

MAR 31 2005
WAYS AND MEANS

HOUSE FILE 830
BY KURTENBACH and STRUYK

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

A BILL FOR

1 An Act relating to property taxation by increasing the square
2 foot tax on mobile and manufactured homes, modifying the terms
3 and continuing education requirements of local assessors,
4 relating to property assessment guidelines for local
5 assessors, modifying the definition of residential property
6 for purposes of assessment, prohibiting increases of certain
7 property assessment amounts in certain circumstances, and
8 including effective and applicability date and transition
9 provisions.

HF 830

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

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1 Section 1. Section 435.22, subsection 1, Code 2005, is
2 amended to read as follows:

3 1. Multiply the number of square feet of floor space each
4 home contains when parked and in use by twenty thirty cents.
5 In computing floor space, the exterior measurements of the
6 home shall be used as shown on the certificate of title, but
7 not including any area occupied by a hitching device.

8 Sec. 2. Section 441.5, unnumbered paragraphs 4, 5, and 7,
9 Code 2005, are amended to read as follows:

10 The director of revenue shall grade the examination taken.
11 The director shall notify, in writing, each applicant of the
12 score attained by the applicant on the examination. An
13 individual who attains a score of seventy percent or greater
14 on the examination is eligible to be certified by the director
15 of revenue as a candidate for any assessor position. Any
16 person who passes the examination and who possesses at least
17 two years of appraisal related experience as determined by the
18 director of revenue shall be granted regular certification and
19 become eligible for appointment to a ~~six-year~~ four-year term
20 as assessor. Any person who passes the examination but who
21 lacks such experience shall be granted temporary
22 certification, and shall be eligible for a provisional
23 appointment as assessor.

24 Any person possessing temporary certification who receives
25 a provisional appointment as assessor shall, during the
26 person's first eighteen months in office, be required to
27 complete a course of study prescribed and administered by the
28 director of revenue. Upon the successful completion of this
29 course of study, the assessor shall be granted regular
30 certification and shall be eligible to remain in office for
31 the balance of the assessor's ~~six-year~~ four-year term. All
32 expenses incurred in obtaining regular certification shall be
33 defrayed by the assessment expense fund.

34 Incumbent assessors who have served ~~six~~ four consecutive
35 years shall be placed on the register of individuals eligible

1 for appointment as assessor. In order to be appointed to the
2 position of assessor, the assessor shall comply with the
3 continuing education requirements. The number of credits
4 required for certification as eligible for appointment as
5 assessor in a jurisdiction other than where the assessor is
6 currently serving shall be prorated according to the
7 percentage of the assessor's term which is covered by the
8 continuing education requirements of section 441.8. The
9 credit necessary for certification for appointment is the
10 product of one hundred ~~fifty~~ multiplied by the quotient of the
11 number of months served of an assessor's term covered by the
12 continuing education requirements of section 441.8 divided by
13 ~~seventy-two~~ forty-eight. If the number of credits necessary
14 for certification for appointment as determined under this
15 paragraph results in a partial credit hour, the credit hour
16 shall be rounded to the nearest whole number.

17 Sec. 3. Section 441.8, unnumbered paragraphs 1, 6, and 7,
18 Code 2005, are amended to read as follows:

19 The term of office of an assessor appointed under this
20 chapter shall be for ~~six~~ four years. Appointments for each
21 succeeding term shall be made in the same manner as the
22 original appointment except that not more than one hundred
23 eighty days and not less than ninety days before the
24 expiration of the term of the assessor the conference board
25 shall hold a meeting to determine whether or not it desires to
26 reappoint the incumbent assessor to a new term.

27 Upon receiving credit equal to one hundred ~~fifty~~ hours of
28 classroom instruction during the assessor's current term of
29 office of which at least ~~ninety~~ sixty of the one hundred ~~fifty~~
30 hours are from courses requiring an examination upon
31 conclusion of the course, the director of revenue shall
32 certify to the assessor's conference board that the assessor
33 is eligible to be reappointed to the position. For persons
34 appointed to complete an unexpired term, the number of credits
35 required to be certified as eligible for reappointment shall

1 be prorated according to the amount of time remaining in the
2 present term of the assessor. If the person was an assessor
3 in another jurisdiction, the assessor may carry forward any
4 credit hours received in the previous position in excess of
5 the number that would be necessary to be considered current in
6 that position.

7 Within each ~~six-year~~ four-year period following the
8 appointment of a deputy assessor, the deputy assessor shall
9 comply with this section except that upon the successful
10 completion of ~~ninety~~ sixty hours of classroom instruction of
11 which at least ~~sixty~~ forty of the ~~ninety~~ sixty hours are from
12 courses requiring an examination upon conclusion of the
13 course, the deputy assessor shall be certified by the director
14 of revenue as being eligible to remain in the position. If a
15 deputy assessor fails to comply with this section, the deputy
16 assessor shall be removed from the position until successful
17 completion of the required hours of credit. If a deputy is
18 appointed to the office of assessor, the hours of credit
19 obtained as deputy pursuant to this section shall be credited
20 to that individual as assessor and for the individual to be
21 reappointed at the expiration of the term as assessor, that
22 individual must obtain the credits which are necessary to
23 total the number of hours for reappointment.

