

Senate File 522

H-1716

1 Amend Senate File 522, as passed by the Senate, as
2 follows:

3 1. By striking everything after the enacting clause
4 and inserting:

5 <DIVISION I

6 EDUCATION FINANCE

7 Section 1. Section 257.1, subsection 2, paragraph
8 b, Code 2011, is amended by striking the paragraph and
9 inserting in lieu thereof the following:

10 b. (1) The regular program foundation base per
11 pupil is the following:

12 (a) For the budget year commencing July 1, 2011,
13 the regular program foundation base per pupil is
14 eighty-seven and five-tenths percent of the regular
15 program state cost per pupil.

16 (b) For the budget year commencing July 1, 2012,
17 the regular program foundation base per pupil is
18 eighty-nine and twenty-eight hundredths percent of the
19 regular program state cost per pupil.

20 (c) For the budget year commencing July 1, 2013,
21 the regular program foundation base per pupil is
22 ninety-one and six hundredths percent of the regular
23 program state cost per pupil.

24 (d) For the budget year commencing July 1, 2014,
25 the regular program foundation base per pupil is
26 ninety-two and eighty-four hundredths percent of the
27 regular program state cost per pupil.

28 (e) For the budget year commencing July 1, 2015,
29 the regular program foundation base per pupil is
30 ninety-four and sixty-two hundredths percent of the
31 regular program state cost per pupil.

32 (f) For the budget year commencing July 1, 2016,
33 the regular program foundation base per pupil is
34 ninety-six and forty hundredths percent of the regular
35 program state cost per pupil.

36 (g) For the budget year commencing July 1, 2017,
37 the regular program foundation base per pupil is
38 ninety-eight and eighteen hundredths percent of the
39 regular program state cost per pupil.

40 (h) For the budget year commencing July 1, 2018,
41 and succeeding budget years, the regular program
42 foundation base per pupil is one hundred percent of the
43 regular program state cost per pupil.

44 (2) For each budget year, the special education
45 support services foundation base is seventy-nine
46 percent of the special education support services state
47 cost per pupil. The combined foundation base is the
48 sum of the regular program foundation base, the special
49 education support services foundation base, the total
50 teacher salary supplement district cost, the total

1 professional development supplement district cost, the
2 total early intervention supplement district cost, the
3 total area education agency teacher salary supplement
4 district cost, and the total area education agency
5 professional development supplement district cost.

6 DIVISION II

7 PROPERTY ASSESSMENT LIMITATIONS

8 Sec. 2. Section 441.21, subsection 4, Code 2011, is
9 amended to read as follows:

10 4. For valuations established as of January
11 1, 1979, the percentage of actual value at which
12 agricultural and residential property shall be assessed
13 shall be the quotient of the dividend and divisor as
14 defined in this section. The dividend for each class
15 of property shall be the dividend as determined for
16 each class of property for valuations established as
17 of January 1, 1978, adjusted by the product obtained
18 by multiplying the percentage determined for that year
19 by the amount of any additions or deletions to actual
20 value, excluding those resulting from the revaluation
21 of existing properties, as reported by the assessors
22 on the abstracts of assessment for 1978, plus six
23 percent of the amount so determined. However, if the
24 difference between the dividend so determined for
25 either class of property and the dividend for that
26 class of property for valuations established as of
27 January 1, 1978, adjusted by the product obtained by
28 multiplying the percentage determined for that year
29 by the amount of any additions or deletions to actual
30 value, excluding those resulting from the revaluation
31 of existing properties, as reported by the assessors
32 on the abstracts of assessment for 1978, is less than
33 six percent, the 1979 dividend for the other class of
34 property shall be the dividend as determined for that
35 class of property for valuations established as of
36 January 1, 1978, adjusted by the product obtained by
37 multiplying the percentage determined for that year
38 by the amount of any additions or deletions to actual
39 value, excluding those resulting from the revaluation
40 of existing properties, as reported by the assessors on
41 the abstracts of assessment for 1978, plus a percentage
42 of the amount so determined which is equal to the
43 percentage by which the dividend as determined for the
44 other class of property for valuations established as
45 of January 1, 1978, adjusted by the product obtained
46 by multiplying the percentage determined for that year
47 by the amount of any additions or deletions to actual
48 value, excluding those resulting from the revaluation
49 of existing properties, as reported by the assessors
50 on the abstracts of assessment for 1978, is increased

1 in arriving at the 1979 dividend for the other class
2 of property. The divisor for each class of property
3 shall be the total actual value of all such property
4 in the state in the preceding year, as reported by the
5 assessors on the abstracts of assessment submitted
6 for 1978, plus the amount of value added to said
7 total actual value by the revaluation of existing
8 properties in 1979 as equalized by the director of
9 revenue pursuant to section 441.49. The director shall
10 utilize information reported on abstracts of assessment
11 submitted pursuant to section 441.45 in determining
12 such percentage. For valuations established as of
13 January 1, 1980, and each assessment year thereafter
14 beginning before January 1, 2012, the percentage of
15 actual value as equalized by the director of revenue
16 as provided in section 441.49 at which agricultural
17 and residential property shall be assessed shall be
18 calculated in accordance with the methods provided
19 herein including the limitation of increases in
20 agricultural and residential assessed values to the
21 percentage increase of the other class of property if
22 the other class increases less than the allowable limit
23 adjusted to include the applicable and current values
24 as equalized by the director of revenue, except that
25 any references to six percent in this subsection shall
26 be four percent. For valuations established as of
27 January 1, 2012, and each assessment year thereafter,
28 the percentage of actual value as equalized by the
29 director of revenue as provided in section 441.49 at
30 which agricultural and residential property shall be
31 assessed shall be calculated in accordance with the
32 methods provided herein including the limitation of
33 increases in agricultural and residential assessed
34 values to the percentage increase of the other class
35 of property if the other class increases less than the
36 allowable limit adjusted to include the applicable and
37 current values as equalized by the director of revenue,
38 except that any references to six percent in this
39 subsection shall be two percent.

