

CHAPTER 109

TAXATION — APPEALS PROCESSES — POWERS AND DUTIES OF DEPARTMENT AND DIRECTOR OF REVENUE

H.F. 626

AN ACT relating to the processes for appealing tax matters in this state by extending the future repeal of the property assessment appeal board, providing for the future repeal of the state board of tax review, providing for appeals to the director of revenue for certain tax matters and modifying the powers and duties of the director of revenue, and including effective date provisions.

Be It Enacted by the General Assembly of the State of Iowa:

DIVISION I

EXTENSION OF FUTURE REPEAL OF PROPERTY ASSESSMENT APPEAL BOARD

Section 1. 2005 Iowa Acts, chapter 150, section 134, as amended by 2013 Iowa Acts, chapter 123, section 62, is amended to read as follows:

SEC. 134. FUTURE REPEAL.

1. The sections of this division of this Act amending sections 7E.6, 13.7, 428.4, 441.19, 441.35, 441.38, 441.39, 441.43, 441.49, and 445.60, and enacting sections 421.1A and 441.37A, are repealed effective July 1, ~~2018~~ 2021.

2. The portion of the section of this division of this Act amending section 441.28 relating only to the property assessment appeal board is repealed effective July 1, ~~2018~~ 2021.

3. The repeals provided for in subsections 1 and 2 shall include all subsequent amendments to such sections relating to the property assessment appeal board.

DIVISION II

FUTURE REPEAL OF STATE BOARD OF TAX REVIEW — TRANSITION

Sec. 2. Section 421.1, Code 2015, is amended by adding the following new subsection:

NEW SUBSECTION. 6. *Future repeal.*

a. Notwithstanding subsection 5 or any other provision of law to the contrary, a party shall not appeal to the state board, nor shall the state board accept for review, any decision, order, directive, or assessment of the director of revenue or the department on or after the effective date of this division of this Act.

b. This section is repealed upon the occurrence of one of the following, whichever is earlier:

(1) The final disposition by the state board of all cases pending before the board on the effective date of this division of this Act. The chairperson of the board shall notify the Iowa Code editor upon the occurrence of this condition.

(2) July 1, 2016.

Sec. 3. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION III

CORRESPONDING CHANGES RELATED TO DIVISION II

Sec. 4. Section 68B.35, subsection 2, paragraph e, Code 2015, is amended to read as follows:

e. Members of the state banking council, the ethics and campaign disclosure board, the credit union review board, the economic development authority, the employment appeal board, the environmental protection commission, the health facilities council, the Iowa finance authority, the Iowa public employees' retirement system investment board, the board of the Iowa lottery authority, the natural resource commission, the board of parole, the petroleum underground storage tank fund board, the public employment relations board, the state racing and gaming commission, the state board of regents, ~~the tax review board,~~

the transportation commission, the office of consumer advocate, the utilities board, the Iowa telecommunications and technology commission, and any full-time members of other boards and commissions as defined under section 7E.4 who receive an annual salary for their service on the board or commission. The Iowa ethics and campaign disclosure board shall conduct an annual review to determine if members of any other board, commission, or authority should file a statement and shall require the filing of a statement pursuant to rules adopted pursuant to chapter 17A.

Sec. 5. Section 421.17, subsection 19, paragraph b, Code 2015, is amended to read as follows:

b. (1) The provisions of sections 17A.10 to 17A.18A relating to contested cases shall not apply to any matters involving the equalization of valuations of classes of property as authorized by this chapter and chapter 441.

(2) (a) This exemption from the provisions of sections 17A.10 to 17A.18A shall not apply to a hearing before the state board of tax review.

(b) This subparagraph is repealed July 1, 2016.

(3) This exemption from the provisions of sections 17A.10 to 17A.18A shall not apply to a hearing before the director as provided in section 441.49, subsection 5.

Sec. 6. Section 421.60, subsection 4, paragraph a, unnumbered paragraph 1, Code 2015, is amended to read as follows:

A prevailing taxpayer in an administrative hearing or a court proceeding related to the determination, collection, or refund of a tax, penalty, or interest may be awarded reasonable litigation costs by the department, ~~state board of tax review~~, or a court, that are incurred subsequent to the issuance of the notice of assessment or denial of claim for refund in the proceeding, based upon the following:

Sec. 7. Section 425.7, subsection 3, Code 2015, is amended to read as follows:

3. a. If the ~~director~~ department of revenue determines that a claim for homestead credit has been allowed by the board of supervisors which is not justifiable under the law and not substantiated by proper facts, the ~~director~~ department may, at any time within thirty-six months from July 1 of the year in which the claim is allowed, set aside the allowance. Notice of the disallowance shall be given to the county auditor of the county in which the claim has been improperly granted and a written notice of the disallowance shall also be addressed to the claimant at the claimant's last known address. The claimant or board of supervisors may appeal to the ~~state board of tax review pursuant to section 421.1, subsection 5~~ director of revenue within thirty days from the date of the notice of disallowance. The director shall grant a hearing and if, upon the hearing, the director determines that the disallowance was incorrect, the director shall set aside the disallowance. The director shall notify the claimant and the board of supervisors of the result of the hearing. The claimant or the board of supervisors may seek judicial review of the action of the ~~state board of tax review~~ director of revenue in accordance with chapter 17A.

b. If a claim is disallowed by the ~~director~~ department of revenue and not appealed to the ~~state board of tax review~~ director of revenue or appealed to the ~~state board of tax review~~ director of revenue and thereafter upheld upon final resolution, including any judicial review, any amounts of credits allowed and paid from the homestead credit fund including the penalty, if any, become a lien upon the property on which credit was originally granted, if still in the hands of the claimant, and not in the hands of a bona fide purchaser, and any amount so erroneously paid including the penalty, if any, shall be collected by the county treasurer in the same manner as other taxes and the collections shall be returned to the department of revenue and credited to the homestead credit fund. The director of revenue may institute legal proceedings against a homestead credit claimant for the collection of payments made on disallowed credits and the penalty, if any. If a person makes a false claim or affidavit with fraudulent intent to obtain the homestead credit, the person is guilty of a fraudulent practice and the claim shall be disallowed in full. If the credit has been paid, the amount of the credit plus a penalty equal to twenty-five percent of the amount of credit plus interest, at the rate in effect under section 421.7, from the time of payment shall be collected

by the county treasurer in the same manner as other property taxes, penalty, and interest are collected and when collected shall be paid to the director of revenue. If a homestead credit is disallowed and the claimant failed to give written notice to the assessor as required by section 425.2 when the property ceased to be used as a homestead by the claimant, a civil penalty equal to five percent of the amount of the disallowed credit is assessed against the claimant.

Sec. 8. Section 425.17, subsection 3, Code 2015, is amended to read as follows:

3. “Gross rent” means rental paid at arm’s length for the right of occupancy of a homestead or manufactured or mobile home, including rent for space occupied by a manufactured or mobile home not to exceed one acre. If the ~~director~~ department of revenue determines that the landlord and tenant have not dealt with each other at arm’s length, and the ~~director~~ department of revenue is satisfied that the gross rent charged was excessive, the ~~director~~ department shall adjust the gross rent to a reasonable amount as determined by the ~~director~~ department.

