

House File 773

H-1300

1 Amend House File 773 as follows:

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

4 <DIVISION I

5 COUNTY AND CITY PROPERTY TAX PUBLIC HEARING AND RESOLUTION

6 Section 1. Section 24.17, unnumbered paragraph 1, Code
7 2019, is amended to read as follows:

8 The local budgets of the various political subdivisions
9 shall be certified by the chairperson of the certifying board
10 or levying board, as the case may be, in duplicate to the
11 county auditor not later than March 15 of each year on forms,
12 and pursuant to instructions, prescribed by the department of
13 management. However, if the political subdivision is a county
14 or a city, its budget shall be certified not later than March
15 31 of each year, and if the political subdivision is a school
16 district, as defined in section 257.2, its budget shall be
17 certified not later than April 15 of each year.

18 Sec. 2. Section 24.27, Code 2019, is amended to read as
19 follows:

20 **24.27 Protest to budget.**

21 Not later than March 25, or April 10 for a county or a
22 city, or April 25 if the municipality is a school district, a
23 number of persons in any municipality equal to one-fourth of
24 one percent of those voting for the office of governor, at the
25 last general election in the municipality, but the number shall
26 not be less than ten, and the number need not be more than
27 one hundred persons, who are affected by any proposed budget,
28 expenditure or tax levy, or by any item thereof, may appeal
29 from any decision of the certifying board or the levying board
30 by filing with the county auditor of the county in which the
31 municipal corporation is located, a written protest setting
32 forth their objections to the budget, expenditure or tax levy,
33 or to one or more items thereof, and the grounds for their
34 objections. If a budget is certified after March 15, or March
35 31 in the case of a county or a city, or April 15 in the case of

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1 a school district, all appeal time limits shall be extended to
2 correspond to allowances for a timely filing. Upon the filing
3 of a protest, the county auditor shall immediately prepare
4 a true and complete copy of the written protest, together
5 with the budget, proposed tax levy or expenditure to which
6 objections are made, and shall transmit them forthwith to the
7 state board, and shall also send a copy of the protest to the
8 certifying board or to the levying board, as the case may be.

9 Sec. 3. Section 24.48, subsection 4, Code 2019, is amended
10 to read as follows:

11 4. ~~a.~~ The city finance committee shall have officially
12 notified any city of its approval, modification or rejection
13 of the city's appeal of the decision of the director of the
14 department of management regarding a city's request for a
15 suspension of the statutory property tax levy limitation prior
16 to thirty-five days before March ~~15~~ 31.

17 ~~b. The state appeals board shall have officially notified~~
18 ~~any county of its approval, modification or rejection of the~~
19 ~~county's request for a suspension of the statutory property tax~~
20 ~~levy limitation prior to thirty-five days before March 15.~~

21 Sec. 4. Section 76.2, subsection 1, paragraph b, Code 2019,
22 is amended to read as follows:

23 b. If the resolution is filed prior to April 1, or April 15,
24 if the political subdivision is a county or a city, or May 1, if
25 the political subdivision is a school district, the annual levy
26 shall begin with the tax levy for collection commencing July
27 1 of that year. If the resolution is filed on or after April
28 1, or April 15, in the case of a county or a city, or May 1, in
29 the case of a school district, the annual levy shall begin with
30 the tax levy for collection in the next succeeding fiscal year.
31 However, the governing authority of a political subdivision may
32 adjust a levy of taxes made under **this section** for the purpose
33 of adjusting the annual levies and collections for property
34 severed from the political subdivision, subject to the approval
35 of the director of the department of management.

1 Sec. 5. NEW SECTION. 331.433A Resolution establishing
2 maximum property tax dollars — notice — hearing.

3 1. For purposes of this section, unless the context
4 otherwise requires:

5 *a.* "Budget year" is the fiscal year beginning during the
6 calendar year in which a budget is certified.

7 *b.* "Current fiscal year" is the fiscal year ending during
8 the calendar year in which a budget for the budget year is
9 certified.

10 *c.* "Effective property tax rate" means the property tax rate
11 per one thousand dollars of assessed value and is equal to
12 one thousand multiplied by the quotient of the current fiscal
13 year's actual property tax dollars certified for levy under
14 the levies specified in subsection 2, paragraph "a" or "b",
15 as applicable, divided by the total assessed value used to
16 calculate taxes for the budget year.