40 Sec. 3. Section 441.21, subsection 5, Code 2011, is
41 amended to read as follows:

42 5. a. For valuations established as of January
43 1, 1979, commercial property and industrial property,
44 excluding properties referred to in section 427A.1,
45 subsection 8, shall be assessed as a percentage of
46 the actual value of each class of property. The
47 percentage shall be determined for each class of
48 property by the director of revenue for the state in
49 accordance with the provisions of this section. For
50 valuations established as of January 1, 1979, the

1 ~~percentage shall be the quotient of the dividend and~~
2 ~~divisor as defined in this section. The dividend~~
3 ~~for each class of property shall be the total actual~~
4 ~~valuation for each class of property established for~~
5 ~~1978, plus six percent of the amount so determined.~~
6 ~~The divisor for each class of property shall be the~~
7 ~~valuation for each class of property established for~~
8 ~~1978, as reported by the assessors on the abstracts~~
9 ~~of assessment for 1978, plus the amount of value~~
10 ~~added to the total actual value by the revaluation~~
11 ~~of existing properties in 1979 as equalized by the~~
12 ~~director of revenue pursuant to section 441.49. For~~
13 ~~valuations established as of January 1, 1979, property~~
14 ~~valued by the department of revenue pursuant to~~
15 ~~chapters 428, 433, 437, and 438 shall be considered~~
16 ~~as one class of property and shall be assessed as a~~
17 ~~percentage of its actual value. The percentage shall~~
18 ~~be determined by the director of revenue in accordance~~
19 ~~with the provisions of this section. For valuations~~
20 ~~established as of January 1, 1979, the percentage~~
21 ~~shall be the quotient of the dividend and divisor as~~
22 ~~defined in this section. The dividend shall be the~~
23 ~~total actual valuation established for 1978 by the~~
24 ~~department of revenue, plus ten percent of the amount~~
25 ~~so determined. The divisor for property valued by~~
26 ~~the department of revenue pursuant to chapters 428,~~
27 ~~433, 437, and 438 shall be the valuation established~~
28 ~~for 1978, plus the amount of value added to the total~~
29 ~~actual value by the revaluation of the property by~~
30 ~~the department of revenue as of January 1, 1979.~~
31 ~~For valuations established as of January 1, 1980,~~
32 ~~commercial property and industrial property, excluding~~
33 ~~properties referred to in section 427A.1, subsection~~
34 ~~8, shall be assessed at a percentage of the actual~~
35 ~~value of each class of property. The percentage~~
36 ~~shall be determined for each class of property by~~
37 ~~the director of revenue for the state in accordance~~
38 ~~with the provisions of this section. For valuations~~
39 ~~established as of January 1, 1980, the percentage~~
40 ~~shall be the quotient of the dividend and divisor as~~
41 ~~defined in this section. The dividend for each class~~
42 ~~of property shall be the dividend as determined for~~
43 ~~each class of property for valuations established as~~
44 ~~of January 1, 1979, adjusted by the product obtained~~
45 ~~by multiplying the percentage determined for that year~~
46 ~~by the amount of any additions or deletions to actual~~
47 ~~value, excluding those resulting from the revaluation~~
48 ~~of existing properties, as reported by the assessors~~
49 ~~on the abstracts of assessment for 1979, plus four~~
50 ~~percent of the amount so determined. The divisor~~

1 ~~for each class of property shall be the total actual~~
2 ~~value of all such property in 1979, as equalized by~~
3 ~~the director of revenue pursuant to section 441.49,~~
4 ~~plus the amount of value added to the total actual~~
5 ~~value by the revaluation of existing properties in~~
6 ~~1980. The director shall utilize information reported~~
7 ~~on the abstracts of assessment submitted pursuant~~
8 ~~to section 441.45 in determining such percentage.~~
9 For valuations established as of January 1, 1980,
10 property valued by the department of revenue pursuant
11 to chapters 428, 433, 437, and 438 shall be assessed
12 at a percentage of its actual value. The percentage
13 shall be determined by the director of revenue in
14 accordance with the provisions of this section. For
15 valuations established as of January 1, 1980, the
16 percentage shall be the quotient of the dividend and
17 divisor as defined in this section. The dividend shall
18 be the total actual valuation established for 1979 by
19 the department of revenue, plus eight percent of the
20 amount so determined. The divisor for property valued
21 by the department of revenue pursuant to chapters 428,
22 433, 437, and 438 shall be the valuation established
23 for 1979, plus the amount of value added to the total
24 actual value by the revaluation of the property by
25 the department of revenue as of January 1, 1980. For
26 ~~valuations established as of January 1, 1981, and~~
27 ~~each year thereafter, the percentage of actual value~~
28 ~~as equalized by the director of revenue as provided~~
29 ~~in section 441.49 at which commercial property and~~
30 ~~industrial property, excluding properties referred to~~
31 ~~in section 427A.1, subsection 8, shall be assessed~~
32 ~~shall be calculated in accordance with the methods~~
33 ~~provided herein, except that any references to six~~
34 ~~percent in this subsection shall be four percent. For~~
35 valuations established as of January 1, 1981, and
36 each year thereafter, the percentage of actual value
37 at which property valued by the department of revenue
38 pursuant to chapters 428, 433, 437, and 438 shall be
39 assessed shall be calculated in accordance with the
40 methods provided herein, except that any references
41 to ten percent in this subsection shall be eight
42 percent. Beginning with valuations established as of
43 January 1, 1979, and each assessment year thereafter
44 beginning before January 1, 2012, property valued
45 by the department of revenue pursuant to chapter 434
46 shall also be assessed at a percentage of its actual
47 value which percentage shall be equal to the percentage
48 determined by the director of revenue for commercial
49 property, industrial property, or property valued by
50 the department of revenue pursuant to chapters 428,

1 433, 437, and 438, whichever is lowest. Beginning with
2 valuations established as of January 1, 2012, and each
3 assessment year thereafter, property valued by the
4 department of revenue pursuant to chapter 434 shall
5 be assessed at a percentage of its actual value equal
6 to the percentage of actual value at which commercial
7 property is assessed for the same assessment year.

8 b. For valuations established on or after January
9 1, 2012, commercial property, excluding properties
10 referred to in section 427A.1, subsection 8, shall
11 be assessed as a percentage of the actual value, as
12 determined in this paragraph.