Sec. 9. Section 425.18, Code 2015, is amended to read as follows:

425.18 Right to file a claim.

The right to file a claim for reimbursement or credit under this division may be exercised by the claimant or on behalf of a claimant by the claimant’s legal guardian, spouse, or attorney, or by the executor or administrator of the claimant’s estate. If a claimant dies after having filed a claim for reimbursement for rent constituting property taxes paid, the amount of the reimbursement may be paid to another member of the household as determined by the ~~director~~ department of revenue. If the claimant was the only member of the household, the reimbursement may be paid to the claimant’s executor or administrator, but if neither is appointed and qualified within one year from the date of the filing of the claim, the reimbursement shall escheat to the state. If a claimant dies after having filed a claim for credit for property taxes due, the amount of credit shall be paid as if the claimant had not died.

Sec. 10. Section 425.26, subsection 2, Code 2015, is amended to read as follows:

2. The ~~director~~ department may require any additional proof necessary to support a claim.

Sec. 11. Section 425.27, Code 2015, is amended to read as follows:

425.27 Audit — recalculation or denial — appeals.

If on the audit of a claim for credit or reimbursement under this division, the ~~director~~ department of revenue determines the amount of the claim to have been incorrectly calculated or that the claim is not allowable, the ~~director~~ department shall recalculate the claim and notify the claimant of the recalculation or denial and the reasons for it. The recalculation of the claim shall be final unless appealed to the director within thirty days from the date of notice of recalculation or denial. The director shall grant a hearing, and upon hearing determine the correct claim, if any, and notify the claimant of the decision by mail. The ~~director~~ department of revenue shall not adjust a claim after three years from October 31 of the year in which the claim was filed. If the claim for reimbursement has been paid, the amount may be recovered by assessment in the same manner that income taxes are assessed under sections 422.26 and 422.30. If the claim for credit has been paid, the ~~director~~ department of revenue shall give notification to the claimant and the county treasurer of the recalculation or denial of the claim and the county treasurer shall proceed to collect the tax owed in the same manner as other property taxes due and payable are collected, if the property on which the credit was granted is still owned by the claimant, and repay the amount to the director upon collection. If the property on which the credit was granted is not owned by the claimant, the amount may be recovered from the claimant by assessment in the same manner that income taxes are assessed under sections 422.26 and 422.30. ~~The recalculation of the claim decision of the director shall be final unless appealed as provided in section 425.31.~~ Section 422.70 is applicable with respect to this division.

Sec. 12. Section 425.29, Code 2015, is amended to read as follows:

425.29 False claim — penalty.

A person who makes a false affidavit for the purpose of obtaining credit or reimbursement provided for in this division or who knowingly receives the credit or reimbursement without being legally entitled to it or makes claim for the credit or reimbursement in more than one county in the state without being legally entitled to it is guilty of a fraudulent practice. The claim for credit or reimbursement shall be disallowed in full and if the claim has been paid the amount shall be recovered in the manner provided in section 425.27. The ~~director~~ department of revenue shall send a notice of disallowance of the claim.

Sec. 13. Section 425.31, Code 2015, is amended to read as follows:

425.31 Appeals.

Any person aggrieved by an act or decision of the director of revenue or the department of revenue under this division shall have the same rights of appeal and review as provided in ~~sections 421.1 and~~ section 423.38 and the rules of the department of revenue.

Sec. 14. Section 426A.6, Code 2015, is amended to read as follows:

426A.6 Setting aside allowance.

If the ~~director~~ department of revenue determines that a claim for military service tax exemption has been allowed by a board of supervisors which is not justifiable under the law and not substantiated by proper facts, the ~~director~~ department may, at any time within thirty-six months from July 1 of the year in which the claim is allowed, set aside the allowance. Notice of the disallowance shall be given to the county auditor of the county in which the claim has been improperly granted and a written notice of the disallowance shall also be addressed to the claimant at the claimant's last known address. The claimant or the board of supervisors may appeal to the ~~state board of tax review pursuant to section 421.1, subsection 5~~ director of revenue within thirty days from the date of the notice of disallowance. The director shall grant a hearing and if, upon the hearing, the director determines that the disallowance was incorrect, the director shall set aside the disallowance. The director shall notify the claimant and the board of supervisors of the result of the hearing. The claimant or the board of supervisors may seek judicial review of the action of the ~~state board of tax review~~ director of revenue in accordance with chapter 17A. If a claim is disallowed by the ~~director~~ department of revenue and not appealed to the ~~state board of tax review~~ director of revenue or appealed to the ~~state board of tax review~~ director of revenue and thereafter upheld upon final resolution, including judicial review, the credits allowed and paid from the general fund of the state become a lien upon the property on which the credit was originally granted, if still in the hands of the claimant and not in the hands of a bona fide purchaser, the amount so erroneously paid shall be collected by the county treasurer in the same manner as other taxes, and the collections shall be returned to the department of revenue and credited to the general fund of the state. The director of revenue may institute legal proceedings against a military service tax exemption claimant for the collection of payments made on disallowed exemptions.

Sec. 15. Section 426C.7, Code 2015, is amended to read as follows:

426C.7 Audit — recalculation or denial.

1. If on the audit of a credit provided under this chapter, the ~~director~~ department of revenue determines the amount of the credit to have been incorrectly calculated or that the credit is not allowable, the ~~director~~ department shall recalculate the credit and notify the claimant and the county auditor of the recalculation or denial and the reasons for it. The ~~director~~ department shall not adjust a credit after three years from October 31 of the year in which the claim for the credit was filed. If the credit has been paid, the ~~director~~ department shall give notification to the claimant, the county treasurer, and the applicable assessor of the recalculation or denial of the credit and the county treasurer shall proceed to collect the tax owed in the same manner as other property taxes due and payable are collected, if the parcel or property unit for which the credit was allowed is still owned by the claimant. If the parcel or property unit for which the credit was allowed is not owned by the claimant, the amount may be recovered from the claimant by assessment in the same manner that income taxes are assessed under sections 422.26 and 422.30. The amount of such erroneous credit, when collected, shall be deposited in the fund.

2. The claimant or board of supervisors may appeal any decision of the ~~director department of revenue to the state board of tax review pursuant to section 421.1, subsection 5~~ director of revenue within thirty days from the date of the notice of the recalculation or denial provided to the claimant and county auditor. ~~The director shall grant a hearing, and upon hearing the director shall determine the correct credit, if any, and notify the claimant, board of supervisors, county auditor, and county treasurer of the decision by mail.~~ The claimant, or the board of supervisors, or the director of revenue may seek judicial review of the action of the state board of tax review director of revenue in accordance with chapter 17A.

Sec. 16. Section 426C.8, Code 2015, is amended to read as follows:

426C.8 False claim — penalty.