17 2. For budget years beginning on or after July 1, 2020,
18 prior to filing the proposed budget with the auditor under
19 section 331.434, subsection 2, the board shall adopt a
20 resolution establishing the total maximum property tax dollars
21 that may be certified for levy for general county services and
22 the total maximum property tax dollars that may be certified
23 for levy for rural county services that includes the following,
24 as applicable:

25 *a.* For general county services, the sum of the property
26 tax dollars levied under section 331.423, subsection 1,
27 section 331.424, subsection 1, and those amounts for general
28 county services under section 331.426, but excluding additions
29 approved at election under section 331.425.

30 *b.* For rural county services, the sum of the property tax
31 dollars levied under section 331.423, subsection 2, section
32 331.424, subsection 2, and those amounts for rural county
33 services under section 331.426, but excluding additions
34 approved at election under section 331.425.

35 3. The maximum property tax dollars calculated and approved

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1 by resolution under this section includes those amounts
2 received by the county as replacement taxes under chapter 437A
3 or 437B.

4 4. a. The board shall set a time and place for a public
5 hearing on the resolution before the date for adoption of the
6 resolution and shall publish notice of the hearing not less
7 than ten nor more than twenty days prior to the hearing in the
8 county newspapers selected under chapter 349. If the county
9 has an internet site, the notice shall also be posted and
10 clearly identified on the county's internet site for public
11 viewing beginning on the date of the newspaper publication.
12 Additionally, if the county maintains a social media account
13 on one or more social media applications, the public hearing
14 notice or an electronic link to the public hearing notice
15 shall be posted on each such account on the same day as the
16 publication of the notice. All of the following shall be
17 included in the notice:

18 (1) The sum of the current fiscal year's actual property
19 taxes certified for levy for general county services and the
20 sum of the current fiscal year's actual property taxes for
21 rural county services under the levies specified in subsection
22 2, paragraphs "a" and "b", and the current fiscal year's
23 combined property tax levy rate for each such amount.

24 (2) The effective tax rate for general county services and
25 the effective tax rate for rural county services calculated
26 using the sum of the current fiscal year's actual property
27 taxes certified for levy for general county services and
28 the sum of the current fiscal year's actual property taxes
29 certified for levy for rural county services under the
30 levies specified in subsection 2, paragraphs "a" and "b", as
31 applicable.

32 (3) The proposed maximum property tax dollars that may be
33 certified for levy for general county services and certified
34 for levy for rural county services under the levies specified
35 in subsection 2, paragraphs "a" and "b", as applicable, for the

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1 budget year and the proposed corresponding combined property
2 tax levy rate for each such amount.

3 (4) If the proposed maximum property tax dollars specified
4 under subparagraph (3) for either general county services
5 or rural county services exceeds the current fiscal year's
6 actual property tax dollars certified for levy for general
7 county services or for rural county services as specified in
8 subparagraph (1), a statement of the major reasons for the
9 increase.

10 *b.* Proof of publication shall be filed with and preserved
11 by the auditor. The department of management shall prescribe
12 the form for the public hearing notice for use by counties and
13 the form for the resolution to be adopted by the board under
14 subsection 5.

15 5. *a.* At the public hearing, the board shall receive oral
16 or written objections from any resident or property owner
17 of the county. After all objections have been received and
18 considered, the board may decrease, but not increase, the
19 proposed maximum property tax dollar amounts for inclusion in
20 the resolution and shall adopt the resolution and file the
21 resolution with the auditor as required under section 331.434,
22 subsection 3.

23 *b.* If the sum of the maximum property tax dollars for the
24 budget year specified in the resolution for either general
25 county services or for rural county services under the
26 levies specified in subsection 2, paragraphs "a" and "b", as
27 applicable, exceeds one hundred two percent of the sum of the
28 current fiscal year's actual property taxes certified for levy
29 for general county services or rural county services under the
30 levies specified in subsection 2, paragraphs "a" and "b", as
31 applicable, the board shall be required to adopt the resolution
32 by a two-thirds majority of the membership of the board.

33 *c.* If the county has an internet site, in addition to
34 filing the resolution with the auditor under section 331.434,
35 subsection 3, the adopted resolution shall be posted and

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1 clearly identified on the county's internet site for public
2 viewing within ten days of approval by the board. The posted
3 resolution for a budget year shall continue to be accessible
4 for public viewing on the internet site along with resolutions
5 posted for all subsequent budget years.

