

CHAPTER 1094

STATE AND LOCAL FINANCES, OPERATIONS, AND BUDGETS

S.F. 2442

AN ACT relating to state and local finances by modifying individual and alternate income tax rates, withholding credits, franchise tax deductions, methodologies for determining property taxes, and property tax assessment limitations, changing methods of determining compensation of county officials, making contingent transfers from the taxpayer relief fund, and making corrections, and including effective date and applicability provisions.

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

DIVISION I

SINGLE INDIVIDUAL AND ALTERNATE INCOME TAX RATES BEGINNING IN TAX YEAR 2025

Section 1. [Section 421.27, subsection 9](#), paragraph a, subparagraph (3), Code 2024, is amended to read as follows:

(3) In the case of all other entities, including corporations described in [section 422.36, subsection 5](#), and all other entities required to file an information return under [section 422.15, subsection 2](#), the entity's Iowa net income after the application of the Iowa business activity ratio, if applicable, multiplied by the top income tax rate imposed under [section 422.5A 422.5](#) for the tax year, less any Iowa tax credits available to the entity.

Sec. 2. [Section 422.5, subsection 1](#), paragraph a, Code 2024, is amended to read as follows:

a. A tax is imposed upon every resident and nonresident of the state which tax shall be levied, collected, and paid annually upon and with respect to the entire taxable income as defined in [this subchapter](#) at rates as provided in ~~[section 422.5A](#)~~ a rate of three and eight-tenths percent.

Sec. 3. [Section 422.5, subsection 2](#), paragraph b, Code 2024, is amended to read as follows:

b. ~~(1)~~ In lieu of the computation in [subsection 1](#), or in paragraph "a" of [this subsection](#), if the married persons' filing jointly, head of household's, or surviving spouse's net income exceeds thirteen thousand five hundred dollars, the regular tax imposed under [this subchapter](#) shall be the lesser of the alternate state individual income tax rate specified in ~~subparagraph (2)~~ of four and three-tenths percent times the portion of the net income in excess of thirteen thousand five hundred dollars or the regular tax liability computed without regard to this sentence. Taxpayers electing to file separately shall compute the alternate tax described in this paragraph using the total net income of the spouses. The alternate tax described in this paragraph does not apply if one spouse elects to carry back or carry forward a net operating loss as provided under the Internal Revenue Code or in [section 422.9](#).

~~(2) (a) (i) (A) For the tax year beginning on or after January 1, 2023, but before January 1, 2024, the alternate tax rate is 6.00 percent.~~

~~(B) For the tax year beginning on or after January 1, 2024, but before January 1, 2025, the alternate tax rate is 5.70 percent.~~

~~(C) For the tax year beginning on or after January 1, 2025, but before January 1, 2026, the alternate tax rate is 5.20 percent.~~

~~(ii) This subparagraph division (a) is repealed January 1, 2026.~~

~~(b) For tax years beginning on or after January 1, 2026, the alternate tax rate is 4.40 percent.~~

Sec. 4. [Section 422.5, subsection 3](#), paragraph b, Code 2024, is amended to read as follows:

b. ~~(1)~~ In lieu of the computation in [subsection 1 or 2](#), if the married persons' filing jointly, head of household's, or surviving spouse's net income exceeds thirty-two thousand dollars,

the regular tax imposed under [this subchapter](#) shall be the lesser of the alternate state individual income tax rate ~~specified in subparagraph (2)~~ of four and three-tenths percent times the portion of the net income in excess of thirty-two thousand dollars or the regular tax liability computed without regard to this sentence. Taxpayers electing to file separately shall compute the alternate tax described in this paragraph using the total net income of the spouses. The alternate tax described in this paragraph does not apply if one spouse elects to carry back or carry forward a net operating loss as provided under the Internal Revenue Code or in [section 422.9](#).

~~(2) (a) (i) (A) For the tax year beginning on or after January 1, 2023, but before January 1, 2024, the alternate tax rate is 6.00 percent.~~

~~(B) For the tax year beginning on or after January 1, 2024, but before January 1, 2025, the alternate tax rate is 5.70 percent.~~

~~(C) For the tax year beginning on or after January 1, 2025, but before January 1, 2026, the alternate tax rate is 5.20 percent.~~

~~(ii) This subparagraph division (a) is repealed January 1, 2026.~~

~~(b) For tax years beginning on or after January 1, 2026, the alternate tax rate is 4.40 percent.~~

Sec. 5. [Section 422.5, subsection 6](#), Code 2024, is amended by striking the subsection.

Sec. 6. [Section 422.16, subsection 2](#), paragraph e, Code 2024, is amended to read as follows:

e. For the purposes of [this subsection](#), state income tax shall be withheld at the highest rate described in [section 422.5A 422.5](#) from supplemental wages of an employee in those circumstances in which the employer treats the supplemental wages as wholly separate from regular wages for purposes of withholding and federal income tax is withheld from the supplemental wages under section 3402(g) of the Internal Revenue Code.

Sec. 7. [Section 422.16B, subsection 2](#), paragraph a, Code 2024, is amended to read as follows:

a. (1) A pass-through entity shall file a composite return on behalf of all nonresident members and shall report and pay the income or franchise tax imposed under [this chapter](#) at the maximum state income or franchise tax rate applicable to the member under [section 422.5A 422.5](#), [422.33](#), or [422.63](#) on the nonresident members' distributive shares of the income from the pass-through entity.

(2) The tax rate applicable to a tiered pass-through entity shall be the ~~maximum~~ state income tax rate under [section 422.5A 422.5](#).

Sec. 8. [Section 422.16C, subsection 4](#), paragraph a, Code 2024, is amended to read as follows:

a. A taxpayer making an election under [this section](#) shall be subject to tax in an amount equal to the ~~maximum~~ rate under [section 422.5A 422.5](#), imposed against the taxable income of the taxpayer for the taxable year properly determined under [this chapter](#) and allocated and apportioned to the state under the rules adopted by the department. The tax shall be due with the taxpayer's return required under [this chapter](#).

Sec. 9. [Section 422.16C, subsection 5](#), paragraph a, subparagraph (2), Code 2024, is amended to read as follows:

(2) The difference between one hundred percent and the highest individual income tax rate in effect for the tax year.

Sec. 10. [Section 422.21, subsection 5](#), Code 2024, is amended to read as follows:

5. The director shall determine for the 2023 calendar year and each subsequent calendar year the annual and cumulative inflation factors for each calendar year to be applied to tax years beginning on or after January 1 of that calendar year. ~~The director shall compute the new dollar amounts as specified to be adjusted in [section 422.5](#) by the latest cumulative inflation factor and round off the result to the nearest one dollar.~~ The annual and cumulative

inflation factors determined by the director are not rules as defined in [section 17A.2, subsection 11](#).

Sec. 11. [Section 422.25A, subsection 5](#), paragraph c, subparagraphs (3), (4), and (5), Code 2024, are amended to read as follows:

(3) Determine the total distributive share of all final federal partnership adjustments and positive reallocation adjustments as modified by [this title](#) that are reported to nonresident individual partners and nonresident fiduciary partners and allocate and apportion such adjustments as provided in [section 422.33](#) at the partnership or tiered partner level, and multiply the resulting amount by the ~~maximum~~ highest individual income tax rate pursuant to [section 422.5A](#) for the reviewed year.

(4) For the total distributive share of all final federal partnership adjustments and positive reallocation adjustments as modified by [this title](#) that are reported to tiered partners:

(a) Determine the amount of such adjustments which are of a type that would be subject to sourcing to Iowa under [section 422.8, subsection 2](#), paragraph “a”, as a nonresident, and then determine the portion of this amount that would be sourced to Iowa under those provisions as if the tiered partner were a nonresident.