A person who makes a false claim for the purpose of obtaining a credit provided for in this chapter or who knowingly receives the credit without being legally entitled to it is guilty of a fraudulent practice. The claim for a credit of such a person shall be disallowed and if the credit has been paid the amount shall be recovered in the manner provided in section 426C.7. In such cases, the ~~director~~ department of revenue shall send a notice of disallowance of the credit.

Sec. 17. Section 428.28, Code 2015, is amended to read as follows:

428.28 Annual report by utility.

1. Every individual, partnership, corporation, or association operating for profit, waterworks, other than waterworks taxed under chapter 437B, or gasworks or pipelines other than natural gas pipelines permitted pursuant to chapter 479, annually on or before May 1 of each calendar year, shall make a report on blanks to be provided by the department of revenue of all of the property owned by such individual, partnership, corporation, or association within the incorporated limits of any city in the state, and give such other information as the ~~director~~ department of revenue shall require.

2. Every individual, partnership, corporation, or association which operates a public utility on a nonprofit basis other than a utility subject to tax under chapter 437A or chapter 437B, as defined in section 428.24 shall annually, on or before May 1 of each calendar year, make a report on blanks to be provided by the department of revenue of all of the property owned by the individual, partnership, corporation, or association within the incorporated limits of any city in the state, and give other information the ~~director~~ department of revenue requires.

Sec. 18. Section 428.29, Code 2015, is amended to read as follows:

428.29 Assessment and certification.

The ~~director~~ department of revenue shall on or before October 31 each year proceed to determine, upon the basis of the data required in the report under section 428.28 and any other information the ~~director~~ department may obtain, the actual value of all property, subject to the ~~director's~~ department's jurisdiction, of said individual, partnership, corporation, or association, and shall make assessments upon the taxable value of the property, as provided by section 441.21. The ~~director~~ department of revenue shall, on or before October 31, certify to the county auditor of every county in the state the valuations fixed for assessment upon all such property in each and every taxing district in each county by the department of revenue. This valuation shall then be spread upon the books in the same manner as other valuations fixed by the department of revenue upon property assessed under the department's jurisdiction.

Sec. 19. Section 429.1, Code 2015, is amended to read as follows:

429.1 Notice of assessment.

The ~~director~~ department of revenue shall, at the time of making the assessment of property as provided in chapters 428, 433, 434, 437, and 438, inform the person assessed, by mail, of the valuation put upon the taxpayer's property. The notice shall contain a notice of the taxpayer's right of appeal to the ~~state board of tax review~~ director of revenue as provided in section 429.2.

Sec. 20. Section 429.2, Code 2015, is amended to read as follows:

429.2 Appeal.

1. ~~Notwithstanding the provisions of chapter 17A, the~~ The taxpayer shall have thirty days from the date of the notice of assessment to appeal the assessment to the ~~state board of tax review~~ director of revenue. Thereafter, the proceedings before the ~~state board of tax review~~ director of revenue shall conform to the provisions of subsection 2, ~~section 421.1, subsection 5,~~ and chapter 17A.

2. The following rules shall apply to the appeal proceedings in addition to those stated in ~~section 421.1, subsection 5,~~ and chapter 17A:

a. The department's assessment shall be presumed correct and the burden of proof shall be on the taxpayer with respect to all issues raised on appeal, including any challenge of the ~~director's~~ department's valuation.

b. The burden of proof must be carried by a preponderance of the evidence.

c. The ~~board~~ director of revenue shall consider all evidence and witnesses offered by the taxpayer ~~and the department,~~ including, but not limited to, evidence relating to the proper valuation of the property involved.

d. The ~~board~~ director of revenue shall make an independent determination of the value of the property based solely upon ~~its~~ the director's review of the evidence presented.

e. Upon the request of a party, the ~~board~~ director of revenue shall set the case for hearing within one year of the date of the request, unless for good cause shown, by application and ruling thereon after notice and not ex parte, the hearing date is continued by the ~~board~~ director of revenue.

Sec. 21. Section 429.3, Code 2015, is amended to read as follows:

429.3 Judicial review.

Judicial review of the action of the ~~state board of tax review~~ director of revenue may be sought by the taxpayer ~~or the director of revenue~~ in accordance with the terms of chapter 17A.

Sec. 22. Section 433.1, unnumbered paragraph 1, Code 2015, is amended to read as follows:

Every telegraph and telephone company operating a line in this state shall, on or before the first day of May in each year, furnish to the ~~director~~ department of revenue a statement verified by its president or secretary showing:

Sec. 23. Section 433.2, Code 2015, is amended to read as follows:

433.2 Additional statement.

Upon the receipt of the statements required in section 433.1 from the several companies, the ~~director~~ department of revenue shall examine the statements. If the ~~director~~ department deems the statements insufficient and that further information is requisite, the ~~director~~ department shall require the officer making the statements to make such other or further statement as the ~~director~~ department may desire.

Sec. 24. Section 433.3, Code 2015, is amended to read as follows:

433.3 Failure to make statement.

In case of failure or refusal of any company to make out or deliver to the ~~director~~ department of revenue the statements required in section 433.1, such company shall forfeit and pay to the state one hundred dollars for each day such report is delayed beyond the first day of May, to be sued and recovered in any proper form of action in the name of the state, and on the relation of the director of revenue, and such penalty, when collected, shall be paid into the general fund of the state.

Sec. 25. Section 433.4, subsection 1, Code 2015, is amended to read as follows:

1. The ~~director~~ department of revenue shall on or before October 31 each year, find the actual value of the property of telegraph and telephone companies in this state that is used by the companies in the transaction of telegraph and telephone business, taking into consideration the information obtained from the statements required, and any further information the ~~director~~ department can obtain, using the same as a means for determining

the actual value of the property of the companies within this state. The director department shall also take into consideration the valuation of all property of the companies, including franchises and the use of the property in connection with lines outside the state, and making these deductions as may be necessary on account of extra value of property outside the state as compared with the value of property in the state, in order that the actual value of the property of the company within this state may be ascertained. The assessment shall include all property of every kind and character whatsoever, real, personal, or mixed, used by the companies in the transaction of telegraph and telephone business. The property so included in the assessment shall not be taxed in any other manner than as provided in this chapter.

Sec. 26. Section 433.5, Code 2015, is amended to read as follows:

433.5 Actual value per mile — exemption value per mile.

1. The director department of revenue shall ascertain the actual value per mile of the property of each company within this state by dividing the total actual value, as ascertained under section 433.4, subsection 1, by the number of miles of line of such company within the state, and the result shall be deemed and held to be the actual value per mile of line of the property of such company within this state.

2. The director department of revenue shall ascertain the exemption value per mile of the property of each company within this state by dividing the amount of the exemption for that company determined under section 433.4, subsection 2, by the number of miles of line of such company within the state, and the result shall be deemed and held to be the exemption value per mile of line for that company.