6 Sec. 6. Section 331.434, unnumbered paragraph 1, Code 2019,
7 is amended to read as follows:

8 Annually, the board of each county, subject to section
9 331.403, subsection 4, [sections 331.423 through 331.426](#),
10 [section 331.433A](#), and other applicable state law, shall prepare
11 and adopt a budget, certify taxes, and provide appropriations
12 as follows:

13 Sec. 7. Section 331.434, subsection 3, Code 2019, is amended
14 to read as follows:

15 3. The Following, and not until adoption of the resolution
16 under section 331.433A, the board shall set a time and
17 place for a public hearing on the budget before the final
18 certification date and shall publish notice of the hearing not
19 less than ten nor more than twenty days prior to the hearing in
20 the county newspapers selected under [chapter 349](#). A summary
21 of the proposed budget and a description of the procedure for
22 protesting the county budget under section 331.436, in the form
23 prescribed by the director of the department of management,
24 shall be included in the notice. Proof of publication of the
25 notice under this subsection 3 and a copy of the resolution
26 adopted under section 331.433A shall be filed with and
27 preserved by the auditor. A levy is not valid unless and until
28 the notice is published and the notice and resolution adopted
29 under section 331.433A are filed. The department of management
30 shall prescribe the form for the public hearing notice for use
31 by counties.

32 Sec. 8. Section 331.434, subsection 5, paragraph a, Code
33 2019, is amended to read as follows:

34 a. After the hearing, the board shall adopt by resolution
35 a budget and certificate of taxes for the next fiscal year

1 and shall direct the auditor to properly certify and file the
2 budget and certificate of taxes as adopted. The board shall
3 not adopt a tax in excess of the estimate published or the
4 applicable amounts specified in the resolution adopted under
5 section 331.433A, except a tax which is approved by a vote of
6 the people, and a greater tax than that adopted shall not be
7 levied or collected. A county budget and certificate of taxes
8 adopted for the following fiscal year becomes effective on the
9 first day of that year.

10 Sec. 9. Section 331.434, subsection 7, Code 2019, is amended
11 to read as follows:

12 7. Taxes levied by a county whose budget is certified after
13 March ~~15~~ 31 shall be limited to the prior year's budget amount.
14 However, this penalty may be waived by the director of the
15 department of management if the county demonstrates that the
16 March ~~15~~ 31 deadline was missed because of circumstances beyond
17 the control of the county.

18 Sec. 10. Section 331.435, Code 2019, is amended to read as
19 follows:

20 **331.435 Budget amendment.**

21 1. The board may amend the adopted county budget, subject
22 to [sections 331.423 through 331.426](#) and other applicable state
23 law, to permit increases in any class of proposed expenditures
24 contained in the budget summary published under section
25 331.434, subsection 3.

26 2. The board shall prepare and adopt a budget amendment in
27 the same manner as the original budget, as provided in section
28 331.434, but excluding the requirements for adoption of the
29 resolution under section 331.433A, and the amendment is subject
30 to protest as provided in [section 331.436](#), except that the
31 director of the department of management may by rule provide
32 that amendments of certain types or up to certain amounts may
33 be made without public hearing and without being subject to
34 protest. A county budget for the ensuing fiscal year shall be
35 amended by May 31 to allow time for a protest hearing to be

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1 held and a decision rendered before June 30. An amendment of
2 a budget after May 31 which is properly appealed but without
3 adequate time for hearing and decision before June 30 is void.

4 Sec. 11. Section 331.436, Code 2019, is amended to read as
5 follows:

6 **331.436 Protest.**

7 Protests to the adopted budget must be made in accordance
8 with [sections 24.27 through 24.32](#) as if the county were the
9 municipality under those sections except that the protest
10 must be filed no later than April 10 and the number of people
11 necessary to file a protest under [this section](#) shall not be
12 less than one hundred.

13 Sec. 12. Section 384.2, unnumbered paragraph 1, Code 2019,
14 is amended to read as follows:

15 Except as otherwise provided for special charter cities,
16 a city's fiscal year shall be as provided in section 24.2,
17 subsection 3. All city property taxes must be certified by a
18 city to the county auditor on or before ~~the fifteenth day of~~
19 March 31 of each year, unless otherwise provided by state law.
20 However, municipal utilities, if not supported by taxation
21 or the proceeds of outstanding indebtedness payable from
22 taxes may, with the council's consent, choose to operate on a
23 fiscal year which is the calendar year. The receipt by the
24 utility of payments from other governmental funds for public
25 fire protection, street lighting, or other public use of the
26 utility's services shall not be deemed support by taxation.
27 After notice and hearing in the same manner as required for the
28 city's regular budget under [section 384.16](#), the utility budget
29 must be approved by resolution of the council not later than
30 twenty days prior to the beginning of the calendar year for
31 which the budget applies.

