

MAR 6 2001
LOCAL GOVERNMENT

HOUSE FILE 509
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and SENG

WITHDRAWN
1/16/02

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

A BILL FOR

1 An Act relating to the annual filing for the family farm tax
2 credit, to the notification to the assessor of the change in
3 ownership or the person actively engaged in farming the tract
4 of agricultural land for which the family farm tax credit is
5 allowed, providing a penalty, and including effective and
6 applicability date provisions.

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

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HF-509

1 Section 1. Section 425A.4, subsection 1, Code 2001, is
2 amended to read as follows:

3 1. To apply for the credit, the person shall ~~each-year~~
4 ~~between-July-1-and-October-15~~ deliver to the county assessor a
5 verified statement and designation of the tracts of
6 agricultural land for which the credit is claimed. The
7 assessor shall return the statement and designation on or
8 before November 15 of each year to the county board of
9 supervisors with a recommendation for allowance or
10 disallowance. A claim for credit filed after November 15 of
11 the year shall be considered as a claim filed for the
12 following year.

13 Sec. 2. Section 425A.4, Code 2001, is amended by adding
14 the following new subsections:

15 NEW SUBSECTION. 3. Upon the filing and allowance of the
16 claim, the claim shall be allowed on that tract for successive
17 years without further filing as long as the property is
18 legally or equitably owned by that person or that person's
19 spouse on July 1 of each of those successive years, and the
20 designated person who is actively engaged in farming remains
21 the same during these years. When the property is sold or
22 transferred, the buyer or transferee who wishes to qualify
23 shall file for the credit. However, when the property is
24 transferred as part of a distribution made pursuant to chapter
25 598, the transferee who is the spouse retaining ownership of
26 the property is not required to file for the credit. In the
27 case where the owner remains the same but the person who is
28 actively engaged in farming changes, the owner shall refile
29 for the credit. A person who sells or transfers the tract or
30 the personal representative of a deceased person who owned the
31 tract at the time of death, shall provide written notice to
32 the assessor that the property is no longer owned by the
33 former claimant. The owner shall also provide notice if the
34 person actively engaged in farming changes.

35 NEW SUBSECTION. 4. The assessor shall retain a permanent

1 file of current family farm credit claims filed in the
2 assessor's office.

3 The county recorder shall give notice to the assessor of
4 each transfer of title filed in the recorder's office. The
5 notice shall describe the tract of agricultural land
6 transferred, the name of the person transferring the title to
7 the tract, and the name of the person to whom title to the
8 tract has been transferred.

9 The assessor shall file with the county board of
10 supervisors a notice of transfer of property for which a claim
11 is filed when notice is received from the office of the county
12 recorder.

13 The assessor shall send notice to the new owner that the
14 person may be eligible for the family farm tax credit under
15 this chapter and that forms for filing for the tax credit are
16 available upon request.

17 Sec. 3. Section 425A.8, Code 2001, is amended by adding
18 the following new unnumbered paragraph:

19 NEW UNNUMBERED PARAGRAPH. A person who fails to notify the
20 assessor of a change in ownership or the person who is
21 actively engaged in farming the tract for which the credit
22 under section 425A.3, is allowed shall be liable for the
23 amount of the credit plus a penalty equal to five percent of
24 the amount of credit plus interest, at the rate in effect
25 under section 421.7, from the time of payment. The amounts
26 shall be collected by the county treasurer in the same manner
27 as other property taxes, penalty, and interest are collected
28 and when collected shall be paid to the director of revenue
29 and finance.

30 Sec. 4. This Act takes effect July 1, 2001, and applies to
31 claims for family farm tax credits filed on or after that
32 date.

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EXPLANATION

34 Under current law, to obtain the family farm tax credit, an
35 owner must file annually. The bill provides that after the

1 first filing and approval, the owner need not file again until
2 such time as the person actively engaged in the farming of the
3 tract of land changes. In addition, the owner must notify the
4 assessor of such change and notify the assessor when the owner
5 transfers the tract of land to another. The bill also allows
6 the owner claiming the credit to file at any time instead of
7 between July 1 and October 15 as in current law. However, if
8 the claim is filed after November 15, it shall be considered
9 as being filed for the following year. In addition, the owner
10 must notify the assessor of such change and notify the
11 assessor when the owner transfers the tract of land to
12 another. If the tract is transferred, the new owner must file
13 for the credit. The assessor is to provide notice to the new
14 owner that the person may qualify for the family farm tax
15 credit.

16 The bill also provides a penalty if the ownership changes
17 or the person actively engaged in farming changes and
18 notification is not provided. The penalty equals the amount
19 of credit paid plus interest and 5 percent of the amount of
20 credit paid. The bill takes effect July 1, 2001, and applies
21 to claims filed on or after that date.

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