

A BILL

FOR AN ACT RELIEVING REAL ESTATE FROM DOUBLE TAXATION IN CERTAIN CASES AND TAXING MORTGAGES TO A CERTAIN EXTENT AS REAL ESTATE.

Be it enacted by the General Assembly of the State of Iowa:

SECTION 1. When any person has an interest in real estate as holder of a mortgage, here-
2 after made or hereafter extended, or not yet due and now subsisting, given to secure the
3 payment of money, the amount of which is fixed and certain, and which has been duly re-
4 corded, the amount of said person's interest as mortgagee, shall be assessed to said mortga-
5 gee, as real estate and shall be real estate for the purpose of this act in the city, town, or
6 township where the land lies, and the mortgagor shall be assessed only for the value of said
7 real estate after deducting the mortgagee's interests therein which have been taxed as
8 herein provided, and the assessment to carry out the provisions of this act shall be made
9 in each year during the legal time for assessing property in each year. But it shall not be
10 necessary to assess the actual land itself for the purpose of valuation oftener than now pro-
11 vided by law. When such property is situated in two or more places, the amount of the
12 mortgagee's interest to be assessed in each place, shall be proportioned to the assessed
13 value in the respective places of the mortgaged real estate, deducting therefrom the taxable
14 amount of prior mortgages if any thereon.

SEC. 2. If any such mortgagee or holder of such mortgage shall fail to give to the as-
2 sessor as required by law a statement, under oath, of all his estate liable to taxation hereunder,
3 including a statement of the full amount remaining unpaid upon said mortgage and his in-
4 terest therein, the amount stated in said mortgage deed shall be conclusive as to the extent
5 of his interest therein; *provided, however,* that nothing therein shall be construed to allow
6 the taxing of said mortgagee's interest in real estate to a greater extent than the actual
7 value of the land and structures thereon or affixed thereto; *and provided,* it shall be the
8 duty of the mortgagee to explain to the assessor how much said mortgagee's interest is in
9 the mortgagor's real estate, in order that the assessor may compare the mortgagor's expla-
10 nation with the statement of the mortgagee or holder of the mortgagee's interest. And
11 it is hereby made the duty of the assessor to ascertain the sum actually unpaid on each
12 mortgage in the order of their priority, if there shall be more than one mortgage interest,
13 in any particular real estate under consideration for assessment, and as soon as he may find
14 a second, third or any junior mortgage having in it no intrinsic value on such real estate by

15 virtue of a prior or prior mortgages, he shall make no assessment against that particular
16 mortgagee junior interest as a mortgagee real estate interest.

SEC. 3. Mortgagors and mortgagees, hereinbefore referred to shall for the purpose of tax-
2 ation be deemed joint owners, until the mortgagee takes possession, and until such posses-
3 sion is taken by a first mortgagee, the assessor or the county treasurer upon application to
4 either of them, shall give to any such mortgagee or mortgagor a tax bill, showing the whole
5 tax on the mortgaged estate and the amount included in the valuation thereof as the inter-
6 est of each mortgagee and mortgagor respectively. If the first mortgagee be in possession he
7 shall be deemed sole owner, and any other mortgagee in possession shall be deemed joint
8 owner with prior mortgagees.

SEC. 4. All taxes assessed as herein provided shall constitute a lien upon the land and
2 structures thereon or affixed thereto, and the provisions of law relating to the collection of
3 taxes on real estate and redemption from taxes shall apply to taxes so assessed. Every sale
4 or taking of real estate for unpaid taxes shall be deemed to be in the name of the owner or
5 owners thereof, if the proceedings of the assessment, sale or taking, shall be made in the
6 name of one or more of the persons who appear as record owners of such estate at the date
7 of assessment; *provided*, that any taking of real estate for unpaid taxes shall be for the
8 whole of that real estate, and no sale or taking shall be for the undivided interest of any
9 one or more of the joint owners thereof.

