

JAN 1 2 2005
WAYS AND MEANS

HOUSE FILE 38
BY WHITAKER

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

A BILL FOR

1 An Act relating to the eligibility for the homestead credit of
2 the owner of a dwelling located on land owned by another
3 person or entity and including an effective date.

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

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1 Section 1. Section 425.11, subsection 4, Code 2005, is
2 amended to read as follows:

3 4. The word "owner" shall mean the person who holds the
4 fee simple title to the homestead, and in addition shall mean
5 the person occupying as a surviving spouse or the person
6 occupying under a contract of purchase which contract has been
7 recorded in the office of the county recorder of the county in
8 which the property is located, or the person occupying the
9 homestead under devise or by operation of the inheritance laws
10 where the whole interest passes or where the divided interest
11 is shared only by persons related or formerly related to each
12 other by blood, marriage or adoption, or the person occupying
13 the homestead is a shareholder of a family farm corporation
14 that owns the property, or the person occupying the homestead
15 under a deed which conveys a divided interest where the
16 divided interest is shared only by persons related or formerly
17 related to each other by blood, marriage or adoption or where
18 the person occupying the homestead holds a life estate with
19 the reversion interest held by a nonprofit corporation
20 organized under chapter 504 or 504A, provided that the holder
21 of the life estate is liable for and pays property tax on the
22 homestead or where the person occupying the homestead holds an
23 interest in a horizontal property regime under chapter 499B,
24 regardless of whether the underlying land committed to the
25 horizontal property regime is in fee or as a leasehold
26 interest, provided that the holder of the interest in the
27 horizontal property regime is liable for and pays property tax
28 on the homestead. "Owner" also includes a person who holds
29 the fee simple title to the homestead dwelling or occupies the
30 homestead dwelling under a contract of purchase which is
31 recorded in the county where the dwelling is located and the
32 homestead dwelling is located upon land owned by another
33 person or entity and leased to the occupier if the term of the
34 lease is for at least five years and the occupier is liable
35 for and pays property tax on the homestead dwelling. For the

1 purpose of this chapter the word "owner" shall be construed to
2 mean a bona fide owner and not one for the purpose only of
3 availing the person of the benefits of this chapter. In order
4 to qualify for the homestead tax credit, evidence of ownership
5 shall be on file in the office of the clerk of the district
6 court or recorded in the office of the county recorder at the
7 time the owner files with the assessor a verified statement of
8 the homestead claimed by the owner as provided in section
9 425.2.

10 Where not in conflict with the terms of the definitions
11 above set out, the provisions of chapter 561 shall control.

12 Sec. 2. EFFECTIVE DATE. This Act, being deemed of
13 immediate importance, takes effect upon enactment.

14 EXPLANATION

15 Under present law a person owning a homestead dwelling
16 located upon land owned by another person is not eligible for
17 the homestead tax credit. This bill makes such an individual
18 eligible if the land is leased to the occupier of the
19 homestead dwelling, the term of the lease is at least five
20 years, and the occupier is liable for and pays property tax on
21 the homestead dwelling.

22 The bill takes effect upon enactment.

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