13 (1) For valuations established for the assessment
14 year beginning January 1, 2012, the percentage of
15 actual value as equalized by the director of revenue as
16 provided in section 441.49 at which commercial property
17 shall be assessed shall be ninety-two percent.

18 (2) For valuations established for the assessment
19 year beginning January 1, 2013, the percentage of
20 actual value as equalized by the director of revenue as
21 provided in section 441.49 at which commercial property
22 shall be assessed shall be eighty-four percent.

23 (3) For valuations established for the assessment
24 year beginning January 1, 2014, the percentage of
25 actual value as equalized by the director of revenue as
26 provided in section 441.49 at which commercial property
27 shall be assessed shall be seventy-six percent.

28 (4) For valuations established for the assessment
29 year beginning January 1, 2015, the percentage of
30 actual value as equalized by the director of revenue as
31 provided in section 441.49 at which commercial property
32 shall be assessed shall be sixty-eight percent.

33 (5) For valuations established for the assessment
34 year beginning January 1, 2016, and each assessment
35 year thereafter, the percentage of actual value as
36 equalized by the director of revenue as provided in
37 section 441.49 at which commercial property shall be
38 assessed shall be sixty percent.

39 c. For valuations established on or after January
40 1, 2012, industrial property, excluding properties
41 referred to in section 427A.1, subsection 8, shall
42 be assessed as a percentage of the actual value, as
43 determined in this paragraph.

44 (1) For valuations established for the assessment
45 year beginning January 1, 2012, the percentage of
46 actual value as equalized by the director of revenue as
47 provided in section 441.49 at which industrial property
48 shall be assessed shall be ninety-two percent.

49 (2) For valuations established for the assessment
50 year beginning January 1, 2013, the percentage of

1 actual value as equalized by the director of revenue as
2 provided in section 441.49 at which industrial property
3 shall be assessed shall be eighty-four percent.

4 (3) For valuations established for the assessment
5 year beginning January 1, 2014, the percentage of
6 actual value as equalized by the director of revenue as
7 provided in section 441.49 at which industrial property
8 shall be assessed shall be seventy-six percent.

9 (4) For valuations established for the assessment
10 year beginning January 1, 2015, the percentage of
11 actual value as equalized by the director of revenue as
12 provided in section 441.49 at which industrial property
13 shall be assessed shall be sixty-eight percent.

14 (5) For valuations established for the assessment
15 year beginning January 1, 2016, and each assessment
16 year thereafter, the percentage of actual value as
17 equalized by the director of revenue as provided in
18 section 441.49 at which industrial property shall be
19 assessed shall be sixty percent.

20 Sec. 4. NEW SECTION. 441.21A Legislative intent.

21 1. It is the intent of the general assembly that
22 appropriations be made annually to reimburse local
23 taxing authorities in this state for reductions in
24 property tax collections on commercial and industrial
25 property as a result of the assessment limitations
26 on such property established under section 441.21,
27 subsection 5, paragraphs "b" and "c", in the following
28 amounts:

29 a. For the fiscal year beginning July 1, 2013,
30 fifty million dollars.

31 b. For the fiscal year beginning July 1, 2014, one
32 hundred million dollars.

33 c. For the fiscal year beginning July 1, 2015, one
34 hundred fifty million dollars.

35 d. For the fiscal year beginning July 1, 2016, two
36 hundred million dollars.

37 e. For the fiscal year beginning July 1, 2017, and
38 each fiscal year thereafter, two hundred fifty million
39 dollars.

40 2. The committee on ways and means of the senate
41 and the committee on ways and means of the house of
42 representatives shall each conduct an annual review of
43 the implementation and fiscal impact of the commercial
44 and industrial property assessment limitations
45 established under section 441.21, subsection 5,
46 paragraphs "b" and "c", on local taxing authorities in
47 this state.

48 Sec. 5. SAVINGS PROVISION. This division of this
49 Act, pursuant to section 4.13, does not affect the
50 operation of, or prohibit the application of, prior

1 provisions of section 441.21, or rules adopted under
2 chapter 17A to administer prior provisions of section
3 441.21, for assessment years beginning before January
4 1, 2012, and for duties, powers, protests, appeals,
5 proceedings, actions, or remedies attributable to an
6 assessment year beginning before January 1, 2012.
7 Sec. 6. APPLICABILITY. This division of this Act
8 applies to property tax assessment years beginning on
9 or after January 1, 2012.

10 DIVISION III

11 COUNTY AND CITY BUDGET LIMITATION

12 Sec. 7. Section 23A.2, subsection 10, paragraph h,
13 Code 2011, is amended to read as follows:

14 h. The performance of an activity listed in
15 section 331.424, Code 2011, as a service ~~for~~ which a
16 ~~supplemental levy county may be certified~~ include in
17 its budget.

18 Sec. 8. Section 28M.5, subsection 2, Code 2011, is
19 amended to read as follows:

20 2. If a regional transit district budget allocates
21 revenue responsibilities to the board of supervisors
22 of a participating county, the amount of the regional
23 transit district levy that is the responsibility of the
24 participating county shall be deducted from the maximum
25 rates amount of taxes authorized to be levied by the
26 county pursuant to section 331.423, ~~subsections 1 and~~
27 ~~2~~ subsection 3, paragraphs "b" and "c", as applicable,
28 unless the county meets its revenue responsibilities as
29 allocated in the budget from other available revenue
30 sources. However, for a regional transit district
31 that includes a county with a population of less than
32 three hundred thousand, the amount of the regional
33 transit district levy that is the responsibility of
34 such participating county shall be deducted from the
35 maximum rate amount of taxes authorized to be levied
36 by the county pursuant to section 331.423, subsection
37 ~~±~~ 3, paragraph "b".