SEC. 5. If any part of the taxes duly assessed upon real estate under the provisions of
2 this act shall remain unpaid on the first days of April and October, respectively, after the
3 same has been assessed in all respects as now provided by law with regard to delinquent
4 taxes, either party may pay the same, and if paid by any mortgagee the mortgagee so pay-
5 ing may take from the treasurer the ordinary tax receipts by law required to be given to
6 tax-payers, with a note of reference on the receipt, and on the tax record to the mortgage
7 deed; and such sums so paid for taxes other than those assessed to himself with costs, pen-
8 alty, and interest, shall be added to and constitute a part of the principal sum of the mort-
9 gage, and in such cases the payment of such taxes with the said note of reference on the
10 said tax records, shall be notice to all persons of the sums so paid other than those assessed
11 to himself, and of the lien thus created upon them. When taxes so assessed to any mort-
12 gagee have been paid by the mortgagor, or those claiming under him, to either the treasurer
13 or mortgagee paying the same, as herein provided, such mortgagor shall have the right to
14 deduct the sum so paid, with the cost, penalty, and interest thereon, from the amount of
15 the mortgage due to the mortgagee to whom said taxes was assessed.

SEC. 6. Loans on mortgage of real estate within the State of Iowa assessed as hereinbe-
2 fore provided, shall be exempt from taxation as personal property; *provided*, that this provis-
3 ion shall not apply to the excess of any such loan or loans above the assessed value of the
4 mortgaged real estate.

SEC. 7. No mortgagor in contemplation of this act, shall have the right to deduct the
2 amount of any mortgage debt or part thereof, which shall have been executed by him from
3 the amount of his moneys and credits which he is required to list or have listed and
4 assessed.

SEC. 8. The State Board of Equalization shall have nothing to do with adding to, or de-
2 ducting from, any mortgagee's real estate interest contemplated in this act, in performing
3 its duties under sub-divisions one and two of section 834 of the Code of Iowa.

SEC. 9. It shall be the duty of the assessor to carefully inquire and learn from each tax-
2 payer whether or not he has a mortgagee's real estate interest or is a mortgagor as in this
3 act contemplated and such assessor shall make the assessment as herein provided ; and if
4 any assessor shall fail or neglect to perform any of the duties required of him by this act
5 at the time and in the manner specified he shall be liable to a fine, the same as provided by
6 section 827 of the Code.

SEC. 10. Savings banks, and institutions for savings, organized and doing business in this
2 State, shall not be required to pay taxes upon such portion of their deposits as are invested
3 in loans secured by mortgages on taxable real estate ; nor shall this act be construed to
4 change the law now in force providing for assessing and taxing the property of railroad cor-
5 porations, real or personal, or other corporations, for the taxing the property of which, full
6 and adequate provision has heretofore been made; but all such corporations in their prop-
7 erty rights, real and personal, shall be assessed and taxed as heretofore by law provided.

SEC. 11. Any person appearing of record as a mortgagee, whose mortgage interest may
2 have no intrinsic value on account of prior mortgages, judgments, or liens, shall not be as-
3 sessed for any sum on account of such mortgage; but it is hereby made the duty of the as-
4 sessor to ascertain this fact from the records, and by personal inspection of the encumbered
5 real estate; and the person so appearing of record as a mortgagee may hand to the assessor
6 at any time between January 1st and 31st of each year, his affidavit, or that of his duly con-
7 stituted agent, made before a notary public, showing the reasons why there is no intrinsic
8 value in such apparent mortgage interest; and the assessor shall consider the affidavit, with
9 his own investigation, in determining whether there is an assessable value in such apparent
10 mortgage interest.

SEC. 12. Any contract hereafter made, by which a debtor is obligated to pay any tax or
2 assessment on money loaned, and which is to be assessed and taxed as real estate, as in this
3 act contemplated, shall, as to any interest specified therein, and as to such tax or assess-
4 ment, be null and void.