(b) Determine the amount of such adjustments which are of a type that would not be subject to sourcing to Iowa under [section 422.8, subsection 2](#), paragraph “a”, as a nonresident.

(c) Determine the portion of the amount in subparagraph division (b) that can be established, as prescribed by the department by rule, to be properly allocable to indirect partners that are nonresident partners or other partners not subject to tax on the adjustments.

(d) Multiply the total of the amounts determined in subparagraph divisions (a) and (b), reduced by any amount determined in subparagraph division (c), by the highest individual income tax rate pursuant to [section 422.5A](#) for the reviewed year.

(5) For the total distributive share of all final federal partnership adjustments and positive reallocation adjustments as modified by [this title](#) that are reported to resident individual partners and resident fiduciary partners, multiply that amount by the highest individual income tax rate pursuant to [section 422.5A](#) for the reviewed year.

Sec. 12. RATE OF WITHHOLDING. Notwithstanding any other provision of law to the contrary, for tax years beginning on or after January 1, 2025, any required rate of withholding shall not be higher than the rate for the applicable tax year pursuant to [section 422.5](#) as amended by this division of this Act.

Sec. 13. REPEAL. [2022 Iowa Acts, chapter 1002, sections 19, 20, 21, 22, 23, and 24](#), are repealed.

Sec. 14. REPEAL. [2023 Iowa Acts, chapter 115, sections 20 and 21](#), are repealed.

Sec. 15. REPEAL. [Section 422.5A](#), Code 2024, is repealed.

Sec. 16. EFFECTIVE DATE. This division of this Act takes effect January 1, 2025.

Sec. 17. APPLICABILITY. This division of this Act applies to tax years beginning on or after January 1, 2025.

DIVISION II TARGETED JOBS WITHHOLDING CREDIT

Sec. 18. [Section 403.19A, subsection 3](#), paragraph c, subparagraphs (1) and (2), Code 2024, are amended to read as follows:

(1) The pilot project city and the economic development authority shall enter into a withholding agreement with each employer concerning the targeted jobs withholding credit. The withholding agreement shall provide for the total amount of withholding credits awarded, as negotiated by the economic development authority, the pilot project city, and the employer. An agreement shall not provide for an amount of withholding credits that exceeds the amount of the qualifying investment made in the project. An agreement shall

not be entered into with a business currently located in this state unless the business either creates or retains ten jobs or makes a qualifying investment of at least five hundred thousand one million dollars within the pilot project city. The withholding agreement may have a term of years negotiated by the economic development authority, the pilot project city, and the employer, of up to ten years. A withholding agreement specifying a term of years or a total amount of withholding credits shall terminate upon the expiration of the term of years specified in the agreement or upon the award of the total amount of withholding credits specified in the agreement, whichever occurs first. An employer shall not be obligated to enter into a withholding agreement. An agreement shall not be entered into with an employer not already located in a pilot project city when another Iowa community is competing for the same project and both the pilot project city and the other Iowa community are seeking assistance from the authority.

(2) The pilot project city and the economic development authority shall not enter into a withholding agreement after June 30, 2024 2027.

Sec. 19. [Section 403.19A, subsection 3](#), paragraph f, Code 2024, is amended to read as follows:

f. Pursuant to rules adopted by the economic development authority, the ~~pilot project city employer~~ shall provide on an annual basis to the economic development authority information documenting the employer's compliance of ~~each employer~~ with each requirement of the withholding agreement, including but not limited to the number of jobs created or retained and the amount of investment made by the employer. The economic development authority shall, in response to receiving such information from the ~~pilot project city employer~~, assess the level of compliance by each employer and provide to the pilot project city recommendations for either maintaining employer compliance with the withholding agreement or terminating the agreement for noncompliance under paragraph "g". The economic development authority shall also provide each such assessment and recommendation report to the department of revenue.

DIVISION III FRANCHISE TAX — INVESTMENT SUBSIDIARIES

Sec. 20. [Section 422.34, subsection 1](#), Code 2024, is amended to read as follows:

1. All state, national, private, cooperative, and savings banks, credit unions, title insurance and trust companies, federally chartered savings and loan associations, production credit associations, insurance companies or insurance associations, reciprocal or inter-insurance exchanges, ~~and fraternal beneficiary associations~~, and investment subsidiaries included on a return due to an election under [section 422.60, subsection 1](#), paragraph "b".

Sec. 21. [Section 422.60, subsection 1](#), Code 2024, is amended to read as follows:

1. a. A franchise tax according to and measured by net income is imposed on financial institutions for the privilege of doing business in this state as financial institutions.

b. (1) A financial institution with an investment subsidiary may elect under the regulations of the director to include the income and expenses of an investment subsidiary on the franchise tax return for the purpose of imposing the franchise tax in paragraph "a".

(2) An election made under this paragraph shall require the inclusion of the income and expenses of the investment subsidiary on all subsequent returns of the financial institution so long as the investment subsidiary remains a subsidiary of the financial institution unless the director determines that the filing of separate returns will more clearly disclose the taxable income of the investment subsidiary or financial institution. This determination shall be made after specific request by the taxpayer for the filing of separate returns.

Sec. 22. [Section 422.61, subsection 3](#), paragraph f, Code 2024, is amended to read as follows:

f. (1) A Except as provided in subparagraph (2), a deduction shall not be allowed for that portion of the taxpayer's expenses computed under this paragraph which is allocable to an investment in an investment subsidiary. The portion of the taxpayer's expenses which is allocable to an investment in an investment subsidiary is an amount which bears the same

ratio to the taxpayer's expenses as the taxpayer's average adjusted basis, as computed pursuant to section 1016 of the Internal Revenue Code, of investment in that investment subsidiary bears to the average adjusted basis for all assets of the taxpayer. The portion of the taxpayer's expenses that is computed and disallowed under this paragraph shall be added.

(2) A deduction shall not be disallowed and may be subtracted for that portion of the taxpayer's expenses computed under this paragraph which is allocable to an investment in an investment subsidiary if the taxpayer makes an election to include the investment subsidiary on the same return required of the taxpayer pursuant to [section 422.62](#).

Sec. 23. [Section 422.63, subsection 1](#), Code 2024, is amended to read as follows:

1. a. The franchise tax is imposed annually in an amount equal to the percent specified in [subsection 2](#) of the net income received or accrued during the taxable year. If the net income of the financial institution is derived from its business carried on entirely within the state, the tax shall be imposed on the entire net income, but if the business is carried on partly within and partly without the state, the portion of net income reasonably attributable to the business within the state shall be specifically allocated or equitably apportioned within and without the state under rules of the director.

b. For purposes of apportioning income within and without the state, if an election is made pursuant to [section 422.60, subsection 1](#), paragraph "b", the commercial domicile of an investment subsidiary included on the return of the financial institution pursuant to the election shall be that of the financial institution rather than the investment subsidiary.

Sec. 24. EFFECTIVE DATE. This division of this Act takes effect January 1, 2025.

Sec. 25. APPLICABILITY. This division of this Act applies to tax years beginning on or after January 1, 2025.

DIVISION IV PROPERTY TAX PROCEDURES

Sec. 26. [Section 24.2A, subsection 2](#), paragraph a, Code 2024, is amended to read as follows:

a. On or before 4:00 p.m. on March 15 5 of each year, each political subdivision shall file with the department of management a report containing all necessary information for the department of management to compile and calculate amounts required to be included in the statements mailed under paragraph "b". If a county or city fails to file all necessary information with the department of management by 4:00 p.m. on March 5, taxes levied by the county or city shall be limited to the prior year's budget amount.