38 Sec. 9. Section 123.38, subsection 2, Code 2011, is
39 amended to read as follows:

40 2. Any licensee or permittee, or the licensee's
41 or permittee's executor or administrator, or any
42 person duly appointed by the court to take charge of
43 and administer the property or assets of the licensee
44 or permittee for the benefit of the licensee's or
45 permittee's creditors, may voluntarily surrender a
46 license or permit to the division. When a license
47 or permit is surrendered the division shall notify
48 the local authority, and the division or the local
49 authority shall refund to the person surrendering the
50 license or permit, a proportionate amount of the fee

1 received by the division or the local authority for
2 the license or permit as follows: if a license or
3 permit is surrendered during the first three months
4 of the period for which it was issued, the refund
5 shall be three-fourths of the amount of the fee;
6 if surrendered more than three months but not more
7 than six months after issuance, the refund shall be
8 one-half of the amount of the fee; if surrendered more
9 than six months but not more than nine months after
10 issuance, the refund shall be one-fourth of the amount
11 of the fee. No refund shall be made, however, for
12 any special liquor permit, nor for a liquor control
13 license, wine permit, or beer permit surrendered more
14 than nine months after issuance. For purposes of this
15 subsection, any portion of license or permit fees
16 used for the purposes authorized in section 331.424,
17 subsection 1, paragraph "a", subparagraphs (1) and
18 (2), Code 2011, and in section 331.424A, shall not be
19 deemed received either by the division or by a local
20 authority. No refund shall be made to any licensee or
21 permittee, upon the surrender of the license or permit,
22 if there is at the time of surrender, a complaint filed
23 with the division or local authority, charging the
24 licensee or permittee with a violation of this chapter.
25 If upon a hearing on a complaint the license or permit
26 is not revoked or suspended, then the licensee or
27 permittee is eligible, upon surrender of the license
28 or permit, to receive a refund as provided in this
29 section; but if the license or permit is revoked or
30 suspended upon hearing the licensee or permittee is not
31 eligible for the refund of any portion of the license
32 or permit fee.

33 Sec. 10. Section 218.99, Code 2011, is amended to
34 read as follows:

35 **218.99 Counties to be notified of patients' personal**
36 **accounts.**

37 The administrator in control of a state institution
38 shall direct the business manager of each institution
39 under the administrator's jurisdiction ~~which is~~
40 ~~mentioned in section 331.424, subsection 1, paragraph~~
41 ~~"a", subparagraphs (1) and (2), and for which services~~
42 are paid under section 331.424A, to quarterly inform
43 the county of legal settlement's entity designated to
44 perform the county's central point of coordination
45 process of any patient or resident who has an amount
46 in excess of two hundred dollars on account in the
47 patients' personal deposit fund and the amount on
48 deposit. The administrators shall direct the business
49 manager to further notify the entity designated to
50 perform the county's central point of coordination

1 process at least fifteen days before the release of
2 funds in excess of two hundred dollars or upon the
3 death of the patient or resident. If the patient or
4 resident has no county of legal settlement, notice
5 shall be made to the director of human services and the
6 administrator in control of the institution involved.

7 Sec. 11. Section 331.263, subsection 2, Code 2011,
8 is amended to read as follows:

9 2. The governing body of the community commonwealth
10 shall have the authority to levy county taxes and shall
11 have the authority to levy city taxes to the extent the
12 city tax levy authority is transferred by the charter
13 to the community commonwealth. A city participating
14 in the community commonwealth shall transfer a portion
15 of the city's tax levy authorized under section 384.1
16 or 384.12, whichever is applicable, to the governing
17 body of the community commonwealth. The maximum
18 ~~rates amount~~ of taxes authorized to be levied under
19 ~~sections section~~ 384.1 and ~~the maximum amount of taxes~~
20 ~~authorized to be levied under section~~ 384.12 by a city
21 participating in the community commonwealth shall be
22 reduced by an amount equal to the rates of the same or
23 similar taxes levied in the city by the governing body
24 of the community commonwealth.

25 Sec. 12. Section 331.301, subsection 12, Code 2011,
26 is amended to read as follows:

27 12. The board of supervisors may credit funds to
28 a reserve for the purposes authorized by subsection
29 11 of this section; ~~section 331.424, subsection 1,~~
30 ~~paragraph "a", subparagraph (6);~~ and section 331.441,
31 subsection 2, paragraph "b". Moneys credited to the
32 reserve, and interest earned on such moneys, shall
33 remain in the reserve until expended for purposes
34 authorized by subsection 11 of this section; ~~section~~
35 ~~331.424, subsection 1, paragraph "a", subparagraph (6);~~
36 or section 331.441, subsection 2, paragraph "b".

37 Sec. 13. Section 331.421, subsections 1 and 10,
38 Code 2011, are amended by striking the subsections.

39 Sec. 14. Section 331.421, Code 2011, is amended by
40 adding the following new subsection:

41 NEW SUBSECTION. 7A. "Item" means a budgeted
42 expenditure, appropriation, or cash reserve from a
43 fund for a service area, program, program element, or
44 purpose.

45 Sec. 15. Section 331.423, Code 2011, is amended by
46 striking the section and inserting in lieu thereof the
47 following:

48 **331.423 Property tax dollars — maximums.**

49 1. Annually, the board shall determine separate
50 property tax levy limits to pay for general county

1 services and rural county services in accordance with
2 this section. The property tax levies separately
3 certified for general county services and rural county
4 services under section 331.434 shall not raise property
5 tax dollars that exceed the amount determined under
6 this section.

7 2. For purposes of this section and section
8 331.423B, unless the context otherwise requires:

9 a. "*Annual growth factor*" means an index, expressed
10 as a percentage, determined by the department of
11 management by January 1 of the calendar year in which
12 the budget year begins. In determining the annual
13 growth factor, the department shall calculate the
14 average of the preceding twelve-month percentage
15 change, which shall be computed on a monthly basis,
16 in the midwest consumer price index, ending with the
17 percentage change for the month of November. The
18 department shall then add that average percentage
19 change to one hundred percent. In no case, however,
20 shall the annual growth factor exceed one hundred four
21 percent.

22 b. "*Boundary adjustment*" means annexation,
23 severance, incorporation, or discontinuance as those
24 terms are defined in section 368.1.

25 c. "*Budget year*" is the fiscal year beginning
26 during the calendar year in which a budget is
27 certified.

28 d. "*Current fiscal year*" is the fiscal year
29 ending during the calendar year in which a budget is
30 certified.