32 Sec. 13. NEW SECTION. **384.15A Resolution establishing**
33 **maximum property tax dollars — notice — hearing.**

34 1. For purposes of this section, unless the context
35 otherwise requires:

1 *a.* "Budget year" is the fiscal year beginning during the
2 calendar year in which a budget is certified.

3 *b.* "Current fiscal year" is the fiscal year ending during
4 the calendar year in which a budget for the budget year is
5 certified.

6 *c.* "Effective property tax rate" means the property tax rate
7 per one thousand dollars of assessed value and is equal to
8 one thousand multiplied by the quotient of the current fiscal
9 year's actual property tax dollars certified for levy under the
10 levies specified in subsection 2 divided by the total assessed
11 value used to calculate taxes for the budget year.

12 2. For budget years beginning on or after July 1, 2020,
13 prior to the period of time for distribution of the budget
14 under section 384.16, subsection 2, the council shall adopt a
15 resolution establishing the total maximum property tax dollars
16 that may be certified for levy that includes taxes for city
17 government purposes under section 384.1, for the city's trust
18 and agency fund under section 384.6, subsection 1, for the
19 city's emergency fund under section 384.8, and for the levies
20 authorized under section 384.12, subsections 8, 10, 11, 12, 13,
21 17, and 21, but excluding additions approved at election under
22 section 384.12, subsection 19.

23 3. The maximum property tax dollars calculated and approved
24 by resolution under this section includes those amounts
25 received by the city as replacement taxes under chapter 437A
26 or 437B.

27 4. *a.* The council shall set a time and place for a public
28 hearing on the resolution before the date for adoption of the
29 resolution and shall publish notice of the hearing not less
30 than ten nor more than twenty days prior to the hearing in a
31 newspaper published at least once weekly and having general
32 circulation in the city. However, if the city has a population
33 of two hundred or less, publication may be made by posting in
34 three public places in the city. If the city has an internet
35 site, the notice shall also be posted and clearly identified

1 on the city's internet site for public viewing beginning on
2 the date of the newspaper publication or public posting, as
3 applicable. Additionally, if the city maintains a social media
4 account on one or more social media applications, the public
5 hearing notice or an electronic link to the public hearing
6 notice shall be posted on each such account on the same day as
7 the publication of the notice. All of the following shall be
8 included in the notice:

9 (1) The sum of the current fiscal year's actual property
10 taxes certified for levy under the levies specified in
11 subsection 2 and the current fiscal year's combined property
12 tax levy rate for such amount that is applicable to taxable
13 property in the city other than property used and assessed for
14 agricultural or horticultural purposes.

15 (2) The effective tax rate calculated using the sum of
16 the current fiscal year's actual property taxes certified for
17 levy under the levies specified in subsection 2, applicable
18 to taxable property in the city other than property used and
19 assessed for agricultural or horticultural purposes.

20 (3) The sum of the proposed maximum property tax dollars
21 that may be certified for levy for the budget year under the
22 levies specified in subsection 2 and the proposed combined
23 property tax levy rate for such amount applicable to taxable
24 property in the city other than property used and assessed for
25 agricultural or horticultural purposes.

26 (4) If the proposed maximum property tax dollars specified
27 under subparagraph (3) exceeds the current fiscal year's
28 actual property tax dollars certified for levy specified in
29 subparagraph (1), a statement of the major reasons for the
30 increase.

31 *b.* Proof of publication shall be filed with and preserved
32 by the county auditor. The department of management shall
33 prescribe the form for the public hearing notice for use by
34 cities and the form for the resolution to be adopted by the
35 council under subsection 5.

1 5. a. At the public hearing, the council shall receive
2 oral or written objections from any resident or property owner
3 of the city. After all objections have been received and
4 considered, the council may decrease, but not increase, the
5 proposed maximum property tax dollar amount for inclusion in
6 the resolution and shall adopt the resolution and file the
7 resolution with the county auditor as required under section
8 384.16, subsection 3.

9 b. If the sum of the maximum property tax dollars for
10 the budget year specified in the resolution under the levies
11 specified in subsection 2 exceeds one hundred two percent of
12 the sum of the current fiscal year's actual property taxes
13 certified for levy under the levies specified in subsection
14 2, the council shall be required to adopt the resolution by a
15 two-thirds majority of the membership of the council.