Sec. 27. [Section 24.2A, subsection 2](#), paragraph b, unnumbered paragraph 1, Code 2024, is amended to read as follows:

Not later than March 20 15, the county auditor, using information compiled and calculated by the department of management under paragraph "a", shall send to each property owner or taxpayer within the county by regular mail an individual statement containing all of the following for each of the political subdivisions comprising the owner's or taxpayer's taxing district:

Sec. 28. [Section 24.2A, subsection 2](#), paragraph b, subparagraphs (5) and (6), Code 2024, are amended to read as follows:

(5) An For the budget for the fiscal year beginning July 1, 2024, an example comparing the amount of property taxes on a residential property with an actual value of one hundred thousand dollars in the current fiscal year and such amount on the residential property using the proposed property tax dollars for the budget year, including the percentage difference percent change in such amounts. For the budget for fiscal years beginning on or after July 1, 2025, an example comparing the amount of property taxes on a residential property with an actual value of one hundred thousand dollars in the current fiscal year and one hundred ten

percent of such amount on the residential property using the proposed property tax dollars for the budget year, including the percent change in such amounts.

(6) ~~As~~ For the budget for the fiscal year beginning July 1, 2024, an example comparing the amount of property taxes on a commercial property with an actual value of one hundred thousand dollars in the current fiscal year and such amount on the commercial property using the proposed property tax dollars for the budget year, including the ~~percentage difference~~ percent change in such amounts. For the budget for fiscal years beginning on or after July 1, 2025, an example comparing the amount of property taxes on a commercial property with an actual value of three hundred thousand dollars in the current fiscal year and one hundred ten percent of such amount on the commercial property using the proposed property tax dollars for the budget year, including the percent change in such amounts.

Sec. 29. [Section 24.2A, subsection 2](#), paragraph b, Code 2024, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (10) A link to the department of management's internet site where the property owner or taxpayer may view an example of the statement and a brief explanation of the information included on the statement.

Sec. 30. [Section 24.2A, subsection 4](#), paragraph a, Code 2024, is amended to read as follows:

a. Each political subdivision shall set a time and place for a public hearing on the political subdivision's proposed property tax amount for the budget year and the political subdivision's information included in the statements under [subsection 2](#). The proposed property tax hearing shall be set on a date on or after March 20 of the budget year immediately preceding the budget year for which the tax is being proposed. At the hearing, the governing body of the political subdivision shall receive oral or written testimony from any resident or property owner of the political subdivision. This public hearing shall be separate from any other meeting of the governing body of the political subdivision, including any other meeting or public hearing relating to the political subdivision's budget, and other business of the political subdivision that is not related to the proposed property tax amounts and the information in the statements shall not be conducted at the public hearing. After all testimony has been received and considered, the governing body may decrease, but not increase, the proposed property tax amount to be included in the political subdivision's budget.

Sec. 31. [Section 24.2A, subsection 4](#), paragraph b, Code 2024, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (4) Failure of a newspaper to publish a required notice under this paragraph shall not be considered a failure of a political subdivision to provide required notice under this paragraph if all of the following conditions are met:

(a) Notice of the public hearing was provided to each property owner and each taxpayer within the political subdivision in statements required under [subsection 2](#), paragraph "b".

(b) The political subdivision can demonstrate to the county auditor that the political subdivision provided sufficient time for the newspaper to publish the notice.

Sec. 32. [Section 24.2A, subsection 4](#), paragraph c, Code 2024, is amended to read as follows:

c. Notice of the hearing shall also be posted and clearly identified on the political subdivision's internet site for public viewing beginning on the date of the newspaper publication and shall be maintained on the political subdivision's internet site with all such prior year notices ~~and copies of the statements mailed under [subsection 2](#)~~. Additionally, if the political subdivision maintains a social media account on one or more social media applications, the public hearing notice or an electronic link to the public hearing notice shall be posted on each such account ~~on the same day as the~~ a date no later than the date of publication of the notice.

Sec. 33. [Section 176A.8, subsection 6](#), Code 2024, is amended to read as follows:

6. To prepare annually before ~~March 15~~ April 30 a budget for the fiscal year beginning July 1 and ending the following June 30, in accordance with the provisions of [chapter 24](#) and certify the budget to the board of supervisors of the county of their extension district as required by law.

Sec. 34. [Section 176A.10, subsection 1](#), unnumbered paragraph 1, Code 2024, is amended to read as follows:

The extension council of each extension district shall, at a meeting held before ~~March 15~~ April 30, estimate the amount of money required to be raised by taxation for financing the county agricultural extension education program authorized in [this chapter](#). The annual tax levy and the amount of money to be raised from the levy for the county agricultural extension education fund shall not exceed the following:

Sec. 35. [Section 257.19, subsection 2](#), Code 2024, is amended to read as follows:

2. Certification of a board's intent to participate for a budget year, the method of funding, and the amount to be raised shall be made to the department of management not later than ~~April 15~~ 30 of the base year. Funding for the instructional support program shall be obtained from instructional support state aid and from local funding using either an instructional support property tax or a combination of an instructional support property tax and an instructional support income surtax.

Sec. 36. [Section 309.93](#), unnumbered paragraph 1, Code 2024, is amended to read as follows:

On or before ~~April 15~~ 30 of each year, the board of supervisors, with the assistance of the county engineer, shall adopt and submit to the department for approval the county secondary road budget for the next fiscal year. The budget shall include an itemized statement of:

Sec. 37. [Section 331.301](#), Code 2024, is amended by adding the following new subsection:
NEW SUBSECTION. 9A. Pursuant to the general grant of home rule power conferred by the Constitution of the State of Iowa and if not inconsistent with the laws of the general assembly, a county that has designated more than one city to be a county seat may consolidate or reduce the number of county seats by ordinance.

Sec. 38. [Section 331.434, subsection 7](#), Code 2024, is amended by striking the subsection and inserting in lieu thereof the following:

7. *a.* A county may collect taxes for a fiscal year for which no budget has been certified, but the county shall not distribute any funds collected for a fiscal year until the county certifies its budget and transmits the certified budget to the county auditor.

b. Taxes levied by a county whose budget is certified after April 30 shall be limited to the taxes levied for the previous fiscal year subject to applicable levy rate limits in [this chapter](#). However, that amount shall not exceed the amount the county could collect based on property assessments for the fiscal year for which the county failed to certify property taxes.

c. The department of management may waive the limitation in paragraph "*b*" for a county if the department of management finds, after a showing of evidence by the county, that failure to certify the budget by April 30 was caused by one or more of the following:

(1) A newspaper failed to publish a notice of hearing as required under [section 24.2A](#) after the county gave the newspaper sufficient time to publish the notice.

(2) A verifiable public emergency or weather-related event which forced the cancellation of a public hearing as required under [section 24.2A](#).

(3) An illness or unexpected vacancy of one or more board members caused a lack of a quorum necessary to hold a hearing as required under [section 24.2A](#).

(4) A failure of state software or a state process caused the board to miss the required date to certify the county's budget.

Sec. 39. [Section 331.510, subsection 3](#), Code 2024, is amended to read as follows:

3. An annual report not later than January 1 to the department of management of the valuation by class of property for each taxing district in the county as instructed by and on

forms provided by the department of management. The valuations reported shall be those valuations used for determining the levy rates necessary to fund the budgets of the taxing districts for the following fiscal year. Each annual report under [this subsection](#) for assessment years beginning on or after January 1, 2024, shall distinguish such values as revaluation or other type of addition to value, as defined and submitted in the assessor's abstract transmitted to the department of revenue under [section 441.45](#).

