

1-16-01 ^{Report to} Local Gov.

WAYS & MEANS

FILED JAN 11 '01

SENATE FILE 22
BY MILLER

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

A BILL FOR

1 An Act relating to the imposition of an annual conservation and
2 land preservation tax for agricultural property converted to
3 residential or commercial use and providing penalties.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 22
WAYS & MEANS

1 Section 1. NEW SECTION. 428B.1 DEFINITIONS.

2 For purposes of this chapter unless the context otherwise
3 requires:

4 1. "Agricultural use" means the cultivation of land for
5 the production of agricultural crops, the raising of poultry,
6 the production of eggs, the production of milk, the production
7 of fruit or other horticultural crops, grazing, the production
8 of livestock, aquaculture, hydroponics, the production of
9 forest products, or the structures used in such activities.

10 2. "Date of conversion" means the date on which
11 agricultural land is platted or subdivided, residential or
12 commercial building construction begins, or a building permit
13 for residential or commercial construction is issued,
14 whichever is the earliest.

15 Sec. 2. NEW SECTION. 428B.2 CONSERVATION AND LAND
16 PRESERVATION TAX -- PENALTY AND LIEN.

17 1. a. An annual conservation and land preservation tax is
18 imposed on each acre of agricultural land that is converted to
19 a commercial or residential use on or after the effective date
20 of this Act. The rate of tax is based upon the corn
21 suitability rating of each acre of the agricultural land which
22 is converted. If the corn suitability rating of the acre is
23 less than fifty, no tax is imposed on that acre. If the corn
24 suitability rating of the acre is fifty or higher, the tax is
25 fifty dollars plus one dollar for each whole rating unit in
26 excess of fifty. If an area is less than one acre in size,
27 the tax on the area shall be a portion of the tax on the acre
28 based upon the proportion that the size of the area bears to
29 the acre.

30 b. The first payment of the conservation and land
31 preservation tax shall be made by the end of the month
32 following the month in which the date of conversion of
33 agricultural land to a commercial or residential use occurs.
34 The tax along with a declaration of conversion form shall be
35 filed with the treasurer of the county in which the land is

1 located. The tax received by the treasurer under this
2 paragraph shall be deposited in the general fund of the county
3 to defray costs of this chapter.

4 2. a. Subsequent payments of the annual conservation and
5 land preservation tax are due and payable by the end of the
6 month following the month in which occurs the anniversary date
7 of conversion of the acre or portion of the acre of the
8 agricultural land to a commercial or residential use. The
9 amount of the tax on each acre is equal to the amount computed
10 for each acre or portion of an acre under subsection 1,
11 paragraph "a". The conservation and land preservation tax
12 shall continue to be due and payable on each acre or portion
13 of an acre until the acre or portion of the acre is
14 reconverted to an agricultural use. For the year in which the
15 acre or portion of an acre is reconverted to an agricultural
16 use, the conservation and land preservation tax shall be
17 prorated for the year based upon the number of months,
18 counting a portion of a month as a full month, the land was
19 not used for an agricultural use.

20 b. The conservation and land preservation taxes due and
21 payable as provided in paragraph "a" shall be paid to the
22 treasurer of the county in which the land is located along
23 with the declaration of conversion form. The tax revenues
24 received by the treasurer of each county shall be remitted
25 quarterly to the treasurer of state.

26 3. The conservation and land preservation tax is
27 delinquent if not paid by the due date specified in subsection
28 1 or 2, as applicable. Interest shall be assessed against the
29 delinquent conservation and land preservation tax at a rate of
30 one and one-half percent per month until paid, counting a
31 fraction of a month as a whole month.

32 4. The county treasurer shall keep records and make
33 reports with respect to the conservation and land preservation
34 tax as the director of revenue and finance prescribes.

35 5. The conservation and land preservation tax due and

1 payable on any acre or portion of an acre is a lien on the
2 acre or portion of an acre against all persons.

3 Sec. 3. NEW SECTION. 428B.3 TAX REVENUES -- USE.

4 Conservation and land preservation tax revenues received
5 from the counties by the treasurer of state pursuant to
6 section 428B.2, subsection 2, shall be deposited into a land
7 preservation fund. Notwithstanding section 12C.7, interest
8 earned on moneys in the fund shall be credited to the land
9 preservation fund. Moneys in the fund shall be appropriated
10 by the general assembly only for the purpose of preserving or
11 conserving farmland in the state, including funding of
12 conservation programs administered by the soil conservation
13 division of the department of agriculture and land
14 stewardship.

15 Sec. 4. NEW SECTION. 428B.4 LIABILITY FOR TAX.

16 Any person who owns or has an ownership interest in land,
17 tenement, or realty by a deed, writing, or instrument subject
18 to the tax imposed by this chapter shall be liable for such
19 tax, including state and local government entities.

20 Sec. 5. NEW SECTION. 428B.5 FORMS PROVIDED BY DIRECTOR
21 OF REVENUE AND FINANCE.

22 The director of revenue and finance shall prescribe the
23 form of the declaration of conversion and shall include an
24 appropriate place for the inclusion of special facts and
25 circumstances relating to the corn suitability rating. The
26 director shall provide an adequate number of the declaration
27 of conversion forms to each county treasurer in the state.

28 Sec. 6. NEW SECTION. 428B.6 PENALTY FOR FAILURE TO PAY.

29 Any person liable for the tax imposed by this chapter who
30 knowingly fails to comply with this chapter relating to the
31 payment of the conservation and land preservation tax is
32 guilty of a simple misdemeanor. In addition, a penalty equal
33 to fifty percent of the amount of the tax is assessed.

34 Sec. 7. NEW SECTION. 428B.7 PENALTY FOR FALSE
35 INFORMATION.

1 Any person who willfully enters false information on the
2 declaration of value as it relates to corn suitability rating
3 is guilty of a simple misdemeanor.

4 Sec. 8. NEW SECTION. 428B.8 ENFORCEMENT.

5 The director of revenue and finance shall enforce the
6 provisions of this chapter and may adopt rules pursuant to
7 chapter 17A for their detailed and efficient administration.

8 Sec. 9. NEW SECTION. 428B.9 NONAPPLICABILITY.

9 This chapter shall not apply with respect to any property
10 where the use of the property may not under the Constitution
11 of this state or under the laws or Constitution of the United
12 States be made the subject of taxation by this state.

13 EXPLANATION

14 This bill imposes a conservation and land preservation tax
15 on the owner, including state and local government entities,
16 for the conversion of agricultural property to a commercial or
17 residential use. The tax is imposed as of the date the
18 conversion takes place and is payable annually until such time
19 as the land is reconverted to an agricultural use. The amount
20 of the tax is based upon the corn suitability rating (CSR) of
21 each acre of agricultural land converted. If the CSR is 50 or
22 less, no tax is imposed. If the CSR is more than 50, the tax
23 equals \$50 plus \$1 for each CSR rating unit above 50. The tax
24 is prorated if the land is less than an acre, or is later
25 subdivided or converted.

26 The original tax is due and payable by the end of the month
27 following the month in which the date of conversion takes
28 place. This tax is payable to the county treasurer to be used
29 to defray costs of the county's administration. The
30 subsequent years' taxes are due and payable by the end of the
31 month following the month in which the anniversary date
32 occurs. This tax is payable to the county treasurer who
33 remits the revenue to the state treasurer. The moneys from
34 the tax are to be appropriated by the general assembly only
35 for purposes of preserving or conserving Iowa farmland,

1 including funding of conservation programs.

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