Sec. 27. Section 433.7, Code 2015, is amended to read as follows:

433.7 Hearing.

At the time of determination of value by the director department of revenue, any company interested shall have the right to appear, by its officers or agents, before the director department of revenue and be heard on the question of the valuation of its property for taxation.

Sec. 28. Section 433.8, Code 2015, is amended to read as follows:

433.8 Assessment in each county — how certified.

The director department of revenue shall, for the purpose of determining what amount shall be assessed to each company in each county of the state into which the line of the said company extends, certify to the several county auditors of the respective counties into, over, or through which said line extends the number of miles of line in the county for that company, the actual value per mile of line for that company, and the exemption value per mile of line for that company.

Sec. 29. Section 433.9, Code 2015, is amended to read as follows:

433.9 Entry of certificate.

At the first meeting of the board of supervisors held after the certification made under section 433.8 is received by the county auditor, the board shall cause such certification to be entered in its minute book, and make and enter therein an order stating the length of the lines, the actual value of the property, and the exempted value of the property of each of said companies situated in each city, township, or lesser taxing district in its county, as fixed by the director department of revenue. The value certified by the director department of revenue, following application of the percentage of actual value under section 441.21, and following the application of the exemption value certified by the director department of revenue, shall constitute the taxable value of said property for taxing purposes, and the taxes on said property when collected by the county treasurer shall be disposed of as other taxes on real estate. The county auditor shall transmit a copy of said order to the council or trustees of each city or township in which the lines of said company extend.

Sec. 30. Section 434.2, unnumbered paragraph 1, Code 2015, is amended to read as follows:

On or before October 31 each year, the director department of revenue shall assess all the property of each railway corporation in the state, excepting the lands, lots, and other real

estate belonging thereto not used in the operation of any railway, and excepting railway bridges across the Mississippi and Missouri rivers, and excepting grain elevators; and for the purpose of making such assessment its president, vice president, general manager, general superintendent, receiver, or such other officer as the ~~director~~ department of revenue may designate, shall, on or before the first day of April in each year, furnish the department of revenue a verified statement showing in detail for the year ended December 31 next preceding:

Sec. 31. Section 434.2, subsection 8, Code 2015, is amended to read as follows:

8. Any and all other movable property owned by said railway within the state, classified and scheduled in such manner as may be required by the ~~director~~ department of revenue.

Sec. 32. Section 434.12, Code 2015, is amended to read as follows:

434.12 Refusal to obey.

If any railway company shall fail or refuse to obey or conform to the rules, regulations, method, and requirements so made or prescribed by the director of revenue under the provisions of sections 434.7 to 434.11 or to make the reports therein provided, the ~~director~~ department of revenue shall proceed to assess the property of such railway company so failing or refusing, according to the best information obtainable, and shall then add to the taxable valuation of such railway company twenty-five percent thereof, which valuation and penalty shall be separately shown, and together shall constitute the assessment for that year.

Sec. 33. Section 434.14, Code 2015, is amended to read as follows:

434.14 Amended statement.

The ~~director~~ department of revenue may demand, in writing, detailed, explanatory, and amended statements of any of the items mentioned in section 434.2, or any other items deemed by the ~~director~~ department important, to be furnished the ~~director~~ department by such railway corporation within thirty days from such demand, in such form as the ~~director~~ department may designate, which shall be verified as required for the original statement. The returns, both original and amended, shall show such other facts as the ~~director~~ department, in writing, shall require.

Sec. 34. Section 434.15, unnumbered paragraph 1, Code 2015, is amended to read as follows:

The said property shall be valued at its actual value, and the assessments shall be made upon the taxable value of the entire railway within the state, except as otherwise provided, and the actual value so ascertained shall be assessed as provided by section 441.21, and shall include the right-of-way, roadbed, bridges, culverts, rolling stock, depots, station grounds, shops, buildings, gravel beds, and all other property, real and personal, exclusively used in the operation of such railway. In assessing said railway and its equipments, the ~~director~~ department of revenue shall take into consideration the gross earnings per mile for the year ending January 1, preceding, and any and all other matters necessary to enable the ~~director~~ department to make a just and equitable assessment of said railway property. If a part of any railway is without this state, then, in estimating the value of its rolling stock and movable property, the ~~director~~ department shall take into consideration the proportion which the business of that part of the railway lying within the state bears to the business of the railway without this state.

Sec. 35. Section 434.16, Code 2015, is amended to read as follows:

434.16 Assessment of sleeping and dining cars.

The ~~director~~ department of revenue shall, at the time of the assessment of other railway property for taxation, assess for taxation the average number of sleeping and dining cars as provided in section 434.6 so used by such corporation each month and the assessed value of said cars shall bear the same proportion to the entire value thereof that the monthly average number of miles such cars have been run or operated within the state shall bear to the monthly average number of miles such cars have been used or operated within and without the state. Such valuation shall be in the same ratio as that of the property of individuals, and shall be added to the assessed valuation of the corporation, fixed under section 434.15.

Sec. 36. Section 434.17, Code 2015, is amended to read as follows:

434.17 Certification to county auditors.

On or before October 31 each year, the ~~director~~ department of revenue shall transmit to the county auditor of each county, through and into which any railway may extend, a statement showing the length of the main track within the county, and the assessed value per mile of the same, as fixed by a ratable distribution per mile of the assessed valuation of the whole property.

Sec. 37. Section 434.22, Code 2015, is amended to read as follows:

434.22 Levy and collection of tax.

At the first meeting of the board of supervisors held after said statement is received by the county auditor, the board shall cause the same to be entered on its minute book, and make and enter in the minute book an order stating the length of the main track and the assessed value of each railway lying in each city, township, or lesser taxing district in its county, through or into which the railway extends, as fixed by the ~~director~~ department of revenue, which shall constitute the taxable value of the property for taxing purposes; and the taxes on the property, when collected by the county treasurer, shall be disposed of as other taxes. The county auditor shall transmit a copy of the order to the council or trustees of the city or township.

Sec. 38. Section 437.2, unnumbered paragraph 1, Code 2015, is amended to read as follows:

Every company owning or operating a transmission line or lines for the conduct of electric energy and which line or lines are located within the state, and which said line or lines are also located wholly or partly outside cities, shall, on or before the first day of May in each year, furnish to the ~~director~~ department of revenue a verified statement as to its entire line or lines within this state, when all of said line or lines are located outside cities, and as to such portion of its line or lines within this state as are located outside cities, when such line or lines are located partly outside and partly inside cities, showing:

Sec. 39. Section 437.4, Code 2015, is amended to read as follows:

437.4 Additional statement.

Upon receipt of the statements from the companies, the ~~director~~ department of revenue shall examine the statements, and if the ~~director~~ department deems them insufficient, and that further information is required, the ~~director~~ department shall require the company making the statements to make other or further statement as the ~~director~~ department deems necessary, notifying the company by mail.

