

FEB 1 2 2001
WAYS AND MEANS

HOUSE FILE 233
BY BRUNKHORST

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the taxation of state property rented or
2 leased for commercial purposes and including an applicability
3 date.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 233

1 Section 1. Section 427.1, subsection 1, Code 2001, is
2 amended to read as follows:

3 1. FEDERAL AND STATE PROPERTY. The property of the United
4 States and this state, including state university, university
5 of science and technology, and school lands. The exemption
6 herein provided shall not include any real property subject to
7 taxation under any federal statute applicable thereto, but
8 such exemption shall extend to and include all machinery and
9 equipment owned exclusively by the United States or any
10 corporate agency or instrumentality thereof without regard to
11 the manner of the affixation of such machinery and equipment
12 to the land or building upon or in which such property is
13 located, until such time as the Congress of the United States
14 shall expressly authorize the taxation of such machinery and
15 equipment. This exemption does not apply to property owned by
16 the state or its agencies when that property is rented or
17 leased to a person for use for a commercial purpose. However,
18 the exemption shall extend to property owned by the state fair
19 board or by a state agency as part of a state park, preserve,
20 or recreation area. Property to which the exemption does not
21 apply is subject to property tax unless otherwise exempt under
22 another provision of law.

23 Sec. 2. APPLICABILITY. This Act applies to assessment
24 years beginning after the effective date of this Act.

25 EXPLANATION

26 Current law exempts state-owned property from property tax.
27 This bill provides that this exemption does not apply to state
28 property which is rented or leased for a commercial purpose,
29 except if the rented or leased property is owned by the state
30 fair board or is part of a state park, preserve, or
31 recreational area.

32 The bill applies to assessment years beginning after the
33 effective date of the bill.

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