

HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	House File 2551	House Committee:	PASSED on 3/8/22 (22-3)
Committee:	Ways and Means	House Floor:	
Floor Manager:	Rep. Maxwell -	Senate Floor:	
Date:	March 29, 2022	Governor:	
Staff:	Kristi Kious (2-5290)		

Levee and Drainage District Assessments

- This bill provides a property tax exemption for certain a levee and drainage district in limited circumstances.
- **Fiscal Note** – None

Section by Section Analysis

Section 1 – Exemptions (427.1)

(New subsection) Current Iowa Code provides that the actual value of agricultural property shall be determined on the basis of productivity and net earning capacity of the property determined on the basis of its use for agricultural purposes capitalized at a rate of 7 percent and applied uniformly among counties and among classes of property.

This section provides that for assessment years beginning on or after January 1, 2023, a portion of the actual value of property classified as agricultural located in a levee and drainage district that is located adjacent to both the Mississippi river and the Iowa river and consists of at least 35,000 acres shall be exempt from taxation. The exemption on such agricultural property shall be allowed if the property’s per-acre levee and drainage district taxes assessed exceed the applicable county’s per-acre five-year average levee and drainage district tax amount. The amount of the exemption shall be an amount equal to the number of net acres comprising the property multiplied by the amount by which the property’s per-acre levee and drainage district taxes exceed the county’s per-acre five-year average levee and drainage district tax amount divided by 7 percent. However, in no case shall the amount of the exemption exceed 50 percent of the actual land value of the property.