

MAR 21 2001
WAYS AND MEANS

HOUSE FILE 675
BY O'BRIEN

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

A BILL FOR

1 An Act relating to taxable property that is acquired by an entity
2 whose property is not subject to property tax, making an
3 appropriation, and including an effective and retroactive
4 applicability provision.

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

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HF 675

1 Section 1. Section 427.19, Code 2001, is amended to read
2 as follows:

3 427.19 EXEMPTIONS ELIGIBILITY -- PRORATING.

4 All credits for and exemptions from property taxes for
5 which an application is required shall be granted on the basis
6 of eligibility in the fiscal year for which the application is
7 filed. If the property which has received a credit or
8 exemption becomes ineligible for the credit or exemption
9 during the fiscal year for which it was granted, the property
10 is subject to the taxes in a prorated amount for that part of
11 the fiscal year for which the property was ineligible for the
12 credit or exemption. If property subject to tax is
13 transferred during the fiscal year to an entity whose
14 ownership would have made the property tax exempt, the amount
15 of taxes on the property payable in the fiscal year shall be
16 prorated so that taxes would only be paid for that part of the
17 fiscal year prior to the transfer. Any taxes paid in excess
18 of the prorated amount shall be refunded to the new owner.

19 Sec. 2. There is appropriated from the general fund of the
20 state to the department of revenue and finance for the fiscal
21 year beginning July 1, 2000, and ending June 30, 2001, an
22 amount sufficient to reimburse taxing and levying authorities
23 for the refunding of property taxes as a result of the
24 amendment to section 427.19 in this Act as it pertains to real
25 property purchased in the 2000 calendar year for the purposes
26 of converting the property to a nonprofit mental health
27 center.

28 Sec. 3. Section 25B.7 does not apply to section 1 of this
29 Act.

30 Sec. 4. EFFECTIVE AND APPLICABILITY DATES. This Act,
31 being deemed of immediate importance, takes effect upon
32 enactment and applies retroactively to July 1, 2000, for
33 fiscal years beginning on or after that date.

34 EXPLANATION

35 This bill provides that if taxable property is transferred

1 to a tax exempt entity during a fiscal year, taxes payable in
2 that fiscal year are to be prorated so that the only taxes
3 payable are those due prior to transfer. Any taxes paid in
4 excess of this prorated amount shall be refunded. The bill
5 appropriates moneys for the fiscal year beginning July 1,
6 2000, to reimburse cities, counties, school districts, and
7 other levying bodies for refunding taxes as a result of this
8 bill in the case of property transferred during the 2000
9 calendar year which property is to be converted to a nonprofit
10 mental health center.

11 The bill takes effect upon enactment and applies
12 retroactively to July 1, 2000, for fiscal years beginning on
13 or after that date.

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