31 e. "*Net new valuation taxes*" means the amount of
32 property tax dollars equal to the current fiscal year's
33 levy rate in the county for general county services or
34 for rural county services, as applicable, multiplied by
35 the increase from the current fiscal year to the budget
36 year in taxable valuation due to the following:

37 (1) Net new construction, excluding all incremental
38 valuation that is released in any one year from a
39 division of revenue under section 260E.4 or an urban
40 renewal area for which taxes were being divided under
41 section 403.19 if the property for the valuation being
42 released remains subject to the division of revenue
43 under section 260E.4 or remains part of the urban
44 renewal area that is subject to a division of revenue
45 under section 403.19.

46 (2) Additions or improvements to existing
47 structures.

48 (3) Remodeling of existing structures for which a
49 building permit is required.

50 (4) Net boundary adjustment.

1 (5) A municipality no longer dividing tax revenues
2 in an urban renewal area as provided in section 403.19
3 or a community college no longer dividing revenues as
4 provided in section 260E.4.

5 (6) That portion of taxable property located in an
6 urban revitalization area on which an exemption was
7 allowed and such exemption has expired.

8 3. a. For the fiscal year beginning July 1, 2012,
9 and subsequent fiscal years, the maximum amount of
10 property tax dollars which may be certified for levy by
11 a county for general county services and rural county
12 services shall be the maximum property tax dollars
13 calculated under paragraphs "b" and "c", respectively.

14 b. The maximum property tax dollars that may be
15 levied for general county services is an amount equal
16 to the sum of the following:

17 (1) The annual growth factor times the current
18 fiscal year's maximum property tax dollars for general
19 county services.

20 (2) The amount of net new valuation taxes in the
21 county.

22 c. The maximum property tax dollars that may be
23 levied for rural county services is an amount equal to
24 the sum of the following:

25 (1) The annual growth factor times the current
26 fiscal year's maximum property tax dollars for rural
27 county services.

28 (2) The amount of net new valuation taxes in the
29 unincorporated area of the county.

30 4. a. For purposes of calculating maximum property
31 tax dollars for general county services for the fiscal
32 year beginning July 1, 2012, only, the term "*current*
33 *fiscal year's maximum property tax dollars*" shall mean
34 the total amount of property tax dollars certified by
35 the county for general county services for the fiscal
36 year beginning July 1, 2011.

37 b. For purposes of calculating maximum property tax
38 dollars for rural county services for the fiscal year
39 beginning July 1, 2012, only, the term "*current fiscal*
40 *year's maximum property tax dollars*" shall mean the
41 total amount of property tax dollars certified by the
42 county for rural county services for the fiscal year
43 beginning July 1, 2011.

44 5. Property taxes certified for deposit in the
45 mental health, mental retardation, and developmental
46 disabilities services fund in section 331.424A, the
47 emergency services fund in section 331.424C, the debt
48 service fund in section 331.430, any capital projects
49 fund established by the county for deposit of bond,
50 loan, or note proceeds, and any temporary increase

1 approved pursuant to section 331.424, are not included
2 in the maximum amount of property tax dollars that may
3 be certified for a budget year under subsection 3.

4 6. The department of management, in consultation
5 with the county finance committee, shall adopt rules
6 to administer this section. The department shall
7 prescribe forms to be used by counties when making
8 calculations required by this section.

9 Sec. 16. NEW SECTION. 331.423B Ending fund
10 balance.

11 1. a. Budgeted ending fund balances for a budget
12 year in excess of twenty-five percent of budgeted
13 expenditures in either the general fund or rural
14 services fund for that budget year shall be explicitly
15 reserved or designated for a specific purpose.

16 b. A county is encouraged, but not required, to
17 reduce budgeted, unreserved, or undesignated ending
18 fund balances for the budget year to an amount equal
19 to approximately twenty-five percent of budgeted
20 expenditures and transfers from the general fund
21 and rural services fund for that budget year unless
22 a decision is certified by the state appeal board
23 ordering a reduction in the ending fund balance of any
24 of those funds.

25 c. In a protest to the county budget under section
26 331.436, the county shall have the burden of proving
27 that the budgeted balances in excess of twenty-five
28 percent are reasonably likely to be appropriated for
29 the explicitly reserved or designated specific purpose.
30 The excess budgeted balance for the specific purpose
31 shall be considered an increase in an item in the
32 budget for purposes of section 24.28.

33 2. a. For a county that has, as of June 30, 2011,
34 reduced its actual ending fund balance to less than
35 twenty-five percent of actual expenditures, additional
36 property taxes may be computed and levied as provided
37 in this subsection. The additional property tax levy
38 amount is an amount not to exceed twenty-five percent
39 of actual expenditures from the general fund and rural
40 services fund for the fiscal year beginning July 1,
41 2010, minus the combined ending fund balances for those
42 funds for that year.

43 b. The amount of the additional property taxes
44 shall be apportioned between the general fund and the
45 rural services fund. However, the amount apportioned
46 for general county services and for rural county
47 services shall not exceed for each fund twenty-five
48 percent of actual expenditures for the fiscal year
49 beginning July 1, 2010.

50 c. All or a portion of additional property tax

1 dollars may be levied for the purpose of increasing
2 cash reserves for general county services and rural
3 county services in the budget year. The additional
4 property tax dollars authorized under this subsection
5 but not levied may be carried forward as unused ending
6 fund balance taxing authority until and for the fiscal
7 year beginning July 1, 2017. The amount carried
8 forward shall not exceed twenty-five percent of the
9 maximum amount of property tax dollars available in
10 the current fiscal year. Additionally, property taxes
11 that are levied as unused ending fund balance taxing
12 authority under this subsection may be the subject of
13 a protest under section 331.436, and the amount will
14 be considered an increase in an item in the budget for
15 purposes of section 24.28. The amount of additional
16 property taxes levied under this subsection shall not
17 be included in the computation of the maximum amount of
18 property tax dollars which may be certified and levied
19 under section 331.423.

20 Sec. 17. Section 331.424, Code 2011, is amended by
21 striking the section and inserting in lieu thereof the
22 following:

23 **331.424 Authority to levy beyond maximum property**
24 **tax dollars.**

25 1. The board may certify additions to the maximum
26 amount of property tax dollars to be levied for
27 a period of time not to exceed two years if the
28 proposition has been submitted at a special election
29 and received a favorable majority of the votes cast on
30 the proposition.

