

FILED MAR 7 2005

SENATE FILE 278 WAYS & MEANS
BY KETTERING

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

A BILL FOR

1 An Act relating to the exemption from property taxation of
2 certain low-rent housing and including effective date and
3 applicability date provisions.

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

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SC 278
WAYS & MEANS

1 Section 1. Section 427.1, subsection 21, Code 2005, is
2 amended to read as follows:

3 21. LOW-RENT HOUSING. The property owned and operated by
4 a nonprofit organization providing low-rent housing for
5 persons who are elderly and persons with physical and mental
6 disabilities. The exemption granted under the provisions of
7 this subsection shall apply only until the terms final payment
8 due date of the original low-rent housing development mortgage
9 or until the original low-rent housing development mortgage is
10 paid in full or expires, whichever is sooner, subject to the
11 provisions of subsection 14. However, if the original low-
12 rent housing development mortgage is refinanced, the exemption
13 shall apply only until the date that would have been the final
14 payment due date under the terms of the original low-rent
15 housing development mortgage or until the refinanced mortgage
16 is paid in full or expires, whichever is sooner, subject to
17 the provisions of subsection 14.

18 Sec. 2. PROPERTY TAX EXEMPTION STATUS. This Act is not
19 considered a property tax exemption enacted on or after
20 January 1, 1997, for purposes of section 25B.7.

21 Sec. 3. EFFECTIVE AND APPLICABILITY DATES. This Act,
22 being deemed of immediate importance, takes effect upon
23 enactment and applies retroactively to January 1, 2005, for
24 assessment years beginning on or after that date.

25 EXPLANATION

26 This bill makes changes relating to the property tax
27 exemption for property owned and operated by a nonprofit
28 organization providing low-rent housing for the elderly and
29 for persons with physical and mental disabilities. Current
30 law provides that the property is eligible for exemption until
31 the original mortgage is paid in full or expires.

32 The bill provides that the property is eligible for
33 exemption until the final payment due date of the original
34 mortgage or until the original mortgage is paid in full or
35 expires, whichever is sooner. The bill further provides that

1 if the mortgage is refinanced, the property is eligible for
2 exemption until the date that would have been the final
3 payment due date under the terms of the original mortgage or
4 until the refinanced mortgage is paid in full or expires,
5 whichever is sooner.

6 The bill is not considered a property tax exemption enacted
7 on or after January 1, 1997, for purposes of the state funding
8 requirement under Code section 25B.7.

9 The bill takes effect upon enactment and applies
10 retroactively to assessment years beginning on or after
11 January 1, 2005.

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