

## 15. Tax Abatement on Exempt Properties

### POLICY

It is the policy of Scott County to obtain the full value of property taxes to be distributed to the county, cities, school district and other taxing authorities.

### SCOPE

This policy is applicable to those County offices and departments involved in the tax abatement process.

### ADMINISTRATIVE PROCEDURES

- A. The County recognizes its ability under Iowa Code Section 427.3 to abate property taxes in a situation where property may have been considered exempt under state code is transferred after the deadline to request exemption. The abatement may occur when the property was transferred to the person or entity after the deadline for the property tax exemption in the current assessment year in which the property was transferred and the property acquired by gift or purchase would have been exempt under section 427.1, subsection 7, 8, or 9, if the person or entity had been able to file for exemption in a timely manner.
- B. The County recognizes that it does not have discretion to abate property taxes retroactively and that property owners who may qualify for exempt status under state law have an obligation to timely file an application for said status during the time of transfer of the property.
- C. The County recognizes that property taxes attaches to the property as of the January 1 of the assessment year and are remitted to the county in two installments during the following fiscal year after the tax roll is certified. For example:
  - a. January 1, 2021 - Assessment Year Valuation
  - b. By December 31, 2021 - Assessment Roll Certification by County Auditor
  - c. Assessment Year 2021 - Property taxes collected in the Fall 2022 and Spring 2023.
  - d. The abatement of taxes in Assessment Year 2021 shall apply to the property taxes collected in the Fall of 2022 and Spring of 2023.

- e. The property taxes collected in the Fall of 2021 and Spring 2022 shall be remitted to the County for collection and distribution to taxing bodies. These taxes relate to the January 1, 2020 Assessment Year and the property owner at that date.
- D. The Board of Supervisors hereby notifies property owners and their representatives (e.g. real estate agents, bankers and lawyers) that properties transferred that may obtain or lose a tax exempt status need to make timely filings under the state law. That the Board will not abate taxes under its discretion under Iowa Code Section 427.3, therefore proper provisions should be considered at the time of closing or transfer of the property to pay future tax obligations of the property.