



Bethany Boyd

Bill Analysis
Legislative Service Commission

S.B. 41

123rd General Assembly
(As Introduced)

Sen. Gardner

BILL SUMMARY

- Authorizes a board of county commissioners to lower real property and manufactured home transfer tax rates for property owners who receive the homestead exemption.

CONTENT AND OPERATION

Real property, manufactured home transfer taxes

(secs. 322.02 and 322.06)

Under existing law, a board of county commissioners, by adopting a resolution, may levy a real property transfer tax on each deed conveying real property, or an interest in such property, located in the county. The tax must be levied at a uniform rate on all deeds and cannot exceed 30¢ for each \$100, or fraction thereof, of the value of the real property or interest conveyed. The grantor named in the deed pays the tax to the county auditor at the time of delivery of the deed.

In the same manner as for the real property transfer tax, the board may levy a manufactured home transfer tax on each certificate of title that conveys, by resale on or after January 1, 2000, a used manufactured home or used mobile home located in the county, that is not taxed as real property. The tax must be levied at a uniform rate and assessed at a rate equal to the county's real property transfer tax rate. The grantor named on the certificate of title pays the tax to the county auditor at the time of delivery of the title.

Reduction in the transfer taxes

(sec. 322.07)

The bill provides that in a resolution levying a real property transfer tax, the board of county commissioners may prescribe a lower rate for the tax than the uniform rate that is otherwise levied. The lower transfer tax rate would apply to any deed conveying a homestead for which the grantor has obtained a certificate of reduction in real property taxes, known as the homestead exemption (see COMMENT).*

Likewise, any board of county commissioners that lowers the real property transfer tax rate under the bill must prescribe the same lower rate for the manufactured home transfer tax, if the county levies such a tax. The lower manufactured home transfer tax rate would apply to any certificate of title conveying a used manufactured or used mobile home for which the grantor has obtained the homestead exemption.

COMMENT

The homestead exemption is available to low-income homeowners who are permanently and totally disabled or age 65 or older, and have a total income of less than \$20,800 per year. The surviving spouse of such a homeowner also may qualify for the homestead exemption (and thus any lower real property or manufactured home transfer tax rate) if the surviving spouse is at least age 59 but not older than age 65 on the date the homeowner dies.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	01-28-99	p. 82

S0041-I.123/jc

* A homestead is a dwelling, including a unit in a multiple-unit dwelling and a manufactured home or mobile home taxed as real property, owned and occupied as a home by the owner, and includes up to one acre of land surrounding it.