

January 29, 1963. *on calendar 4/3*

House File 96

Tax Revision.

By CHALUPA, BALLOUN, CAMP,

passed

FISCHER of Grundy, and SMITH of O'Brien.

Passed House, Date *4-5-63*

Passed Senate, Date.....

Vote: Ayes *65* Nays *40*

Vote: Ayes..... Nays.....

Approved
Reconsider vote & laid on table 4/5

*Passed on file 4/9
Way & Means 4/15*

A BILL FOR

An Act relating to exemption from taxation of property of educational institutions.

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

- 1 Section 1. Section four hundred twenty-seven point one
- 2 (472.1), subsection eleven (11), Code 1962, is hereby amended
- 3 by striking all of the sentence after the word "of" in line
- 4 four (4) of said subsection and inserting in lieu thereof the
- 5 following: "two hundred forty acres in any county not leased
- 6 or otherwise used with a view for pecuniary profit, or for full
- 7 or partial payment of services rendered."

EXPLANATION OF HOUSE FILE 96

This bill will not prevent educational institutions from owning property; however, if they use the property for the purpose of making a profit, they must pay property taxes. Much property is going under the tax exemption by these institutions, causing a decrease in taxable property in certain areas.

This is a measure designed to put much valuable property back on the tax rolls, and is in itself a measure of property tax relief by further expanding the tax base.

There is no actual way of determining the total valuation of tax-exempt property now owned by these institutions. In Polk County, however, the tax commission estimates that it is close to \$2,000,000. At the millage rate in Des Moines, this means about \$250,000 that must be raised by other taxpayers. There are also instances where some people have deeded property to these institutions and then leasing them back to avoid paying high property taxes.

HOUSE FILE 96

- 1 Amend the first paragraph of the committee amendment
- 2 to House File 96 filed February 28 by striking all after
- 3 the comma in line three (3), also all of lines four (4)
- 4 and five (5).

adopted 4/3

Filed

April 1, 1963.

HOUGEN of Black Hawk.

HOUSE FILE 96

- 1 Amend House File 96 as follows:
- 2 1. Amend the amendment filed by the committee on Tax Revision
- 3 on February 28 to House File 96 by striking all that part which
- 4 amends section 1.
- 5 2. Amend House File 96 by striking all after the enacting
- 6 clause and inserting in lieu thereof the following:
- 7 Section 1. Section four hundred twenty-seven point one
- 8 (427.1), Code 1962, is hereby amended by striking from line
- 9 three (3) of subsection eleven (11) of such section the words
- 10 "as a part of its endowment fund," and inserting in lieu thereof
- 11 the words "when devoted to educational use and not held for
- 12 pecuniary profit, or when held for proposed campus expansion,".

Roll 4/3

Filed

April 1, 1963.

REPPERT of Polk.

DENMAN of Polk.

HOUSE FILE 96

*Div. 1
adopted 4/3*

- 1 Amend House File 96 as follows:
- 2 Amend section one (1), line five (5) by striking the words
- 3 "in any county", and by adding at the end thereof the following:
- 4 " , except that said limitation of two hundred forty acres shall
- 5 not apply to educational institutions owned by the state,".
- 6 Amend House File 96 by adding at the end of section one (1)
- 7 the following:

8 Sec. 2. Any real property acquired on or after January 1, *Div. 2*
 9 1964, not exempted by section one (1) shall be valued and *adopted 4/3*
 10 assessed and taxed as all other taxable real property.

11 Sec. 3. Any real property owned or held by any educational *Div. 3*
 12 institution on January 1, 1964, not exempted by section one (1) *adopted 4/3*
 13 shall be valued and assessed as other real property, and the
 14 following percentage of taxes shall be levied thereon in the
 15 following manner by the taxing district in which each parcel
 16 is located:

17 a. For taxes payable in 1965, twenty percent
 18 of the taxes otherwise levied.

19 b. For taxes payable in 1966, forty percent
 20 of the taxes otherwise levied.

21 c. For taxes payable in 1967, sixty percent
 22 of the taxes otherwise levied.

23 d. For taxes payable in 1968, eighty percent
 24 of the taxes otherwise levied.

25 e. For taxes payable in 1969, and thereafter,
 26 one hundred percent as all other taxable real property
 27 in the taxing district in which the parcels are located.

28 Sec. 4. Section four hundred twenty-seven point one (427.1), *Div 4*
 29 subsection nine (9), Code 1962, is hereby amended by inserting *adopted*
 30 after the words "pecuniary profit" in line seven (7) the following: *amended 4/3*
 31 " , or for full or partial payment for services rendered, except *Reconsider*
 32 one residence used as a parsonage". *Sec. 4 adopted as amended 4/5 note on Div 4 #15*

*Reconsider Vote
on Div 1-2-3
4-3*

Filed
February 28, 1963.

COMMITTEE ON TAX REVISION,
WASHBURN STEELE, Ranking Member.

HOUSE FILE 96

- 1 Amend the amendment filed February 28 by the committee on
- 2 Tax Revision by striking from section 4, line five (5) the
- 3 words "used as a parsonage".

Filed and adopted
April 3, 1963.

HOUGEN of Black Hawk.

HOUSE FILE 96

- 1 Amend House File 96 by striking all after the enacting
- 2 clause and inserting in lieu thereof the following:
- 3 Section 1. Amend section four hundred twenty-seven
- 4 point one (427.1), Code 1962, by adding the following at the
- 5 end of subsection eleven (11):
- 6 "However, any such real estate in which the donor of such
- 7 real estate has reserved a life estate for himself or for any
- 8 relative or relatives of such donor shall be subject to tax
- 9 during the term of such life estate."

Filed
April 3, 1963.

adopted as amended 4/5

STANLEY of Muscatine.

HOUSE FILE 96

- 1 Amend House File 96, section 4, line five (5) by striking
- 2 the words "one residence" and inserting in lieu thereof the
- 3 words "two residences used as residence homes for the clergy
- 4 or full-time teaching staff."

adopted 4/5

Filed

April 4, 1963.

KNOCK of Union.

HOUSE FILE 96

- 1 Amend the Stanley amendment to House File 96, as amended,
- 2 filed April 3, by striking lines one (1) and two (2) and
- 3 inserting in lieu thereof the following: "Amend House File
- 4 96 by adding thereto the following new section:"
- 5 Further amend the Stanley amendment by adding thereto the
- 6 following: "Amend House File 96 by renumbering the sections
- 7 to conform with this amendment."

*Note - 4/5
page 55
page 48
adopted 4/5*

Filed

April 4, 1963.

HOUGEN of Black Hawk.

HOUSE FILE 96

- 1 1. Amend the Stanley amendment to House File 96 by
- 2 inserting in line seven (7) after the words "life estate"
- 3 the words ", life income, or an estate in or right to the
- 4 income from such real estate for a term of years".
- 5 2. Amend line nine (9) of said amendment by striking the
- 6 period and inserting the following: ", life income or term
- 7 of years."

Filed and adopted ✓
April 4, 1963.

STANLEY of Muscatine.

HOUSE FILE 96
(Corrected Amendment)

- 1 Amend the committee amendment to House File 96, section
- 2 4, line five (5) by striking the words "one residence" and
- 3 inserting in lieu thereof the words "two residences used as
- 4 residence homes for the clergy or full-time teaching staff."

Filed April 4, 1963.
Adopted April 5, 1963.

KNOCK of Union.

HOUSE FILE 96

- 1 Amend the title to House File 96 by striking the period at
- 2 the end thereof and adding the following: "and religious,
- 3 literary and charitable societies."

Filed and adopted
April 5, 1963.

BALLOUN of Tama.