

MAR 29 2002

WAYS AND MEANS

HOUSE FILE 2610

BY SHEY

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

A BILL FOR

1 An Act relating to the exemption for property tax purposes of
 2 property leased by a religious institution to a child care
 3 center and including an applicability date provision.

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

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HF 2610

1 Section 1. Section 427.1, subsection 14, unnumbered
2 paragraph 2, Code Supplement 2001, is amended to read as
3 follows:

4 The assessor, in arriving at the valuation of any property
5 of the society or organization, shall take into consideration
6 any uses of the property not for the appropriate objects of
7 the organization and shall assess in the same manner as other
8 property, all or any portion of the property involved which is
9 leased or rented and is used regularly for commercial purposes
10 for a profit to a party or individual. If a portion of the
11 property is used regularly for commercial purposes, an
12 exemption shall not be allowed upon property so used and the
13 exemption granted shall be in the proportion of the value of
14 the property used solely for the appropriate objects of the
15 organization, to the entire value of the property. However,
16 the board of trustees or the board of directors of a hospital,
17 as defined in section 135B.1, may permit use of a portion of
18 the hospital for commercial purposes, and the hospital is
19 entitled to full exemption for that portion used for nonprofit
20 health-related purposes, upon compliance with the filing
21 requirements of this subsection. A religious institution may
22 permit use of a portion of the land and buildings of the
23 religious institution for commercial purposes which only
24 involve the lease of space for a child care center, as defined
25 in section 237A.1, and the institution is entitled to the full
26 exemption for the leased space if the amount of the lease
27 payments is less than one thousand dollars per month and the
28 institution complies with the filing requirements of this
29 subsection.

30 Sec. 2. Section 25B.7, relating to the state reimbursement
31 of lost property taxes due to a property tax exemption, does
32 not apply to this Act.

33 Sec. 3. APPLICABILITY DATE. This Act applies to claims
34 filed or on file on or after January 1, 2003.

35 EXPLANATION

1 Present law allows a property tax exemption for religious
2 institutions for their property that is used for purposes of
3 the institution and not for commercial purposes unrelated to
4 those purposes. This bill allows the leasing by a religious
5 institution of space to a commercial child care facility or
6 preschool if the lease payments are less than \$1,000 per
7 month.

8 The bill applies to exemption claims filed or presently on
9 file on or after January 1, 2003.

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