Sec. 40. Section 437.5, Code 2015, is amended to read as follows:

437.5 Failure to furnish.

In case of the total failure or refusal to make any statement required by sections 437.2 and 437.4 to be made by May 1 in any year, or of failure or refusal to make other or further statement within thirty days from the time the notice is received by the company that the additional statement is required by the ~~director~~ department of revenue, the company shall forfeit and pay to the state, one hundred dollars for each day the total failure or refusal to make any report is continued beyond the first day of May of the year in which it is required, or in case of any other or further report required by the ~~director~~ department for each day it is delayed beyond thirty days from the receipt of the notice by the company that the additional report is required. The forfeiture shall be sued for and recovered in any proper form of action in the name of the state and on relation of the director of revenue of the state, and the penalty, when collected, shall be paid into the general fund of the state.

Sec. 41. Section 437.6, Code 2015, is amended to read as follows:

437.6 Actual value.

On or before October 31 each year, the ~~director~~ department of revenue shall proceed to find the actual value of that part of such transmission line or lines referred to in section 437.2, owned or operated by any company, that is located within this state but outside cities, including the whole of such line or lines when all of such line or lines owned or

operated by said company is located wholly outside of cities, taking into consideration the information obtained from the statements required by this chapter, and any further information obtainable, using the same as a means of determining the actual cash value of such transmission line or lines or part thereof, within this state, located outside of cities. The ~~director~~ department shall then ascertain the value per mile of such transmission line or lines owned or operated by each company specified in section 437.2, by dividing the total value as above ascertained by the number of miles of line of such company within the state located outside of cities, and the result shall be deemed and held to be the actual value per mile of said transmission line or lines of each of said companies within the state located outside of cities.

Sec. 42. Section 437.7, Code 2015, is amended to read as follows:

437.7 Taxable value.

The taxable value of such line or lines of which the ~~director~~ department of revenue by this chapter is required to find the value, shall be determined by taking the percentage of the actual value so ascertained, as provided by section 441.21, and the ratio between the actual value and the assessed or taxable value of the transmission line or lines of each of said companies located outside of cities shall be the same as in the case of the property of private individuals.

Sec. 43. Section 437.8, Code 2015, is amended to read as follows:

437.8 Hearing.

At the time of determination of value by the ~~director~~ department of revenue, any company interested shall have the right to appear by its officers, agents, and attorneys before the ~~director~~ department, and be heard on the question of the value of its property for taxation.

Sec. 44. Section 437.9, Code 2015, is amended to read as follows:

437.9 County assessment — certification.

The ~~director~~ department of revenue shall, for the purpose of determining what amount shall be assessed to any one of said companies in each county of the state into which the line or lines of the company extend, multiply the assessed or taxable value per mile of line of said company, as ascertained according to the provisions of this chapter, by the number of miles of line in each of said counties, and the result thereof shall be by the ~~director~~ department certified to the several county auditors of the respective counties into, over, or through which said line or lines extend.

Sec. 45. Section 437.10, Code 2015, is amended to read as follows:

437.10 Entry of certificate.

At the first meeting of the board of supervisors held after said statements are received by the county auditor, the board shall cause such statement to be entered in its minute book and make and enter in the minute book an order stating the length of the lines and the assessed value of the property of each of the companies situated in each township or lesser taxing district in each county outside cities, as fixed by the ~~director~~ department of revenue, which shall constitute the taxable value of the property for taxing purposes. The county auditor shall transmit a copy of the order to the trustees of each township and to the proper taxing boards in lesser taxing districts into which the line or lines of the company extend in the county. The taxes on the property when collected by the county treasurer shall be disposed of as other taxes on real estate.

Sec. 46. Section 437.12, Code 2015, is amended to read as follows:

437.12 Assessment exclusive.

Every transmission line or part of a transmission line, of which the ~~director~~ department of revenue is required by this chapter to find the value, shall be exempt from other assessment or taxation either under sections 428.24 to 428.26, or under any other law of this state except as provided in this chapter.

Sec. 47. Section 438.3, unnumbered paragraph 1, Code 2015, is amended to read as follows:

Every pipeline company having lines in the state of Iowa shall annually, on or before the first day of April in each year, make out and deliver to the ~~director~~ department of revenue a statement, verified by the oath of an officer or agent of such pipeline company making such statement, showing in detail for the year ended December 31 next preceding:

Sec. 48. Section 438.4, Code 2015, is amended to read as follows:

438.4 Real estate holdings.

Every pipeline company required by law to report to the ~~director~~ department of revenue under the provisions of this chapter shall, on or before the first day of April 1932, make to the ~~director~~ department a detailed statement showing the amount of real estate owned or used by it on December 31, 1931, for pipeline purposes, the county in which said real estate is situated, including the rights-of-way, pumping or station grounds, buildings, storage or tank yards, equipment grounds for any and all purposes, with the estimated actual value thereof, in such manner as may be required by the ~~director~~ department.

Sec. 49. Section 438.5, Code 2015, is amended to read as follows:

438.5 Statement deemed permanent.

Only one such detailed statement by any pipeline company shall be necessary, and when received by the ~~director~~ department of revenue, it shall become the record of the pipeline lands of such company, and be deemed as annually thereafter reported for valuation and assessment by the ~~director~~ department.

Sec. 50. Section 438.6, Code 2015, is amended to read as follows:

438.6 Additional corrective statements.

On or before the first day of April of each subsequent year, such company shall, in like manner, report all real estate acquired for any of the pipeline purposes above named during the preceding calendar year; and also, a list of any real estate, previously reported, disposed of during the same period, which disposition shall be noted by the ~~director~~ department of revenue in an appropriate column opposite to the description of said tract in the original report of the same in the record of pipeline land.

Sec. 51. Section 438.7, Code 2015, is amended to read as follows:

438.7 Consolidated list of real estate.

The ~~director~~ department of revenue shall, by some convenient method of binding, arrange the statements required to be made by sections 438.4 to 438.6 so as to form a consolidated list of all real estate reported to the ~~director~~ department as being owned or used for pipeline purposes within the state of Iowa.

Sec. 52. Section 438.8, Code 2015, is amended to read as follows:

438.8 Gross earnings.

For the purpose of making reports to the ~~director~~ department of revenue, the gross earnings of a pipeline company, owning or operating a line or lines within this state, shall be computed and reported by said company upon such bases as the director may by rule require.

Sec. 53. Section 438.9, Code 2015, is amended to read as follows:

438.9 Accounts — regulation.

The director of revenue may prescribe such rules with respect to the keeping of accounts by the pipeline companies doing business or having property in this state as will insure the accurate division of the accounts and the information to be reported, and uniformity in reporting the same to the ~~director~~ department.

Sec. 54. Section 438.11, Code 2015, is amended to read as follows:

438.11 Refusal to comply — penalty.

If any pipeline company shall fail or refuse to obey and conform to the rules, method and requirements so made and prescribed by the director of revenue under the provisions of this chapter, or to make the reports herein provided, the ~~director~~ department shall proceed to

assess the property of such pipeline company so failing or refusing, according to the best information obtainable, and shall then add to the ~~director's~~ department's valuation of such pipeline company twenty-five percent thereof, which valuation and penalty shall be separately shown, and together shall constitute the assessment for that year.