24 Sec. 4. Section 441.10, unnumbered paragraph 3, Code 2005,
25 is amended to read as follows:

26 Incumbent deputy assessors who have served ~~six~~ four
27 consecutive years shall be placed on the register of
28 individuals eligible for appointment as deputy assessor. In
29 order to be appointed to the position of deputy assessor, the
30 deputy assessor shall comply with the continuing education
31 requirements. The number of credits required for
32 certification as eligible for appointment as a deputy assessor
33 in a jurisdiction other than where the deputy assessor is
34 currently serving shall be prorated according to the
35 percentage of the deputy assessor's term which is covered by

1 the continuing education requirements of section 441.8. The
2 credit necessary for certification for appointment is the
3 product of ~~ninety~~ sixty multiplied by the quotient of the
4 number of months served of a deputy assessor's term covered by
5 the continuing education requirements of section 441.8 divided
6 by ~~seventy-two~~ forty-eight. If the number of credits
7 necessary for certification for appointment as determined
8 under this paragraph results in a partial credit hour, the
9 credit hour shall be rounded to the nearest whole number.

10 Sec. 5. Section 441.11, Code 2005, is amended to read as
11 follows:

12 441.11 INCUMBENT DEPUTY ASSESSORS.

13 The director of revenue shall grant a restricted
14 certificate to any deputy assessor holding office as of
15 January 1, 1976. A deputy assessor possessing such a
16 certificate shall be considered eligible to remain in the
17 deputy's present position provided continuing education
18 requirements are met. To become eligible for another deputy
19 assessor position, a deputy assessor presently holding office
20 is required to obtain certification as provided for in
21 sections 441.5 and 441.10. The number of credit hours
22 required for certification as eligible for appointment as a
23 deputy in a jurisdiction other than where the deputy is
24 currently serving shall be prorated according to the completed
25 portion of the deputy's ~~six-year~~ four-year continuing
26 education period.

27 Sec. 6. Section 441.21, subsection 1, Code 2005, is
28 amended by adding the following new paragraph:

29 NEW PARAGRAPH. h. The assessor shall determine the value
30 of real property in accordance with rules adopted by the
31 department of revenue and in accordance with forms and
32 guidelines contained in the real property appraisal manual
33 prepared by the department as updated from time to time. Such
34 rules, forms, and guidelines shall not be inconsistent with or
35 change the means, as provided in this section, of determining

1 the actual, market, taxable, and assessed values. If the
2 director of revenue determines that an assessor has willfully
3 disregarded the rules of the department relating to valuation
4 of property or has willfully disregarded the forms and
5 guidelines contained in the real property appraisal manual,
6 the department shall instruct the treasurer of state to
7 withhold the road use tax fund apportionment authorized in
8 section 312.3 to the county or city, as applicable, until the
9 director of revenue determines that the assessor is in
10 compliance. The department shall adopt rules relating to
11 implementation of this paragraph including a procedure for the
12 withholding of road use tax fund apportionment in the case of
13 noncompliance by an assessor.

14 Sec. 7. Section 441.21, subsection 2, Code 2005, is
15 amended to read as follows:

16 2. In the event market value of the property being
17 assessed cannot be readily established in the foregoing
18 manner, then the assessor may determine the value of the
19 property using the other uniform and recognized appraisal
20 methods including its productive and earning capacity, if any,
21 industrial conditions, its cost, physical and functional
22 depreciation and obsolescence and replacement cost, and all
23 other factors which would assist in determining the fair and
24 reasonable market value of the property but the actual value
25 shall not be determined by use of only one such factor. The
26 following shall not be taken into consideration: Special
27 value or use value of the property to its present owner, and
28 the good will or value of a business which uses the property
29 as distinguished from the value of the property as property.
30 If an assessor wishes to determine the value of property using
31 other uniform and recognized appraisal methods, in the event
32 that market value of the property cannot be readily
33 established, the assessor shall request the director to permit
34 the use of another method. However, in assessing property
35 that is rented or leased to low-income individuals and