Sec. 40. [Section 384.1, subsection 3](#), paragraph c, Code 2024, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (4) Notwithstanding other provisions of this paragraph, if a city's actual levy rate for the current fiscal year is zero dollars per thousand dollars of assessed value and the total assessed value used to calculate taxes under this paragraph for the budget year exceeds one hundred two and seventy-five hundredths percent, the city's tax levy imposed by this paragraph may be levied at a rate not to exceed eight dollars and ten cents per thousand dollars of assessed valuation.

Sec. 41. [Section 384.16, subsection 6](#), Code 2024, is amended by striking the subsection and inserting in lieu thereof the following:

6. a. Taxes from a city levy may be collected for a fiscal year for which no budget has been certified, but the county shall not distribute any funds collected from the levies to the city until the city certifies its budget and transmits the certified budget to the county auditor.

b. Taxes levied by a city whose budget is certified after April 30 shall be limited to the taxes levied for the previous fiscal year subject to applicable levy rate limits in [this chapter](#). However, that amount shall not exceed the amount the city could collect based on property assessments for the fiscal year for which the city failed to certify property taxes.

c. The department of management may waive the limitation in paragraph "b" for a city if the department of management finds, after a showing of evidence by the city, that failure to certify the budget by April 30 was caused by one or more of the following:

(1) A newspaper failed to publish a notice of hearing as required under [section 24.2A](#) after the city gave the newspaper sufficient time to publish the notice.

(2) A verifiable public emergency or weather-related event which forced the cancellation of a public hearing as required under [section 24.2A](#).

(3) An illness or unexpected vacancy of one or more council members caused a lack of a quorum necessary to hold a hearing as required under [section 24.2A](#).

(4) A failure of state software or a state process caused the council to miss the required date to certify the city's budget.

Sec. 42. [Section 403.22, subsection 5](#), Code 2024, is amended to read as follows:

5. a. Except for a municipality with a population under fifteen thousand, the division of the revenue under [section 403.19](#) for each project under [this section](#) shall be limited to tax collections for ten fiscal years beginning with the second fiscal year after the year in which the municipality first certifies to the county auditor the amount of any loans, advances, indebtedness, or bonds which qualify for payment from the division of the revenue in connection with the project.

b. A municipality with a population under fifteen thousand may, with the approval of the governing bodies of all other affected taxing districts, extend the division of revenue under [section 403.19](#) for up to five years if necessary to adequately fund the project.

c. Notwithstanding other time limitations provided by [this subsection](#), for urban renewal areas established before January 1, 2018, a municipality may, with the approval of the governing bodies of all other affected taxing districts, extend the division of revenue under [section 403.19](#) for up to three years if necessary to adequately fund the project.

d. The portion of the urban renewal area which is involved in a project under [this section](#) shall not be subject to any subsequent division of revenue under [section 403.19](#).

Sec. 43. [Section 425.1A](#), Code 2024, is amended by adding the following new subsection:

NEW SUBSECTION. 3. The list of the names, addresses, and dates of birth of individuals allowed an exemption under [this section](#) and maintained by the county recorder, county treasurer, county assessor, city assessor, or other governmental body and obtained for

purposes of allowing an exemption under [this section](#) is confidential information and shall not be disseminated to any person unless otherwise ordered by a court or released by the lawful custodian of the records pursuant to state or federal law. The county recorder, county treasurer, county assessor, city assessor, or other governmental body responsible for maintaining the names, addresses, and dates of birth of individuals allowed an exemption under [this section](#) may display such exemption on individual paper records and individual electronic records, including display on an internet site.

Sec. 44. [Section 441.45](#), Code 2024, is amended by adding the following new subsection:
NEW SUBSECTION. 3. An assessor shall report valuations of real property by parcel, including identifying additions by revaluation or other type of addition to value, and shall transmit and maintain the data in a manner that is compatible with software used by the county auditor and that allows the county auditor to use the data to file the reports required by [section 331.510, subsections 3 and 4](#).

Sec. 45. [2023 Iowa Acts, chapter 71, section 137](#), is amended to read as follows:

SEC. 137. [Section 8.6, Code 2023](#), is amended by adding the following new subsection:

NEW SUBSECTION. 17. *County and city bond issuance.* To annually prepare and file with the general assembly by ~~December~~ January 1 a report specifying the updated population thresholds as adjusted under [section 331.442, subsection 5](#), and [section 384.26, subsection 5](#), and detailing the use of the bond issuance procedures under [section 331.442, subsection 5](#), and [section 384.26, subsection 5](#), including the usage of such procedures by counties and cities based on the population-based limitations and the amount of bonds issued for each such usage.

Sec. 46. REPEAL. [1848 Iowa Acts, First Extraordinary Session, chapter 52](#), is repealed.

Sec. 47. EFFECTIVE DATE. The following, being deemed of immediate importance, take effect upon enactment:

1. The section of this division of this Act enacting [section 24.2A, subsection 2](#), paragraph “b”, subparagraph (10).
2. The section of this division of this Act enacting [section 24.2A, subsection 4](#), paragraph “b”, subparagraph (4).
3. The section of this division of this Act amending [section 24.2A, subsection 4](#), paragraph “c”.
4. The section of this division of this Act amending [section 176A.8, subsection 6](#).
5. The section of this division of this Act amending [section 176A.10, subsection 1](#), unnumbered paragraph 1.
6. The section of this division of this Act amending [section 257.19, subsection 2](#).
7. The section of this division of this Act amending [section 309.93](#), unnumbered paragraph 1.
8. The section of this division of this Act enacting [section 331.301, subsection 9A](#).
9. The section of this division of this Act amending [section 331.434, subsection 7](#).
10. The section of this division of this Act amending [section 331.510, subsection 3](#).
11. The section of this division of this Act enacting [section 384.1, subsection 3](#), paragraph “c”, subparagraph (4).
12. The section of this division of this Act amending [section 384.16, subsection 6](#).
13. The section of this division of this Act amending [section 403.22, subsection 5](#).
14. The section of this division of this Act enacting [section 441.45, subsection 3](#).
15. The section of this division of this Act repealing [1848 Iowa Acts, First Extraordinary Session, chapter 52](#).

Sec. 48. RETROACTIVE APPLICABILITY. The following apply retroactively to January 1, 2024:

1. The sections of this division of this Act enacting the following:
 - a. [Section 24.2A, subsection 2](#), paragraph “b”, subparagraph (10).
 - b. [Section 24.2A, subsection 4](#), paragraph “b”, subparagraph (4).
2. The sections of this division of this Act amending the following:

- a. [Section 24.2A, subsection 4](#), paragraph “c”.
- b. [Section 176A.8, subsection 6](#).
- c. [Section 176A.10, subsection 1](#), unnumbered paragraph 1.
- d. [Section 257.19, subsection 2](#).
- e. [Section 309.93](#), unnumbered paragraph 1.

DIVISION V
COMPENSATION OF ELECTED COUNTY OFFICIALS

Sec. 49. [Section 331.212, subsection 2](#), Code 2024, is amended by adding the following new paragraphs:

NEW PARAGRAPH. i. Setting the compensation schedule of elected county officers, if the board has not established or has dissolved a county compensation board pursuant to [section 331.905](#).

NEW PARAGRAPH. j. Dissolving a county compensation board.