Sec. 55. Section 438.12, Code 2015, is amended to read as follows:

438.12 Amended and explanatory statements.

The ~~director~~ department of revenue may demand, in writing, detailed, explanatory and amended statements of any of the items mentioned in section 438.3, or any other item deemed to be important, to be furnished to the ~~director~~ department by such pipeline company within thirty days from such demand in such form as the ~~director~~ department may designate, which shall be verified as required for the original statement. The returns, both original and amended, shall show such other facts as the ~~director~~ department, in writing, shall require.

Sec. 56. Section 438.13, Code 2015, is amended to read as follows:

438.13 Basis of valuation and assessment.

The said property shall be valued at its actual value, and the assessments shall be made upon the taxable value of the entire pipeline property within the state, except as otherwise provided, and the actual and taxable value so ascertained shall be assessed as provided by section 441.21; and shall include the rights-of-way, easements, the pipelines, stations, grounds, shops, buildings, pumps and all other property, real and personal exclusively used in the operation of such pipeline. In assessing said pipeline company and its equipment, the ~~director~~ department of revenue shall take into consideration the gross earnings and the net earnings for the entire property, and per mile, for the year ending December 31 preceding, and any and all other matters necessary to enable the ~~director~~ department to make a just and equitable assessment of said pipeline property.

Sec. 57. Section 438.14, Code 2015, is amended to read as follows:

438.14 Valuation and certification.

The ~~director~~ department of revenue shall on or before October 31 each year determine the value of pipeline property located in each taxing district of the state, and in fixing the value shall take into consideration the structures, equipment, pumping stations, etc., located in the taxing district, and shall transmit to the county auditor of each such county through and into which any pipeline may extend, a statement showing the assessed value of the property in each of the taxing districts of the county. The property shall then be taxed in the county and lesser taxing districts, based upon the valuation so certified, in the same manner as in other property.

Sec. 58. Section 438.15, Code 2015, is amended to read as follows:

438.15 Assessed value in each taxing district — record.

At the first meeting of the board of supervisors held after said statement is received by the county auditor, the board shall cause the same to be entered on its minute book, and make and enter in the minute book an order describing and stating the assessed value of each pipeline lying in each city, township, or lesser taxing district in its county, through or into which the pipeline extends, as fixed by the ~~director~~ department of revenue, which shall constitute the assessed value of the property for taxing purposes; and the taxes on the property, when collected by the county treasurer, shall be disposed of as other taxes. The county auditor shall transmit a copy of the order to the council of the city, or the trustees of the township, as the case may be.

Sec. 59. Section 440.2, Code 2015, is amended to read as follows:

440.2 Assessment of omitted property.

When the ~~director~~ department of revenue is vested with the power and duty to assess property and an assessment has, for any reason, been omitted, the ~~director~~ department shall proceed to assess the property at any time within two years from the date at which such assessment should have been made. The omitted assessment may apply to not more than

the assessment year in which the omitted assessment is made and the prior assessment year. Chapter 429 shall apply to assessments of omitted property.

Sec. 60. Section 440.5, Code 2015, is amended to read as follows:

440.5 Procedure — penalty.

If it is made to appear that the property is assessable by the ~~director~~ department of revenue as omitted property, the ~~director~~ department shall proceed in the manner in which the ~~director~~ department would have proceeded had the assessment not been omitted, except that the ~~director~~ department shall find the value of the omitted property for each year during which it has been omitted but for not more than the two previous assessment years and shall add ten percent to each yearly value as a penalty.

Sec. 61. Section 440.6, Code 2015, is amended to read as follows:

440.6 Fraudulent withholding — penalty.

In case the property has been fraudulently withheld from assessment, the ~~director~~ department of revenue may, in addition to said ten percent add any additional percent, not exceeding fifty percent.

Sec. 62. Section 440.7, Code 2015, is amended to read as follows:

440.7 Entry on tax books.

Should an assessment be made at such time in the year that, in the opinion of the ~~director~~ department of revenue, said assessment cannot conveniently be entered on the current tax books, the ~~director~~ department may direct that the assessment be entered on the first ensuing tax books.

Sec. 63. Section 441.17, subsection 9, Code 2015, is amended to read as follows:

9. Furnish to the ~~director~~ department of revenue any information which the assessor may have relative to the ownership of any property that may be assessable within this state, but not assessable or subject to being listed for taxation by the assessor.

Sec. 64. Section 441.21, subsection 1, paragraph i, subparagraphs (2), (4), and (5), Code 2015, are amended to read as follows:

(2) The conference board shall respond to the department within thirty days of receipt of the notice of noncompliance. The conference board may respond to the notice by asserting that the assessor is in compliance with the rules, guidelines, and forms of the department or by informing the department that the conference board intends to submit a plan of action to achieve compliance. If the conference board responds to the notification by asserting that the assessor is in compliance, a hearing before the director of revenue shall be scheduled on the matter. Judicial review of the decision of the director of revenue may be sought by the conference board in accordance with chapter 17A.

(4) By January 1 of the assessment year following the calendar year in which the plan was submitted to the department, the conference board shall submit a report to the department indicating that the plan of action was followed and compliance has been achieved. The department may conduct a field inspection to ensure that the assessor is in compliance. By January 31, the department shall notify the assessor and the conference board, by restricted certified mail, either that compliance has been achieved or that the assessor remains in noncompliance. If the department determines that the assessor remains in noncompliance, the department shall take steps to withhold up to five percent of the reimbursement payment authorized in section 425.1 until the ~~director~~ department of revenue determines that the assessor is in compliance.

(5) If the conference board disputes the determination of the department, the chairperson of the conference board may appeal the determination to the ~~state board of tax review~~ director of revenue within thirty days from the date of the notice that the assessor remains in noncompliance. The director of revenue shall grant a hearing, and upon hearing shall determine the correctness of the department's determination of noncompliance. The director of revenue shall notify the conference board of the decision by mail. Judicial review of the decision of the director of revenue may be sought by the chairperson of the conference board in accordance with chapter 17A.