31 2. The special election is subject to the
32 following:

33 a. The board must give at least thirty-two days'
34 notice to the county commissioner of elections that the
35 special election is to be held. In no case, however,
36 shall a notice be given to the county commissioner
37 of elections after December 31 for an election on a
38 proposition to exceed the statutory limits during the
39 fiscal year beginning in the next calendar year.

40 b. The special election shall be conducted by the
41 county commissioner of elections in accordance with
42 law.

43 c. The proposition to be submitted shall be
44 substantially in the following form:

45 Vote "yes" or "no" on the following: Shall the
46 county of _____ levy for an additional \$ _____ each
47 year for _____ years beginning July 1, _____, in excess
48 of the statutory limits otherwise applicable for the
49 (general county services or rural services) fund?

50 d. The canvass shall be held beginning at 1:00 p.m.

1 on the second day which is not a holiday following the
2 special election.

3 e. Notice of the special election shall be
4 published at least once in a newspaper as specified
5 in section 331.305 prior to the date of the special
6 election. The notice shall appear as early as
7 practicable after the board has voted to submit a
8 proposition to the voters to levy additional property
9 tax dollars.

10 3. Registered voters in the county may vote on the
11 proposition to increase property taxes for the general
12 fund in excess of the statutory limit. Registered
13 voters residing outside the corporate limits of a
14 city within the county may vote on the proposition to
15 increase property taxes for the rural services fund in
16 excess of the statutory limit.

17 4. The amount of additional property tax dollars
18 certified under this section shall not be included in
19 the computation of the maximum amount of property tax
20 dollars which may be certified and levied under section
21 331.423.

22 Sec. 18. Section 331.424A, subsection 4, Code 2011,
23 is amended to read as follows:

24 4. For the fiscal year beginning July 1, 1996,
25 and for each subsequent fiscal year, the county shall
26 certify a levy for payment of services. For each
27 fiscal year, county revenues from taxes imposed by the
28 county credited to the services fund shall not exceed
29 an amount equal to the amount of base year expenditures
30 for services as defined in section 331.438, less the
31 amount of property tax relief to be received pursuant
32 to section 426B.2, in the fiscal year for which the
33 budget is certified. The county auditor and the
34 board of supervisors shall reduce the amount of the
35 levy certified for the services fund by the amount of
36 property tax relief to be received. A levy certified
37 under this section is not subject to ~~the appeal~~
38 ~~provisions of section 331.426 or to any other provision~~
39 in law authorizing a county to exceed, increase, or
40 appeal a property tax levy limit.

41 Sec. 19. Section 331.427, subsection 3, paragraph
42 1, Code 2011, is amended to read as follows:

43 1. Services listed in section 331.424, subsection
44 1, Code 2011, and section 331.554.

45 Sec. 20. Section 331.428, subsection 2, paragraph
46 d, Code 2011, is amended to read as follows:

47 d. Services listed under section 331.424,
48 subsection 2, Code 2011.

49 Sec. 21. Section 331.434, subsection 1, Code 2011,
50 is amended to read as follows:

1 1. The budget shall show the amount required for
2 each class of proposed expenditures, a comparison of
3 the amounts proposed to be expended with the amounts
4 expended for like purposes for the two preceding years,
5 the revenues from sources other than property taxation,
6 and the amount to be raised by property taxation, in
7 the detail and form prescribed by the director of the
8 department of management. For each county that has
9 established an urban renewal area, the budget shall
10 include estimated and actual tax increment financing
11 revenues and all estimated and actual expenditures of
12 the revenues, proceeds from debt and all estimated
13 and actual expenditures of the debt proceeds, and
14 identification of any entity receiving a direct payment
15 of taxes funded by tax increment financing revenues
16 and shall include the total amount of loans, advances,
17 indebtedness, or bonds outstanding at the close of
18 the most recently ended fiscal year, which qualify
19 for payment from the special fund created in section
20 403.19, including interest negotiated on such loans,
21 advances, indebtedness, or bonds. For purposes of this
22 subsection, "indebtedness" includes written agreements
23 whereby the county agrees to suspend, abate, exempt,
24 rebate, refund, or reimburse property taxes, provide a
25 grant for property taxes paid, or make a direct payment
26 of taxes, with moneys in the special fund. The amount
27 of loans, advances, indebtedness, or bonds shall be
28 listed in the aggregate for each county reporting. The
29 ~~county finance committee, in consultation with the~~
30 ~~department of management and the legislative services~~
31 ~~agency, shall determine reporting criteria and shall~~
32 ~~prepare a form for reports filed with the department~~
33 ~~pursuant to this section. The department shall make~~
34 ~~the information available by electronic means.~~

35 Sec. 22. Section 373.10, Code 2011, is amended to
36 read as follows:

37 **373.10 Taxing authority.**

38 The metropolitan council shall have the authority
39 to levy city taxes to the extent the city tax levy
40 authority is transferred by the charter to the
41 metropolitan council. A member city shall transfer
42 a portion of the city's tax levy authorized under
43 section 384.1 or 384.12, whichever is applicable, to
44 the metropolitan council. The maximum ~~rates~~ amount of
45 taxes authorized to be levied under ~~sections~~ section
46 384.1 and the taxes authorized to be levied under
47 section 384.12 by a member city shall be reduced by an
48 amount equal to the rates of the same or similar taxes
49 levied in the city by the metropolitan council.

50 Sec. 23. Section 384.1, Code 2011, is amended by

1 striking the section and inserting in lieu thereof the
2 following:

3 **384.1 Property tax dollars — maximums.**

4 1. A city shall certify taxes to be levied by the
5 city on all taxable property within the city limits,
6 for all city government purposes. Annually, the city
7 council may certify basic levies for city government
8 purposes, subject to the limitation on property tax
9 dollars provided in this section.

10 2. For purposes of this section and section 384.1B,
11 unless the context otherwise requires:

12 a. "*Annual growth factor*" means an index, expressed
13 as a percentage, determined by the department of
14 management by January 1 of the calendar year in which
15 the budget year begins. In determining the annual
16 growth factor, the department shall calculate the
17 average of the preceding twelve-month percentage
18 change, which shall be computed on a monthly basis,
19 in the midwest consumer price index, ending with the
20 percentage change for the month of November. The
21 department shall then add that average percentage
22 change to one hundred percent. In no case, however,
23 shall the annual growth factor exceed one hundred four
24 percent.