Sec. 50. [Section 331.321, subsection 1](#), paragraph 1, Code 2024, is amended to read as follows:

l. Two members of the county compensation board in accordance with [section 331.905](#), if the board of supervisors has established a county compensation board.

Sec. 51. [Section 331.322, subsections 6 and 7](#), Code 2024, are amended to read as follows:

6. Review Annually prepare and review the compensation schedule, or review the final compensation schedule of the county compensation board if the board of supervisors has established a county compensation board, and determine the final compensation schedule in accordance with [section 331.907](#).

7. Provide necessary office facilities and the technical and clerical assistance requested by the county compensation board to accomplish the purposes of [sections 331.905 and 331.907](#), if the board of supervisors has established a county compensation board.

Sec. 52. [Section 331.905, subsection 1](#), unnumbered paragraph 1, Code 2024, is amended to read as follows:

~~There is created in each county~~ A board of supervisors may vote to establish a county compensation board which subject to the provisions of [this section](#). The county compensation board shall be composed of seven members who are residents of the county. The members of the county compensation board shall be selected as follows:

Sec. 53. [Section 331.905](#), Code 2024, is amended by adding the following new subsection:

NEW SUBSECTION. 7. A board of supervisors may dissolve a county compensation board upon a majority vote of the members of the board of supervisors. If the board of supervisors has not established or has dissolved the county compensation board, the board of supervisors shall carry out the duties as the county compensation board, including as provided in [section 331.907](#). Pursuant to [section 331.907](#), in setting the salary of the county sheriff, the board of supervisors shall set the sheriff’s salary so that it is comparable to salaries paid to professional law enforcement administrators and command officers of the state patrol, the division of criminal investigation of the department of public safety, and city police chiefs employed by cities of similar population to the population of the county.

Sec. 54. [Section 331.907, subsections 1 and 2](#), Code 2024, are amended to read as follows:

1. The annual compensation of the auditor, treasurer, recorder, sheriff, county attorney, and supervisors shall be determined as provided in [this section](#). The county compensation board annually shall review the compensation paid to comparable officers in other counties of this state, other states, private enterprise, and the federal government. In setting the salary of the county sheriff, the county compensation board shall set the sheriff’s salary so that it is comparable to salaries paid to professional law enforcement administrators and command officers of the state patrol, the division of criminal investigation of the department of public safety, and city police chiefs employed by cities of similar population to the population of the county. The county compensation board shall prepare a compensation schedule for the

~~elective~~ elected county officers for the succeeding fiscal year. The county compensation board shall provide documentation to the board of supervisors that demonstrates how the county compensation board determined the recommended compensation schedule, including by providing the applicable compensation information for comparable officers in other counties of this state, other states, private enterprise, and the federal government. A recommended compensation schedule requires a majority vote of the membership of the county compensation board.

2. At the public hearing held on the county budget as provided in [section 331.434](#), the county compensation board shall submit its recommended compensation schedule for the next fiscal year to the board of supervisors for inclusion in the county budget. The board of supervisors shall review the recommended compensation schedule for the elected county officers and determine the final compensation schedule ~~which shall not exceed the compensation schedule recommended by the county compensation board. In determining the final compensation schedule if the board of supervisors wishes to reduce the amount of the recommended compensation schedule, the amount of salary increase proposed for each elected county officer, except as provided in [subsection 3](#), shall be reduced an equal percentage.~~ In determining the final compensation schedule for the elected county officers, the board of supervisors may set compensation at less than the compensation provided in the current compensation schedule if the position is reduced to part-time under the recommended compensation schedule. A copy of the final compensation schedule shall be filed with the county budget at the office of the director of the department of management. The final compensation schedule takes effect on July 1 following its adoption by the board of supervisors. For purposes of [this subsection](#), “current compensation schedule” means the compensation schedule in effect when the board of supervisors considers the recommended compensation schedule.

DIVISION VI COUNTY AND CITY PROPERTY TAXES

Sec. 55. [Section 331.423, subsection 1](#), paragraph b, subparagraphs (2) and (3), Code 2024, are amended to read as follows:

(2) (a) If the total assessed value used to calculate taxes for general county services under this paragraph for the budget year exceeds one hundred ~~three~~ two and seventy-five hundredths percent, but is less than one hundred ~~six~~ four percent, of the total assessed value used to calculate taxes for general county services for the current fiscal year, the adjusted general county basic levy rate, as previously adjusted under this subparagraph, if applicable, shall be reduced to a rate per thousand dollars of assessed value that is equal to one thousand multiplied by the quotient of the current fiscal year’s actual property tax dollars certified for levy under [this subsection 1](#) divided by one hundred ~~two~~ one percent of the total assessed value used to calculate such taxes for the current fiscal year. For the budget year beginning July 1, 2024, only, the current fiscal year’s actual property tax dollars certified for levy under [this subsection 1](#) shall also include property tax dollar amounts levied for general county services by the county under [section 331.426, Code 2023](#), for the fiscal year beginning July 1, 2023.

(b) If the total assessed value used to calculate taxes for general county services under this paragraph for the budget year is equal to or exceeds one hundred four percent, but is less than one hundred six percent, of the total assessed value used to calculate taxes for general county services for the current fiscal year, the adjusted general county basic levy rate, as previously adjusted under this subparagraph, if applicable, shall be reduced to a rate per thousand dollars of assessed value that is equal to one thousand multiplied by the quotient of the current fiscal year’s actual property tax dollars certified for levy under [this subsection 1](#) divided by one hundred two percent of the total assessed value used to calculate such taxes for the current fiscal year. For the budget year beginning July 1, 2024, only, the current fiscal year’s actual property tax dollars certified for levy under [this subsection 1](#) shall also include property tax dollar amounts levied for general county services by the county under [section 331.426, Code 2023](#), for the fiscal year beginning July 1, 2023.

(c) If the total assessed value used to calculate taxes for general county services under this paragraph for the budget year is equal to or exceeds one hundred six percent of the total assessed value used to calculate taxes for general county services for the current fiscal year, the adjusted general county basic levy rate, as previously adjusted under this subparagraph, if applicable, shall be reduced to a rate per thousand dollars of assessed value that is equal to one thousand multiplied by the quotient of the current fiscal year's actual property tax dollars certified for levy under [this subsection 1](#) divided by one hundred three percent of the total assessed value used to calculate such taxes for the current fiscal year. For the budget year beginning July 1, 2024, only, the current fiscal year's actual property tax dollars certified for levy under [this subsection 1](#) shall also include property tax dollar amounts levied for general county services by the county under [section 331.426, Code 2023](#), for the fiscal year beginning July 1, 2023.

(3) (a) (i) In addition to the limitation under subparagraph (2), if the county's actual levy rate imposed under [this subsection 1](#) for the current fiscal year is three dollars and fifty cents or less per thousand dollars of assessed value and the total assessed value used to calculate taxes for general county services under this paragraph for the budget year exceeds one hundred ~~three two and seventy-five hundredths~~ percent, but is less than one hundred ~~six four~~ percent, of the total assessed value used to calculate taxes for general county services for the current fiscal year, the levy rate imposed under [this subsection 1](#) for the budget year shall not exceed a rate per thousand dollars of assessed value that is equal to one thousand multiplied by the quotient of the current fiscal year's actual property tax dollars certified for levy under [this subsection 1](#) divided by one hundred ~~two one~~ percent of the total assessed value used to calculate taxes for general county services for the current fiscal year.