1 families as authorized by section 42 of the Internal Revenue
2 Code, as amended, and which section limits the amount that the
3 individual or family pays for the rental or lease of units in
4 the property, the assessor shall use the productive and
5 earning capacity from the actual rents received as a method of
6 appraisal and shall take into account the extent to which that
7 use and limitation reduces the market value of the property.
8 The assessor shall not consider any tax credit equity or other
9 subsidized financing as income provided to the property in
10 determining the assessed value. The property owner shall
11 notify the assessor when property is withdrawn from section 42
12 eligibility under the Internal Revenue Code. The property
13 shall not be subject to section 42 assessment procedures for
14 the assessment year for which section 42 eligibility is
15 withdrawn. This notification must be provided to the assessor
16 no later than March 1 of the assessment year or the owner will
17 be subject to a penalty of five hundred dollars for that
18 assessment year. The penalty shall be collected at the same
19 time and in the same manner as regular property taxes. Upon
20 adoption of uniform rules by the revenue department of revenue
21 or succeeding authority covering assessments and valuations of
22 such properties, said the valuation on such properties shall
23 be determined in accordance therewith with such rules and in
24 accordance with forms and guidelines contained in the real
25 property appraisal manual prepared by the department as
26 updated from time to time for assessment purposes to assure
27 uniformity, but such rules, forms, and guidelines shall not be
28 inconsistent with or change the foregoing means of determining
29 the actual, market, taxable and assessed values.

30 Sec. 8. Section 441.21, Code 2005, is amended by adding
31 the following new subsection:

32 NEW SUBSECTION. 13. Beginning with valuations established
33 on or after January 1, 2005, as used in this section,
34 "residential property" includes the land located in a
35 manufactured home community or mobile home park.

1 Sec. 9. NEW SECTION. 441.44A INCREASE IN ASSESSMENT
2 PROHIBITED IN CERTAIN CIRCUMSTANCES.

3 If the amount of an assessment protested is decreased by
4 the board of review, by the assessment appeal board as created
5 in 2005 Iowa Acts, by the district court, or by voluntary
6 court settlement, the assessor or local board of review shall
7 not increase the amount of such reduced assessment until the
8 next revaluation and reassessment year, except for increases
9 in assessment due solely to improvements made to the property
10 after the assessment amount was decreased and before the
11 revaluation and reassessment year.

12 Sec. 10. EFFECTIVE AND APPLICABILITY DATES AND TRANSITION.

13 1. The section of this Act amending Code section 435.22
14 applies to taxes due and payable for fiscal years beginning on
15 or after July 1, 2006.

16 2. a. The sections of this Act amending Code sections
17 441.5, 441.8, 441.10, and 441.11 take effect July 1, 2007, for
18 purposes of the transition to four-year terms and modified
19 continuing education requirements for city and county
20 assessors.

21 b. The term of office of all city and county assessors
22 holding office prior to December 31, 2007, shall expire on
23 December 31, 2007, and the conference board of each assessing
24 jurisdiction shall appoint an assessor for the term of office
25 beginning January 1, 2008. Beginning with terms of office
26 beginning January 1, 2008, and all subsequent terms, the term
27 of office for a city or county assessor shall be four years
28 unless an appointment is made to fill a vacancy for an
29 unexpired term.

30 3. The section of this Act enacting new subsection 13 to
31 Code section 441.21, being deemed of immediate importance,
32 takes effect upon enactment and applies retroactively to
33 January 1, 2005, for assessment years beginning on or after
34 that date.

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EXPLANATION

1 This bill makes various changes to the law relating to
2 property taxation.

3 The bill increases from 20 cents to 30 cents the square
4 foot tax rate on mobile homes and manufactured homes located
5 in mobile home parks or manufactured home communities. This
6 section of the bill applies to taxes due and payable for
7 fiscal years beginning on or after July 1, 2006.

8 The bill changes the term of office of city or county
9 assessor from six years to four years and makes corresponding
10 changes to continuing education requirements. This portion of
11 the bill takes effect July 1, 2007. The bill provides
12 transition provisions for the change from six-year terms to
13 four-year terms.

14 The bill requires local assessors, when assessing property,
15 to use the forms and apply the guidelines contained in the
16 real property appraisal manual prepared by the department of
17 revenue. The bill provides that, if the market value of
18 property cannot be readily established, the assessor shall
19 request permission from the director of revenue to use other
20 uniform and recognized appraisal methods. If the department
21 determines that an assessor, when assessing property, is
22 willfully disregarding rules, forms, or guidelines of the
23 department, the department shall take steps to have the
24 county's or city's road use tax fund apportionment withheld by
25 the state until the assessor complies with the rules, forms,
26 and guidelines.

27 The bill provides that, for purposes of property
28 assessment, "residential property" includes the land located
29 in a manufactured home community or mobile home park. This
30 section of the bill takes effect upon enactment and applies
31 retroactively to assessment years beginning on or after
32 January 1, 2005.

33 The bill provides that if the amount of an assessment
34 protested is decreased by the board of review, by the property
35 assessment appeal board if created in 2005 Iowa Acts, by the

1 district court, or by voluntary court settlement, the assessor
2 or local board of review shall not increase the amount of such
3 reduced assessment until the next revaluation and reassessment
4 year, except for increases in assessment due solely to
5 improvements made to the property after the assessment amount
6 was decreased and before the revaluation and reassessment
7 year.

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