25 b. "*Boundary adjustment*" means annexation,
26 severance, incorporation, or discontinuance as those
27 terms are defined in section 368.1.

28 c. "*Budget year*" is the fiscal year beginning
29 during the calendar year in which a budget is
30 certified.

31 d. "*Current fiscal year*" is the fiscal year
32 ending during the calendar year in which a budget is
33 certified.

34 e. "*Net new valuation taxes*" means the amount of
35 property tax dollars equal to the current fiscal year's
36 levy rate in the city for the general fund multiplied
37 by the increase from the current fiscal year to the
38 budget year in taxable valuation due to the following:

39 (1) Net new construction, excluding all incremental
40 valuation that is released in any one year from a
41 division of revenue under section 260E.4 or an urban
42 renewal area for which taxes were being divided under
43 section 403.19 if the property for the valuation being
44 released remains subject to the division of revenue
45 under section 260E.4 or remains part of the urban
46 renewal area that is subject to a division of revenue
47 under section 403.19.

48 (2) Additions or improvements to existing
49 structures.

50 (3) Remodeling of existing structures for which a

1 building permit is required.
2 (4) Net boundary adjustment.
3 (5) A municipality no longer dividing tax revenues
4 in an urban renewal area as provided in section 403.19
5 or a community college no longer dividing revenues as
6 provided in section 260E.4.
7 (6) That portion of taxable property located in an
8 urban revitalization area on which an exemption was
9 allowed and such exemption has expired.
10 3. a. For the fiscal year beginning July 1, 2012,
11 and subsequent fiscal years, the maximum amount of
12 property tax dollars which may be certified for levy
13 by a city for the general fund shall be the maximum
14 property tax dollars calculated under paragraph "b".
15 b. The maximum property tax dollars that may be
16 levied for deposit in the general fund is an amount
17 equal to the sum of the following:
18 (1) The annual growth factor times the current
19 fiscal year's maximum property tax dollars for the
20 general fund.
21 (2) The amount of net new valuation taxes in the
22 city.
23 4. For purposes of calculating maximum property tax
24 dollars for the city general fund for the fiscal year
25 beginning July 1, 2012, only, the term "*current fiscal*
26 *year's maximum property tax dollars*" shall mean the
27 total amount of property tax dollars certified by the
28 city for the city's general fund for the fiscal year
29 beginning July 1, 2011.
30 5. Property taxes certified for deposit in the
31 debt service fund in section 384.4, trust and agency
32 funds in section 384.6, capital improvements reserve
33 fund in section 384.7, the emergency fund in section
34 384.8, any capital projects fund established by the
35 city for deposit of bond, loan, or note proceeds,
36 any temporary increase approved pursuant to section
37 384.12A, property taxes collected from a voted levy
38 in section 384.12, and property taxes levied under
39 section 384.12, subsection 18, are not counted against
40 the maximum amount of property tax dollars that may be
41 certified for a fiscal year under subsection 3.
42 6. Notwithstanding the maximum amount of taxes
43 a city may certify for levy, the tax levied by a
44 city on tracts of land and improvements on the
45 tracts of land used and assessed for agricultural or
46 horticultural purposes shall not exceed three dollars
47 and three-eighths cents per thousand dollars of
48 assessed value in any year. Improvements located on
49 such tracts of land and not used for agricultural or
50 horticultural purposes and all residential dwellings

1 are subject to the same rate of tax levied by the city
2 on all other taxable property within the city.

3 7. The department of management, in consultation
4 with the city finance committee, shall adopt rules
5 to administer this section. The department shall
6 prescribe forms to be used by cities when making
7 calculations required by this section.

8 Sec. 24. NEW SECTION. **384.1B Ending fund balance.**

9 1. a. Budgeted ending fund balances for a budget
10 year in excess of twenty-five percent of budgeted
11 expenditures from the general fund for that budget
12 year shall be explicitly reserved or designated for a
13 specific purpose.

14 b. A city is encouraged, but not required, to
15 reduce budgeted, unreserved, or undesignated ending
16 fund balances for the budget year to an amount equal
17 to approximately twenty-five percent of budgeted
18 expenditures and transfers from the general fund for
19 that budget year unless a decision is certified by the
20 state appeal board ordering a reduction in the ending
21 fund balance of the fund.

22 c. In a protest to the city budget under section
23 384.19, the city shall have the burden of proving
24 that the budgeted balances in excess of twenty-five
25 percent are reasonably likely to be appropriated for
26 the explicitly reserved or designated specific purpose.
27 The excess budgeted balance for the specific purpose
28 shall be considered an increase in an item in the
29 budget for purposes of section 24.28.

30 2. a. For a city that has, as of June 30,
31 2011, reduced its ending fund balance to less than
32 twenty-five percent of actual expenditures, additional
33 property taxes may be computed and levied as provided
34 in this subsection. The additional property tax levy
35 amount is an amount not to exceed the difference
36 between twenty-five percent of actual expenditures for
37 city government purposes for the fiscal year beginning
38 July 1, 2010, minus the ending fund balance for that
39 year.

40 b. All or a portion of additional property tax
41 dollars may be levied for the purpose of increasing
42 cash reserves for city government purposes in the
43 budget year. The additional property tax dollars
44 authorized under this subsection but not levied may be
45 carried forward as unused ending fund balance taxing
46 authority until and for the fiscal year beginning
47 July 1, 2017. The amount carried forward shall not
48 exceed twenty-five percent of the maximum amount of
49 property tax dollars available in the current fiscal
50 year. Additionally, property taxes that are levied

1 as unused ending fund balance taxing authority under
2 this subsection may be the subject of a protest under
3 section 384.19, and the amount will be considered an
4 increase in an item in the budget for purposes of
5 section 24.28. The amount of additional property tax
6 dollars levied under this subsection shall not be
7 included in the computation of the maximum amount of
8 property tax dollars which may be certified and levied
9 under section 384.1.