(ii) For the budget year beginning July 1, 2024, only, the county's actual levy rate imposed under [this subsection 1](#) for the current fiscal year shall also include the amount per thousand dollars of assessed value levied for general county services by the county under [section 331.426, Code 2023](#), for the fiscal year beginning July 1, 2023, and the current fiscal year's actual property tax dollars certified for levy under [this subsection 1](#) shall also include amounts levied for general county services by the county under [section 331.426, Code 2023](#), for the fiscal year beginning July 1, 2023.

(b) (i) In addition to the limitation under subparagraph (2), if the county's actual levy rate imposed under [this subsection 1](#) for the current fiscal year is three dollars and fifty cents or less per thousand dollars of assessed value and the total assessed value used to calculate taxes for general county services under this paragraph for the budget year is equal to or exceeds one hundred four percent, but is less than one hundred six percent, of the total assessed value used to calculate taxes for general county services for the current fiscal year, the levy rate imposed under [this subsection 1](#) for the budget year shall not exceed a rate per thousand dollars of assessed value that is equal to one thousand multiplied by the quotient of the current fiscal year's actual property tax dollars certified for levy under [this subsection 1](#) divided by one hundred two percent of the total assessed value used to calculate taxes for general county services for the current fiscal year.

(ii) For the budget year beginning July 1, 2024, only, the county's actual levy rate imposed under [this subsection 1](#) for the current fiscal year shall also include the amount per thousand dollars of assessed value levied for general county services by the county under [section 331.426, Code 2023](#), for the fiscal year beginning July 1, 2023, and the current fiscal year's actual property tax dollars certified for levy under [this subsection 1](#) shall also include amounts levied for general county services by the county under [section 331.426, Code 2023](#), for the fiscal year beginning July 1, 2023.

(c) (i) In addition to the limitation under subparagraph (2), if the county's actual levy rate imposed under [this subsection 1](#) for the current fiscal year is three dollars and fifty cents or less per thousand dollars of assessed value and the total assessed value used to calculate taxes for general county services under this paragraph for the budget year is equal to or exceeds one hundred six percent of the total assessed value used to calculate taxes for general county services for the current fiscal year, the levy rate imposed under [this subsection 1](#) for the budget year shall not exceed a rate per thousand dollars of assessed value that is equal to one thousand multiplied by the quotient of the current fiscal year's actual property tax dollars

certified for levy under [this subsection 1](#) divided by one hundred three percent of the total assessed value used to calculate taxes for general county services for the current fiscal year.

(ii) For the budget year beginning July 1, 2024, only, the county's actual levy rate imposed under [this subsection 1](#) for the current fiscal year shall also include the amount per thousand dollars of assessed value levied for general county services by the county under [section 331.426, Code 2023](#), for the fiscal year beginning July 1, 2023, and the current fiscal year's actual property tax dollars certified for levy under [this subsection 1](#) shall also include amounts levied for general county services by the county under [section 331.426, Code 2023](#), for the fiscal year beginning July 1, 2023.

Sec. 56. [Section 331.423, subsection 2](#), paragraph b, subparagraphs (2) and (3), Code 2024, are amended to read as follows:

(2) (a) If the total assessed value used to calculate taxes for rural county services under this paragraph for the budget year exceeds one hundred ~~three two and seventy-five hundredths~~ percent, but is less than one hundred ~~six four~~ percent, of the total assessed value used to calculate taxes for rural county services for the current fiscal year, the adjusted rural county basic levy rate, as previously adjusted under this subparagraph, if applicable, shall be reduced to a rate per thousand dollars of assessed value that is equal to one thousand multiplied by the quotient of the current fiscal year's actual property tax dollars certified for levy under [this subsection 2](#) divided by one hundred ~~two one~~ percent of the total assessed value used to calculate such taxes for the current fiscal year. For the budget year beginning July 1, 2024, only, the current fiscal year's actual property tax dollars certified for levy under [this subsection 2](#) shall also include property tax dollar amounts levied for rural county services by the county under [section 331.426, Code 2023](#), for the fiscal year beginning July 1, 2023.

(b) If the total assessed value used to calculate taxes for rural county services under this paragraph for the budget year is equal to or exceeds one hundred four percent, but is less than one hundred six percent, of the total assessed value used to calculate taxes for rural county services for the current fiscal year, the adjusted rural county basic levy rate, as previously adjusted under this subparagraph, if applicable, shall be reduced to a rate per thousand dollars of assessed value that is equal to one thousand multiplied by the quotient of the current fiscal year's actual property tax dollars certified for levy under [this subsection 2](#) divided by one hundred two percent of the total assessed value used to calculate such taxes for the current fiscal year. For the budget year beginning July 1, 2024, only, the current fiscal year's actual property tax dollars certified for levy under [this subsection 2](#) shall also include property tax dollar amounts levied for rural county services by the county under [section 331.426, Code 2023](#), for the fiscal year beginning July 1, 2023.

(c) If the total assessed value used to calculate taxes for rural county services under this paragraph for the budget year is equal to or exceeds one hundred six percent of the total assessed value used to calculate taxes for rural county services for the current fiscal year, the adjusted rural county basic levy rate, as previously adjusted under this subparagraph, if applicable, shall be reduced to a rate per thousand dollars of assessed value that is equal to one thousand multiplied by the quotient of the current fiscal year's actual property tax dollars certified for levy under [this subsection 2](#) divided by one hundred three percent of the total assessed value used to calculate such taxes for the current fiscal year. For the budget year beginning July 1, 2024, only, the current fiscal year's actual property tax dollars certified for levy under [this subsection 2](#) shall also include property tax dollar amounts levied for rural county services by the county under [section 331.426, Code 2023](#), for the fiscal year beginning July 1, 2023.

(3) (a) (i) In addition to the limitation under subparagraph (2), if the county's actual levy rate imposed under this paragraph for the current fiscal year is three dollars and ninety-five cents or less per thousand dollars of assessed value and the total assessed value used to calculate taxes for rural county services under this paragraph for the budget year exceeds one hundred ~~three two and seventy-five hundredths~~ percent, but is less than one hundred ~~six four~~ percent, of the total assessed value used to calculate taxes for rural county services for the current fiscal year, the levy rate imposed under [this subsection 2](#) for the budget year shall not exceed a rate per thousand dollars of assessed value that is equal to one thousand multiplied by the quotient of the current fiscal year's actual property tax dollars certified for

levy under [this subsection 2](#) divided by one hundred ~~two~~ one percent of the total assessed value used to calculate taxes for rural county services for the current fiscal year.

(i) For the budget year beginning July 1, 2024, only, the county's actual levy rate imposed under [this subsection 2](#) for the current fiscal year shall also include the amount per thousand dollars of assessed value levied for rural county services by the county under [section 331.426, Code 2023](#), for the fiscal year beginning July 1, 2023, and the current fiscal year's actual property tax dollars certified for levy under [this subsection 2](#) shall also include amounts levied for rural county services by the county under [section 331.426, Code 2023](#), for the fiscal year beginning July 1, 2023.

(b) (i) In addition to the limitation under subparagraph (2), if the county's actual levy rate imposed under this paragraph for the current fiscal year is three dollars and ninety-five cents or less per thousand dollars of assessed value and the total assessed value used to calculate taxes for rural county services under this paragraph for the budget year exceeds one hundred four percent, but is less than one hundred six percent, of the total assessed value used to calculate taxes for rural county services for the current fiscal year, the levy rate imposed under [this subsection 2](#) for the budget year shall not exceed a rate per thousand dollars of assessed value that is equal to one thousand multiplied by the quotient of the current fiscal year's actual property tax dollars certified for levy under [this subsection 2](#) divided by one hundred two percent of the total assessed value used to calculate taxes for rural county services for the current fiscal year.

