



HOUSE REPUBLICAN STAFF ANALYSIS

Bill: House File 717	House Committee: PASSED on 4/13/23 (25-0)
Committee: Ways and Means	House Floor:
Floor Manager: Rep. Boden	Senate Floor:
Date: April 19, 2023	Governor:
Staff: Kristi Kious (2-5290)	

Section 42 Housing Valuation

- Provides for the assessment of section 42 housing.

Section by Section Analysis

Sections 1 and 2– Tax imposed (441.21)

Under currently law, when assessing property that is rented or leased to low-income individuals and families as authorized by section 42 of the Internal Revenue Code, unless the owner elects to withdraw the property from the assessment procedures for section 42 property, the assessor shall use the productive and earning capacity from the actual rents received as a method of appraisal and shall take into account the extent to which that use and limitation reduces the market value of the property. The definition of “residential property” excludes such property if it has not been withdrawn from section 42 assessment procedures.

These sections allow for section 42 property to be classified as residential property even if it has not been withdrawn from section 42 assessment procedures if the property is primarily used or intended for human habitation containing two or fewer dwelling units.

Section 3 – Effective date

This section provides that the bill is effective upon enactment.

Section 4 – Retroactive applicability

This section provides that the bill applies retroactively to assessment years beginning on or after January 1, 2023.