16 c. If the city has an internet site, in addition to
17 filing the resolution with the auditor under section 384.16,
18 subsection 3, the adopted resolution shall be posted and
19 clearly identified on the city's internet site for public
20 viewing within ten days of approval by the council. The posted
21 resolution for a budget year shall continue to be accessible
22 for public viewing on the internet site along with resolutions
23 posted for all subsequent budget years.

24 Sec. 14. Section 384.16, unnumbered paragraph 1, Code 2019,
25 is amended to read as follows:

26 Annually, a city that has satisfied the requirements of
27 section 384.15A and section 384.22, subsection 3, shall prepare
28 and adopt a budget, and shall certify taxes as follows:

29 Sec. 15. Section 384.16, subsections 3, 5, and 6, Code 2019,
30 are amended to read as follows:

31 3. The Following, and not until adoption of the resolution
32 under section 384.15A, the council shall set a time and place
33 for public hearing on the budget before the final certification
34 date and shall publish notice of the hearing not less than ten
35 nor more than twenty days before the hearing in a newspaper

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1 published at least once weekly and having general circulation
2 in the city. However, if the city has a population of two
3 hundred or less, publication may be made by posting in three
4 public places in the city. A summary of the proposed budget
5 and a description of the procedure for protesting the city
6 budget under section 384.19, in the form prescribed by the
7 director of the department of management, shall be included
8 in the notice. Proof of publication of the notice under this
9 subsection 3 and a copy of the resolution adopted under section
10 384.15A must be filed with the county auditor. The department
11 of management shall prescribe the form for the public hearing
12 notice for use by cities.

13 5. After the hearing, the council shall adopt by resolution
14 a budget for at least the next fiscal year, and the clerk
15 shall certify the necessary tax levy for the next fiscal year
16 to the county auditor and the county board of supervisors.
17 The tax levy certified may be less than but not more than
18 the amount estimated in the proposed budget submitted at
19 the final hearing or the applicable amount specified in the
20 resolution adopted under section 384.15A, unless an additional
21 tax levy is approved at a city election. Two copies each of
22 the detailed budget as adopted and of the tax certificate must
23 be transmitted to the county auditor, who shall complete the
24 certificates and transmit a copy of each to the department of
25 management.

26 6. Taxes levied by a city whose budget is certified after
27 ~~March 15~~ 31 shall be limited to the prior year's budget amount.
28 However, this penalty may be waived by the director of the
29 department of management if the city demonstrates that the
30 ~~March 15~~ 31 deadline was missed because of circumstances beyond
31 the control of the city.

32 Sec. 16. Section 384.17, Code 2019, is amended to read as
33 follows:

34 **384.17 Levy by county.**

35 At the time required by law, the county board of supervisors

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1 shall levy the taxes necessary for each city fund for the
2 following fiscal year. The levy must be as shown in the
3 adopted city budget and as certified by the clerk, subject to
4 any changes made after a protest hearing, and any additional
5 tax rates approved at a city election. A city levy is not valid
6 until proof of publication or posting of notice of a budget
7 hearing ~~is~~ under section 384.16, subsection 3, and the notice
8 and resolution adopted under section 384.15A are filed with the
9 county auditor.

10 Sec. 17. APPLICABILITY. This division of this Act applies
11 to city and county budgets and taxes for fiscal years beginning
12 on or after July 1, 2020.

13 DIVISION II

14 STATE APPRAISAL MANUAL

15 Sec. 18. Section 421.17, subsection 17, Code 2019, is
16 amended to read as follows:

17 17. To prepare and issue a state appraisal manual which each
18 county and city assessor shall use in assessing and valuing all
19 classes of property in the state. The appraisal manual shall
20 be continuously revised and the manual and revisions shall be
21 issued to the county and city assessors in such form and manner
22 as prescribed by the director. Each county and city assessor
23 shall use the most recently issued manual in assessing and
24 valuing all classes of property in the state within two years
25 of the publication date of the most recently issued manual.
26 The department may grant an extension of up to two years to
27 a county or city assessor upon request and demonstration of
28 substantial hardship by an assessor.>

29 2. Title page, by striking lines 1 and 2 and inserting
30 <An Act relating to local government budgets and property
31 taxation by modifying provisions governing the establishment
32 and approval of county and city budgets, modifying provisions
33 relating to the state appraisal manual, and including
34 applicability provisions.>

35 3. By renumbering as necessary.

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