(ii) For the budget year beginning July 1, 2024, only, the county's actual levy rate imposed under [this subsection 2](#) for the current fiscal year shall also include the amount per thousand dollars of assessed value levied for rural county services by the county under [section 331.426, Code 2023](#), for the fiscal year beginning July 1, 2023, and the current fiscal year's actual property tax dollars certified for levy under [this subsection 2](#) shall also include amounts levied for rural county services by the county under [section 331.426, Code 2023](#), for the fiscal year beginning July 1, 2023.

(c) (i) In addition to the limitation under subparagraph (2), if the county's actual levy rate imposed under [this subsection 2](#) for the current fiscal year is three dollars and ninety-five cents or less per thousand dollars of assessed value and the total assessed value used to calculate taxes for rural county services under this paragraph for the budget year is equal to or exceeds one hundred six percent of the total assessed value used to calculate taxes for rural county services for the current fiscal year, the levy rate imposed under [this subsection 2](#) for the budget year shall not exceed a rate per thousand dollars of assessed value that is equal to one thousand multiplied by the quotient of the current fiscal year's actual property tax dollars certified for levy under [this subsection 2](#) divided by one hundred three percent of the total assessed value used to calculate taxes for rural county services for the current fiscal year.

(ii) For the budget year beginning July 1, 2024, only, the county's actual levy rate imposed under [this subsection 2](#) for the current fiscal year shall also include the amount per thousand dollars of assessed value levied for rural county services by the county under [section 331.426, Code 2023](#), for the fiscal year beginning July 1, 2023, and the current fiscal year's actual property tax dollars certified for levy under [this subsection 2](#) shall also include amounts levied for rural county services by the county under [section 331.426, Code 2023](#), for the fiscal year beginning July 1, 2023.

Sec. 57. [Section 384.1, subsection 3](#), paragraph c, subparagraphs (2) and (3), Code 2024, are amended to read as follows:

(2) (a) If the total assessed value used to calculate taxes under this paragraph for the budget year exceeds one hundred ~~three~~ two and seventy-five hundredths percent, but is less than one hundred ~~six~~ four percent, of the total assessed value used to calculate taxes under [this subsection](#) for the current fiscal year, the adjusted city general fund levy rate, as previously adjusted under this subparagraph, if applicable, shall be reduced to a rate per thousand dollars of assessed value that is equal to one thousand multiplied by the quotient of the current fiscal year's actual property tax dollars certified for levy under [this subsection](#) divided by one hundred ~~two~~ one percent of the total assessed value used to calculate such taxes for the current fiscal year. For the budget year beginning July 1, 2024, only, the current

fiscal year's actual property tax dollars certified for levy under [this subsection](#) shall also include property tax dollar amounts levied under the provisions specified in paragraph "b", subparagraphs (1), (2), and (3).

(b) If the total assessed value used to calculate taxes under this paragraph for the budget year exceeds one hundred four percent, but is less than one hundred six percent, of the total assessed value used to calculate taxes under [this subsection](#) for the current fiscal year, the adjusted city general fund levy rate, as previously adjusted under this subparagraph, if applicable, shall be reduced to a rate per thousand dollars of assessed value that is equal to one thousand multiplied by the quotient of the current fiscal year's actual property tax dollars certified for levy under [this subsection](#) divided by one hundred two percent of the total assessed value used to calculate such taxes for the current fiscal year. For the budget year beginning July 1, 2024, only, the current fiscal year's actual property tax dollars certified for levy under [this subsection](#) shall also include property tax dollar amounts levied under the provisions specified in paragraph "b", subparagraphs (1), (2), and (3).

(c) If the total assessed value used to calculate taxes under this paragraph for the budget year is equal to or exceeds one hundred six percent of the total assessed value used to calculate taxes under [this subsection](#) for the current fiscal year, the adjusted city general fund levy rate, as previously adjusted under this subparagraph, if applicable, shall be reduced to a rate per thousand dollars of assessed value that is equal to one thousand multiplied by the quotient of the current fiscal year's actual property tax dollars certified for levy under [this subsection](#) divided by one hundred three percent of the total assessed value used to calculate such taxes for the current fiscal year. For the budget year beginning July 1, 2024, only, the current fiscal year's actual property tax dollars certified for levy under [this subsection](#) shall also include property tax dollar amounts levied under the provisions specified in paragraph "b", subparagraphs (1), (2), and (3).

(3) (a) (i) In addition to the limitation under subparagraph (2), if the city's actual levy rate imposed under [this subsection](#) for the current fiscal year is eight dollars and ten cents or less per thousand dollars of assessed value and the total assessed value used to calculate taxes under this paragraph for the budget year exceeds one hundred ~~three two~~ and seventy-five hundredths percent, but is less than one hundred six ~~four~~ percent, of the total assessed value used to calculate taxes under [this subsection](#) for the current fiscal year, the levy rate imposed under this paragraph for the budget year shall not exceed a rate per thousand dollars of assessed value that is equal to one thousand multiplied by the quotient of the current fiscal year's actual property tax dollars certified for levy under [this subsection](#) divided by one hundred two percent of the total assessed value used to calculate taxes under [this subsection](#) for the current fiscal year.

(ii) For the budget year beginning July 1, 2024, only, the city's actual levy rate imposed under [this subsection](#) for the current fiscal year shall also include the sum of the amounts per thousand dollars of assessed value specified in paragraph "b", subparagraphs (1), (2), and (3), and the current fiscal year's actual property tax dollars certified for levy under [this subsection](#) shall also include property tax dollar amounts levied by the city under the provisions specified in paragraph "b", subparagraphs (1), (2), and (3).

(b) (i) In addition to the limitation under subparagraph (2), if the city's actual levy rate imposed under [this subsection](#) for the current fiscal year is eight dollars and ten cents or less per thousand dollars of assessed value and the total assessed value used to calculate taxes under this paragraph for the budget year exceeds one hundred four percent, but is less than one hundred six percent, of the total assessed value used to calculate taxes under [this subsection](#) for the current fiscal year, the levy rate imposed under this paragraph for the budget year shall not exceed a rate per thousand dollars of assessed value that is equal to one thousand multiplied by the quotient of the current fiscal year's actual property tax dollars certified for levy under [this subsection](#) divided by one hundred two percent of the total assessed value used to calculate taxes under [this subsection](#) for the current fiscal year.

(ii) For the budget year beginning July 1, 2024, only, the city's actual levy rate imposed under [this subsection](#) for the current fiscal year shall also include the sum of the amounts per thousand dollars of assessed value specified in paragraph "b", subparagraphs (1), (2), and (3), and the current fiscal year's actual property tax dollars certified for levy under [this subsection](#)

shall also include property tax dollar amounts levied by the city under the provisions specified in paragraph “b”, subparagraphs (1), (2), and (3).

(c) (i) In addition to the limitation under subparagraph (2), if the city’s actual levy rate imposed under [this subsection](#) for the current fiscal year is eight dollars and ten cents or less per thousand dollars of assessed value and the total assessed value used to calculate taxes under this paragraph for the budget year is equal to or exceeds one hundred six percent of the total assessed value used to calculate taxes under [this subsection](#) for the current fiscal year, the levy rate imposed under this paragraph for the budget year shall not exceed a rate per thousand dollars of assessed value that is equal to one thousand multiplied by the quotient of the current fiscal year’s actual property tax dollars certified for levy under [this subsection](#) divided by one hundred three percent of the total assessed value used to calculate taxes under [this subsection](#) for the current fiscal year.

