of taxes, interest, or penalties that arise from claims resulting from the amendment to section 423.1, subsection 25, in this division of this Act, for sales occurring between July 1, 2005, and the effective date of the section amending section 423.1, subsection 25, in this division of this Act, shall not be allowed, notwithstanding any other provision of law to the contrary.

Sec. 18. REFUNDS. Refunds of taxes, interest, or penalties that arise from claims resulting from the enactment of section 423.3, subsection 3A, in this division of this Act, for sales occurring between July 1, 2005, and December 31, 2015, shall not be allowed, notwithstanding any other provision of law to the contrary.

Sec. 19. EFFECTIVE UPON ENACTMENT. The following provision or provisions of this division of this Act, being deemed of immediate importance, take effect upon enactment:

- 1. The section of this division of this Act amending section 423.1, subsection 25.
- 2. The section of this division of this Act enacting section 423.3, subsection 3A.

Sec. 20. RETROACTIVE APPLICABILITY. The following provision or provisions of this division of this Act apply retroactively to July 1, 2005:

- 1. The section of this division of this Act amending section 423.1, subsection 25.
- 2. The section of this division of this Act enacting section 423.3, subsection 3A.

DIVISION III
DISABLED VETERAN HOMESTEAD
PROPERTY TAX CREDIT APPLICATION

Sec. 21. 2015 Iowa Acts, House File 166,¹ is amended by adding the following new section:

NEW SECTION. SEC. 6. EXCEPTION TO APPLICATION FILING DEADLINE. Notwithstanding the filing deadline under section 425.2, claims for the homestead credit authorized under section 425.15, as amended in this Act, filed after July 1, 2014, but before July 1, 2015, shall be considered to be a claim properly filed for taxes due and payable in the fiscal year beginning July 1, 2015.

Sec. 22. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 23. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to March 5, 2015.

DIVISION IV
PROPERTY TAX EXEMPTION FOR
CERTAIN INSTITUTIONS AND SOCIETIES

Sec. 24. Section 427.1, subsections 6 and 8, Code 2015, are amended to read as follows:

6. *Property of cemetery associations.*

a. Burial grounds, mausoleums, buildings, and equipment owned and operated by cemetery associations and used exclusively for the maintenance and care of the cemeteries devoted to interment of human bodies and human remains. The exemption granted by this subsection shall not apply to any property used for the practice of mortuary science.

b. Agricultural land owned by a cemetery association and leased to another person for agricultural use if the revenues resulting from the lease are used by the cemetery association exclusively for the maintenance and care of cemeteries owned by the cemetery association and devoted to interment of human bodies and human remains.

8. *Property of religious, literary, and charitable societies.*

a. All grounds and buildings used or under construction by literary, scientific, charitable, benevolent, agricultural, and religious institutions and societies solely for their appropriate objects, not exceeding three hundred twenty acres in extent and not leased or otherwise used or under construction with a view to pecuniary profit. However, an organization mentioned in this subsection whose primary objective is to preserve land in its natural state may own or lease land not exceeding three hundred twenty acres in each county for its appropriate objects. For assessment years beginning on or after January 1, 2016, the exemption granted by this subsection shall also apply to grounds owned by a religious institution or society, not exceeding a total of fifty acres, if all monetary and in-kind profits of the religious institution or society resulting from use or lease of the grounds are used exclusively by the religious institution or society for the appropriate objects of the institution or society.

b. All deeds or leases by which such property is held shall be filed for record before the property herein described shall be omitted from the assessment. All such property shall be listed upon the tax rolls of the district or districts in which it is located and shall have ascribed to it an actual fair market value and an assessed or taxable value, as contemplated by section 441.21, whether such property be subject to a levy or be exempted as herein provided and such information shall be open to public inspection.

Sec. 25. IMPLEMENTATION. Section 25B.7 shall not apply to this division of this Act.

¹ Chapter 6 herein

DIVISION V
FLOOD MITIGATION PROGRAM

Sec. 26. Section 418.5, subsections 1 and 6, Code 2015, are amended to read as follows:

1. The flood mitigation board is established consisting of nine voting members and ~~four~~ five ex officio, nonvoting members, and is located for administrative purposes within the department. The director of the department shall provide office space, staff assistance, and necessary supplies and equipment for the board. The director shall budget funds to pay the necessary expenses of the board. In performing its functions, the board is performing a public function on behalf of the state and is a public instrumentality of the state.

6. The board's ex officio membership shall ~~include~~ be comprised of the following:

a. ~~four~~ Four members of the general assembly with one each appointed by the majority leader of the senate, the minority leader of the senate, the speaker of the house of representatives, and the minority leader of the house of representatives. A legislative member serves for a term as provided in section 69.16B in an ex officio, nonvoting capacity and is eligible for per diem and expenses as provided in section 2.10.

b. The director of revenue or the director's designee.

DIVISION VI
INDIVIDUAL INCOME TAX EXEMPTION FOR CERTAIN PAYMENTS MADE TO
NONRESIDENT ELECTRIC UTILITY WORKERS

Sec. 27. Section 422.7, Code 2015, is amended by adding the following new subsection:

NEW SUBSECTION. 57. *a.* Subtract, to the extent included, payments received by an individual from an electric utility for the following:

(1) Emergency response work performed in this state for the electric utility pursuant to a mutual aid agreement between this state and any other state if such emergency response work is performed while the individual is a nonresident.

(2) Training received in this state from the electric utility if such training is received while the individual is a nonresident.

b. For purposes of this subsection, "electric utility" means the same as defined in section 476.22.

Sec. 28. Section 422.16, subsection 1, Code 2015, is amended by adding the following new paragraph:

NEW PARAGRAPH. *f.* Nonresidents engaged in emergency response work or training meeting the requirements of section 422.7, subsection 57, are not subject to withholding by the applicable electric utility for which such emergency response work or training is being performed if the electric utility has applied to the department for exemption from the withholding requirement and the department has determined that the payments received by the nonresidents would be exempt from taxation pursuant to section 422.7, subsection 57.

Sec. 29. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 30. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to January 1, 2015, for tax years beginning on or after that date.

Approved June 18, 2015