Sec. 65. Section 441.21, subsection 4, Code 2015, is amended to read as follows:

4. For valuations established as of January 1, 1979, the percentage of actual value at which agricultural and residential property shall be assessed shall be the quotient of the dividend and divisor as defined in this section. The dividend for each class of property shall be the dividend as determined for each class of property for valuations established as of January 1, 1978, adjusted by the product obtained by multiplying the percentage determined for that year by the amount of any additions or deletions to actual value, excluding those resulting from the revaluation of existing properties, as reported by the assessors on the abstracts of assessment for 1978, plus six percent of the amount so determined. However, if the difference between the dividend so determined for either class of property and the dividend for that class of property for valuations established as of January 1, 1978, adjusted by the product obtained by multiplying the percentage determined for that year by the amount of any additions or deletions to actual value, excluding those resulting from the revaluation of existing properties, as reported by the assessors on the abstracts of assessment for 1978, is less than six percent, the 1979 dividend for the other class of property shall be the dividend as determined for that class of property for valuations established as of January 1, 1978, adjusted by the product obtained by multiplying the percentage determined for that year by the amount of any additions or deletions to actual value, excluding those resulting from the revaluation of existing properties, as reported by the assessors on the abstracts of assessment for 1978, plus a percentage of the amount so determined which is equal to the percentage by which the dividend as determined for the other class of property for valuations established as of January 1, 1978, adjusted by the product obtained by multiplying the percentage determined for that year by the amount of any additions or deletions to actual value, excluding those resulting from the revaluation of existing properties, as reported by the assessors on the abstracts of assessment for 1978, is increased in arriving at the 1979 dividend for the other class of property. The divisor for each class of property shall be the total actual value of all such property in the state in the preceding year, as reported by the assessors on the abstracts of assessment submitted for 1978, plus the amount of value added to said total actual value by the revaluation of existing properties in 1979 as equalized by the director of revenue pursuant to section 441.49. The director shall utilize information reported on abstracts of assessment submitted pursuant to section 441.45 in determining such percentage. For valuations established as of January 1, 1980, and each assessment year thereafter beginning before January 1, 2013, the percentage of actual value as equalized by the director of revenue as provided in section 441.49 at which agricultural and residential property shall be assessed shall be calculated in accordance with the methods provided in this subsection, including the limitation of increases in agricultural and residential assessed values to the percentage increase of the other class of property if the other class increases less than the allowable limit adjusted to include the applicable and current values as equalized by the director of revenue, except that any references to six percent in this subsection shall be four percent. For valuations established as of January 1, 2013, and each assessment year thereafter, the percentage of actual value as equalized by the ~~director~~ department of revenue as provided in section 441.49 at which agricultural and residential property shall be assessed shall be calculated in accordance with the methods provided in this subsection, including the limitation of increases in agricultural and residential assessed values to the percentage increase of the other class of property if the other class increases less than the allowable limit adjusted to include the applicable and current values as equalized by the ~~director~~ department of revenue, except that any references to six percent in this subsection shall be three percent.

Sec. 66. Section 441.21, subsection 5, paragraphs b and c, Code 2015, are amended to read as follows:

b. For valuations established on or after January 1, 2013, commercial property, excluding properties referred to in section 427A.1, subsection 8, shall be assessed at a percentage of its actual value, as determined in this paragraph "b". For valuations established for the assessment year beginning January 1, 2013, the percentage of actual value as equalized by the ~~director~~ department of revenue as provided in section 441.49 at which commercial property shall be assessed shall be ninety-five percent. For valuations established for the

assessment year beginning January 1, 2014, and each assessment year thereafter, the percentage of actual value as equalized by the ~~director~~ department of revenue as provided in section 441.49 at which commercial property shall be assessed shall be ninety percent.

c. For valuations established on or after January 1, 2013, industrial property, excluding properties referred to in section 427A.1, subsection 8, shall be assessed at a percentage of its actual value, as determined in this paragraph “c”. For valuations established for the assessment year beginning January 1, 2013, the percentage of actual value as equalized by the ~~director~~ department of revenue as provided in section 441.49 at which industrial property shall be assessed shall be ninety-five percent. For valuations established for the assessment year beginning January 1, 2014, and each assessment year thereafter, the percentage of actual value as equalized by the ~~director~~ department of revenue as provided in section 441.49 at which industrial property shall be assessed shall be ninety percent.

Sec. 67. Section 441.21, subsection 10, Code 2015, is amended to read as follows:

10. The percentage of actual value computed by the ~~director~~ department of revenue for agricultural property, residential property, commercial property, industrial property, multiresidential property, property valued by the department of revenue pursuant to chapter 434, and property valued by the department of revenue pursuant to chapters 428, 433, 437, and 438 and used to determine assessed values of those classes of property does not constitute a rule as defined in section 17A.2, subsection 11.

Sec. 68. Section 441.21, subsection 13, paragraph b, Code 2015, is amended to read as follows:

b. For valuations established for the assessment year beginning January 1, 2015, the percentage of actual value as equalized by the ~~director~~ department of revenue as provided in section 441.49 at which multiresidential property shall be assessed shall be the greater of eighty-six and twenty-five hundredths percent or the percentage of actual value determined by the ~~director~~ department of revenue at which property assessed as residential property is assessed for the same assessment year under subsection 4. For valuations established for the assessment year beginning January 1, 2016, the percentage of actual value as equalized by the ~~director~~ department of revenue as provided in section 441.49 at which multiresidential property shall be assessed shall be the greater of eighty-two and five-tenths percent or the percentage of actual value determined by the ~~director~~ department of revenue at which property assessed as residential property is assessed for the same assessment year under subsection 4. For valuations established for the assessment year beginning January 1, 2017, the percentage of actual value as equalized by the ~~director~~ department of revenue as provided in section 441.49 at which multiresidential property shall be assessed shall be the greater of seventy-eight and seventy-five hundredths percent or the percentage of actual value determined by the ~~director~~ department of revenue at which property assessed as residential property is assessed for the same assessment year under subsection 4. For valuations established for the assessment year beginning January 1, 2018, the percentage of actual value as equalized by the ~~director~~ department of revenue as provided in section 441.49 at which multiresidential property shall be assessed shall be the greater of seventy-five percent or the percentage of actual value determined by the ~~director~~ department of revenue at which property assessed as residential property is assessed for the same assessment year under subsection 4. For valuations established for the assessment year beginning January 1, 2019, the percentage of actual value as equalized by the ~~director~~ department of revenue as provided in section 441.49 at which multiresidential property shall be assessed shall be the greater of seventy-one and twenty-five hundredths percent or the percentage of actual value determined by the ~~director~~ department of revenue at which property assessed as residential property is assessed for the same assessment year under subsection 4. For valuations established for the assessment year beginning January 1, 2020, the percentage of actual value as equalized by the ~~director~~ department of revenue as provided in section 441.49 at which multiresidential property shall be assessed shall be the greater of sixty-seven and five-tenths percent or the percentage of actual value determined by the ~~director~~ department of revenue at which property assessed as residential property is assessed for the same assessment year under subsection 4. For valuations established for the assessment year

beginning January 1, 2021, the percentage of actual value as equalized by the director department of revenue as provided in section 441.49 at which multiresidential property shall be assessed shall be the greater of sixty-three and seventy-five hundredths percent or the percentage of actual value determined by the director department of revenue at which property assessed as residential property is assessed for the same assessment year under subsection 4. For valuations established for the assessment year beginning January 1, 2022, and each assessment year thereafter, the percentage of actual value as equalized by the director department of revenue as provided in section 441.49 at which multiresidential property shall be assessed shall be equal to the percentage of actual value determined by the director department of revenue at which property assessed as residential property is assessed under subsection 4 for the same assessment year.