(ii) For the budget year beginning July 1, 2024, only, the city’s actual levy rate imposed under [this subsection](#) for the current fiscal year shall also include the sum of the amounts per thousand dollars of assessed value specified in paragraph “b”, subparagraphs (1), (2), and (3), and the current fiscal year’s actual property tax dollars certified for levy under [this subsection](#) shall also include property tax dollar amounts levied by the city under the provisions specified in paragraph “b”, subparagraphs (1), (2), and (3).

Sec. 58. APPLICABILITY. This division of this Act applies to taxes and budgets for fiscal years beginning on or after July 1, 2025.

DIVISION VII PROPERTY TAX ASSESSMENT LIMITATIONS

Sec. 59. [Section 441.21, subsection 5](#), paragraph a, Code 2024, is amended to read as follows:

a. (1) For valuations established as of January 1, 1979, property valued by the department of revenue pursuant to [chapters 428, 433, and 437, and 438](#) shall be considered as one class of property and shall be assessed as a percentage of its actual value. The percentage shall be determined by the director of revenue in accordance with the provisions of [this section](#). For valuations established as of January 1, 1979, the percentage shall be the quotient of the dividend and divisor as defined in [this section](#). The dividend shall be the total actual valuation established for 1978 by the department of revenue, plus ten percent of the amount so determined. The divisor for property valued by the department of revenue pursuant to [chapters 428, 433, and 437, and 438](#) shall be the valuation established for 1978, plus the amount of value added to the total actual value by the revaluation of the property by the department of revenue as of January 1, 1979. For valuations established as of January 1, 1980, property valued by the department of revenue pursuant to [chapters 428, 433, and 437, and 438](#) shall be assessed at a percentage of its actual value. The percentage shall be determined by the director of revenue in accordance with the provisions of [this section](#). For valuations established as of January 1, 1980, the percentage shall be the quotient of the dividend and divisor as defined in [this section](#). The dividend shall be the total actual valuation established for 1979 by the department of revenue, plus eight percent of the amount so determined. The divisor for property valued by the department of revenue pursuant to [chapters 428, 433, and 437, and 438](#) shall be the valuation established for 1979, plus the amount of value added to the total actual value by the revaluation of the property by the department of revenue as of January 1, 1980. For valuations established as of January 1, 1981, and each year thereafter, the percentage of actual value at which property valued by the department of revenue pursuant to [chapters 428, 433, and 437, and 438](#) shall be assessed shall be calculated in accordance with the methods provided herein, except that any references to ten percent in [this subsection](#) shall be eight percent.

(2) For valuations established on or after January 1, 2013, property valued by the department of revenue pursuant to [chapter 434](#) shall be assessed at a portion of its actual value determined in the same manner at which property assessed as commercial property is assessed under paragraph “b” for the same assessment year.

(3) For valuations established for the assessment year beginning January 1, 2025, the percentage of actual value at which property valued by the department of revenue pursuant to [chapters 428 and 438](#) shall be assessed shall be ninety-eight percent.

(4) For valuations established for the assessment year beginning January 1, 2026, the percentage of actual value at which property valued by the department of revenue pursuant to [chapters 428 and 438](#) shall be assessed shall be ninety-six percent.

(5) For valuations established for the assessment year beginning January 1, 2027, the percentage of actual value at which property valued by the department of revenue pursuant to [chapters 428 and 438](#) shall be assessed shall be ninety-four percent.

(6) For valuations established for the assessment year beginning January 1, 2028, the percentage of actual value at which property valued by the department of revenue pursuant to [chapters 428 and 438](#) shall be assessed shall be ninety-two percent.

(7) For valuations established on or after January 1, 2029, the percentage of actual value at which property valued by the department of revenue pursuant to [chapters 428 and 438](#) shall be assessed shall be ninety percent.

Sec. 60. [Section 441.21, subsections 9 and 10](#), Code 2024, are amended to read as follows:

9. Not later than November 1, 1979, and November 1 of each subsequent year, the director shall certify to the county auditor of each county the percentages of actual value at which residential property, agricultural property, commercial property, industrial property, property valued by the department of revenue pursuant to [chapters 428 and 438](#), property valued by the department of revenue pursuant to [chapter 434](#), and property valued by the department of revenue pursuant to [chapters 428, 433, and 437](#), and ~~438~~ in each assessing jurisdiction in the county shall be assessed for taxation, including for assessment years beginning on or after January 1, 2022, the percentages used to apply the assessment limitations under [subsection 5](#), paragraphs “b” and “c”. The county auditor shall proceed to determine the assessed values of agricultural property, residential property, commercial property, industrial property, property valued by the department of revenue pursuant to [chapters 428 and 438](#), property valued by the department of revenue pursuant to [chapter 434](#), and property valued by the department of revenue pursuant to [chapters 428, 433, and 437](#), and ~~438~~ by applying such percentages to the current actual value of such property, as reported to the county auditor by the assessor, and the assessed values so determined shall be the taxable values of such properties upon which the levy shall be made.

10. The percentages of actual value computed by the department of revenue for agricultural property, residential property, commercial property, industrial property, property valued by the department of revenue pursuant to [chapters 428 and 438](#), property valued by the department of revenue pursuant to [chapter 434](#), and property valued by the department of revenue pursuant to [chapters 428, 433, and 437](#), and ~~438~~, including for assessment years beginning on or after January 1, 2022, the percentages used to apply the assessment limitations under [subsection 5](#), paragraphs “b” and “c”, and used to determine assessed values of those classes of property do not constitute a rule as defined in [section 17A.2, subsection 11](#).

Sec. 61. **APPLICABILITY.** This division of this Act applies to assessment years beginning on or after January 1, 2025.

DIVISION VIII TAXPAYER RELIEF FUND

Sec. 62. [Section 8.54, subsection 5](#), paragraph b, Code 2024, is amended to read as follows:

b. For fiscal years in which it is anticipated that moneys will be transferred from the taxpayer relief fund to the general fund of the state in accordance with [section 8.57E, subsection 2](#), paragraph “b”, the original state general fund expenditure limitation amount provided for in [subsection 3](#) shall not be readjusted to include the amount of moneys anticipated to be so transferred. This paragraph is repealed on the date that [section 8.57E, subsection 2, paragraph “b”](#), is repealed July 1, 2029.

Sec. 63. [Section 8.57E, subsection 2](#), paragraph b, Code 2024, is amended by striking the paragraph and inserting in lieu thereof the following:

b. (1) For the fiscal year beginning July 1, 2024, and for each fiscal year thereafter, if the actual net revenue for the general fund of the state for the fiscal year is less than the net general fund appropriation for the fiscal year, there is transferred from the taxpayer relief fund to the general fund of the state an amount equal to fifty percent of the difference or the remaining balance of the taxpayer relief fund, whichever is lower.

(2) For purposes of this paragraph, “*net general fund appropriation*” means the total appropriations from the general fund of the state enacted by the general assembly and approved by the governor or otherwise provided by law for the fiscal year, minus reversions to the general fund of the state.

(3) This paragraph is repealed July 1, 2029.

DIVISION IX CORRECTIVE PROVISION

Sec. 64. [Section 15.491, subsection 1A](#), if enacted by 2024 Iowa Acts, Senate File 574,¹ section 3, is amended to read as follows:

1A. “*Agricultural land*” means the same as defined in [section ~~91.1~~ 91.1](#).

Approved May 1, 2024

¹ Chapter 1090 herein