10 Sec. 25. Section 384.12, subsection 20, Code 2011,
11 is amended by striking the subsection.

12 Sec. 26. NEW SECTION. **384.12A Authority to levy**
13 **beyond maximum property tax dollars.**

14 1. The city council may certify additions to the
15 maximum amount of property tax dollars to be levied
16 for a period of time not to exceed two years if the
17 proposition has been submitted at a special election
18 and received a favorable majority of the votes cast on
19 the proposition.

20 2. The special election is subject to the
21 following:

22 a. The city council must give at least thirty-two
23 days' notice to the county commissioner of elections
24 that the special election is to be held. In no
25 case, however, shall a notice be given to the county
26 commissioner of elections after December 31 for an
27 election on a proposition to exceed the statutory
28 limits during the fiscal year beginning in the next
29 calendar year.

30 b. The special election shall be conducted by the
31 county commissioner of elections in accordance with
32 law.

33 c. The proposition to be submitted shall be
34 substantially in the following form:

35 Vote "yes" or "no" on the following: Shall the city
36 of _____ levy for an additional \$_____ each year
37 for ___ years beginning next July 1, _____, in excess of
38 the statutory limits otherwise applicable for the city
39 general fund?

40 d. The canvass shall be held beginning at 1:00 p.m.
41 on the second day which is not a holiday following the
42 special election.

43 e. Notice of the special election shall be
44 published at least once in a newspaper as specified
45 in section 362.3 prior to the date of the special
46 election. The notice shall appear as early as
47 practicable after the city council has voted to submit
48 a proposition to the voters to levy additional property
49 tax dollars.

50 3. The amount of additional property tax dollars

1 certified under this section shall not be included in
2 the computation of the maximum amount of property tax
3 dollars which may be certified and levied under section
4 384.1.

5 Sec. 27. Section 384.16, subsection 1, paragraph b,
6 Code 2011, is amended to read as follows:

7 b. A budget must show comparisons between the
8 estimated expenditures in each program in the following
9 year, the latest estimated expenditures in each program
10 in the current year, and the actual expenditures in
11 each program from the annual report as provided in
12 section 384.22, or as corrected by a subsequent audit
13 report. Wherever practicable, as provided in rules
14 of the committee, a budget must show comparisons
15 between the levels of service provided by each program
16 as estimated for the following year, and actual
17 levels of service provided by each program during
18 the two preceding years. For each city that has
19 established an urban renewal area, the budget shall
20 include estimated and actual tax increment financing
21 revenues and all estimated and actual expenditures of
22 the revenues, proceeds from debt and all estimated
23 and actual expenditures of the debt proceeds, and
24 identification of any entity receiving a direct payment
25 of taxes funded by tax increment financing revenues
26 and shall include the total amount of loans, advances,
27 indebtedness, or bonds outstanding at the close of
28 the most recently ended fiscal year, which qualify
29 for payment from the special fund created in section
30 403.19, including interest negotiated on such loans,
31 advances, indebtedness, or bonds. The amount of loans,
32 advances, indebtedness, or bonds shall be listed in the
33 aggregate for each city reporting. ~~The city finance~~
34 ~~committee, in consultation with the department of~~
35 ~~management and the legislative services agency, shall~~
36 ~~determine reporting criteria and shall prepare a form~~
37 ~~for reports filed with the department pursuant to this~~
38 ~~section. The department shall make the information~~
39 ~~available by electronic means.~~

40 Sec. 28. Section 384.19, Code 2011, is amended by
41 adding the following new unnumbered paragraph:

42 NEW UNNUMBERED PARAGRAPH. For purposes of a tax
43 protest filed under this section, "item" means a
44 budgeted expenditure, appropriation, or cash reserve
45 from a fund for a service area, program, program
46 element, or purpose.

47 Sec. 29. Section 386.8, Code 2011, is amended to
48 read as follows:

49 **386.8 Operation tax.**

50 A city may establish a self-supported improvement

1 district operation fund, and may certify taxes not
2 to exceed the rate limitation as established in the
3 ordinance creating the district, or any amendment
4 thereto, each year to be levied for the fund against
5 all of the property in the district, for the purpose
6 of paying the administrative expenses of the district,
7 which may include but are not limited to administrative
8 personnel salaries, a separate administrative office,
9 planning costs including consultation fees, engineering
10 fees, architectural fees, and legal fees and all other
11 expenses reasonably associated with the administration
12 of the district and the fulfilling of the purposes of
13 the district. The taxes levied for this fund may also
14 be used for the purpose of paying maintenance expenses
15 of improvements or self-liquidating improvements for a
16 specified length of time with one or more options to
17 renew if such is clearly stated in the petition which
18 requests the council to authorize construction of the
19 improvement or self-liquidating improvement, whether
20 or not such petition is combined with the petition
21 requesting creation of a district. Parcels of property
22 which are assessed as residential property for property
23 tax purposes are exempt from the tax levied under this
24 section except residential properties within a duly
25 designated historic district. A tax levied under
26 this section is not subject to the ~~levy~~ limitation in
27 section 384.1.

28 Sec. 30. Section 386.9, Code 2011, is amended to
29 read as follows:

30 **386.9 Capital improvement tax.**

31 A city may establish a capital improvement fund
32 for a district and may certify taxes, not to exceed
33 the rate established by the ordinance creating the
34 district, or any subsequent amendment thereto,
35 each year to be levied for the fund against all of
36 the property in the district, for the purpose of
37 accumulating moneys for the financing or payment
38 of a part or all of the costs of any improvement or
39 self-liquidating improvement. However, parcels of
40 property which are assessed as residential property
41 for property tax purposes are exempt from the tax
42 levied under this section except residential properties
43 within a duly designated historic district. A tax
44 levied under this section is not subject to the ~~levy~~
45 limitations in section 384.1 or 384.7.

46 Sec. 31. REPEAL. Sections 331.425 and 331.426,
47 Code 2011, are repealed.

48 Sec. 32. APPLICABILITY. This division of this Act
49 applies to fiscal years beginning on or after July 1,
50 2012.>

1 2. Title page, by striking lines 1 through 3
2 and inserting <An Act relating to state and local
3 government finances by increasing the regular program
4 foundation base, establishing property tax levy limits
5 for cities and counties, establishing certain property
6 assessment limitations, and including applicability
7 provisions.>

SANDS of Louisa