Sec. 69. Section 441.24, subsection 1, Code 2015, is amended to read as follows:

1. If a person refuses to furnish the verified statements required in connection with the assessment of property by the assessor, or to list the corporation's or person's property, the director department of revenue, or assessor, as the case may be, shall proceed to list and assess the property according to the best information obtainable, and shall add to the taxable valuation one hundred percent thereof, which valuation and penalty shall be separately shown, and shall constitute the assessment; and if the valuation of the property is changed by a board of review, or on appeal from a board of review, a like penalty shall be added to the valuation thus fixed.

Sec. 70. Section 441.26, subsections 2 and 3, Code 2015, are amended to read as follows:

2. The notice in 1981 and each odd-numbered year thereafter shall contain a statement that the assessments are subject to equalization pursuant to an order issued by the director department of revenue, that the county auditor shall give notice on or before October 15 by publication in an official newspaper of general circulation to any class of property affected by the equalization order, and that the board of review shall be in session from October 15 to November 15 to hear protests of affected property owners or taxpayers whose valuations have been adjusted by the equalization order.

3. The assessment rolls shall be used in listing the property and showing the values affixed to the property of all persons assessed. The rolls shall be made in duplicate. The duplicate roll shall be signed by the assessor, detached from the original and delivered to the person assessed if there has been an increase or decrease in the valuation of the property. If there has been no change in the valuation, the information on the roll may be printed on computer stock paper and preserved as required by this chapter. If the person assessed requests in writing a copy of the roll, the copy shall be provided to the person. The pages of the assessor's assessment book shall contain columns ruled and headed for the information required by this chapter and that which the director department of revenue deems essential in the equalization work of the director department. The assessor shall return all assessment rolls and schedules to the county auditor, along with the completed assessment book, as provided in this chapter, and the county auditor shall carefully keep and preserve the rolls, schedules, and book for a period of five years from the time of its filing in the county auditor's office.

Sec. 71. Section 441.47, unnumbered paragraph 1, Code 2015, is amended to read as follows:

The director department of revenue on or about August 15, 1977, and every two years thereafter shall order the equalization of the levels of assessment of each class of property in the several assessing jurisdictions by adding to or deducting from the valuation of each class of property such percentage in each case as may be necessary to bring the same to its taxable value as fixed in this chapter and chapters 427 to 443. The director department shall adjust to actual value the valuation of any class of property as set out in the abstract of assessment when the valuation is at least five percent above or below actual value as determined by the director department. For purposes of such value adjustments and before such equalization the director shall adopt, in the manner prescribed by chapter 17A, such rules as may be necessary to determine the level of assessment for each class of property in each county. The rules shall cover:

Sec. 72. Section 441.47, subsection 3, Code 2015, is amended to read as follows:

3. The proposed use of other methods that would assist the ~~director~~ department in arriving at the accurate level of assessment of each class of property in each assessing jurisdiction.

Sec. 73. Section 441.48, Code 2015, is amended to read as follows:

441.48 Notice of adjustment.

Before the ~~director~~ department of revenue shall adjust the valuation of any class of property any such percentage, the ~~director~~ department shall serve ten days' notice by mail, on the county auditor of the county whose valuation is proposed to be adjusted and the ~~director~~ department shall hold an adjourned meeting after such ten days' notice, at which time the county or assessing jurisdiction may appear by its city council or board of supervisors, city or county attorney, and other assessing jurisdiction, city or county officials, and make written or oral protest against such proposed adjustment, which protest shall consist simply of a statement of the error, or errors, complained of with such facts as may lead to their correction, and at such adjourned meeting final action may be taken in reference thereto.

Sec. 74. Section 441.49, subsections 1, 4, 5, and 6, Code 2015, are amended to read as follows:

1. a. The ~~director~~ department shall keep a record of the review and adjustment proceedings and finish the proceedings on or before October 1 unless for good cause the proceedings cannot be completed by that date. The ~~director~~ department shall notify each county auditor by mail of the final action taken at the proceedings and specify any adjustments in the valuations of any class of property to be made effective for the jurisdiction.

b. However, an assessing jurisdiction may request the ~~director~~ department to permit the use of an alternative method of applying the equalization order to the property values in the assessing jurisdiction, provided that the final valuation shall be equivalent to the ~~director's~~ department's equalization order. The assessing jurisdiction shall notify the county auditor of the request for the use of an alternative method of applying the equalization order and the ~~director's~~ department's disposition of the request. The request to use an alternative method of applying the equalization order, including procedures for notifying affected property owners and appealing valuation adjustments, shall be made within ten days from the date the county auditor receives the equalization order and the valuation adjustments, and appeal procedures shall be completed by November 30 of the year of the equalization order. Compliance with the provisions of section 441.21 is sufficient grounds for the ~~director~~ department to permit the use of an alternative method of applying the equalization order.

4. The local board of review shall reconvene in special session from October 15 to November 15 for the purpose of hearing the protests of affected property owners or taxpayers within the jurisdiction of the board whose valuation of property if adjusted pursuant to the equalization order issued by the ~~director~~ department of revenue will result in a greater value than permitted under section 441.21. The board of review shall accept protests only during the first ten days following the date the local board of review reconvenes. The board of review shall limit its review to only the timely filed protests. The board of review may adjust all or a part of the percentage increase ordered by the ~~director~~ department of revenue by adjusting the actual value of the property under protest to one hundred percent of actual value. Any adjustment so determined by the board of review shall not exceed the percentage increase provided for in the ~~director's~~ department's equalization order. The determination of the board of review on filed protests is final, subject to appeal to the property assessment appeal board. A final decision by the local board of review, or the property assessment appeal board, if the local board's decision is appealed, is subject to review by the director of revenue for the purpose of determining whether the board's actions substantially altered the equalization order. In making the review, the director has all the powers provided in chapter 421, and in exercising the powers the director is not subject to chapter 17A. Not later than fifteen days following the adjournment of the board, the board of review shall submit to the director of revenue, on forms prescribed by the director, a report of all actions taken by the board of review during this session.

5. Not later than ten days after the date the final equalization order is issued, the city or county officials of the affected county or assessing jurisdiction may appeal the final

equalization order to the ~~state board of tax review~~ director of revenue. The appeal shall not delay the implementation of the equalization orders. The director shall grant a hearing, and upon hearing the director shall determine the correctness of the final equalization order, and notify city or county officials of the affected county or assessing jurisdiction of the decision by mail. Judicial review of the decision of the director of revenue may be sought by the city or county officials in accordance with chapter 17A.

6. Tentative and final equalization orders issued by the ~~director~~ department of revenue are not rules as defined in section 17A.2, subsection 7.

Sec. 75. EFFECTIVE DATES.

1. Except as provided in subsection 2, this division of this Act, being deemed of immediate importance, takes effect upon enactment.

2. The following provisions of this division of this Act take effect July 1, 2016:

- a. The section of this Act amending section 68B.35.
- b. The section of this Act amending section 421.60.

Approved May 22, 2015