

Senate Amendment to
House Amendment to
Senate File 2472

H-8495

1 Amend the House amendment, S-5210, to Senate File 2472, as
2 amended, passed, and reprinted by the Senate, as follows:

3 1. By striking page 1, line 5, through page 57, line 19, and
4 inserting:

5 <<DIVISION I

6 COUNTY PROPERTY TAXES AND BUDGETS

7 Section 1. Section 331.423, subsection 1, paragraph b,
8 subparagraph (1), Code 2026, is amended to read as follows:

9 (1) For each fiscal year beginning on or after July 1,
10 2024, but before July 1, ~~2028~~ 2027, subject to subparagraph
11 (3), the greater of three dollars and fifty cents per thousand
12 dollars of assessed value used to calculate taxes for general
13 county services for the budget year and the adjusted general
14 county basic levy rate, as adjusted under subparagraph (2), if
15 applicable.

16 Sec. _____. Section 331.423, subsection 1, paragraph c, Code
17 2026, is amended to read as follows:

18 ~~c. For each fiscal year beginning on or after July 1,~~
19 ~~2028, three dollars and fifty cents per thousand dollars of~~
20 ~~assessed value. For fiscal years beginning on or after July~~
21 ~~1, 2027, but before July 1, 2030, a levy rate per one thousand~~
22 ~~dollars of assessed value equal to one thousand multiplied~~
23 ~~by the quotient of one hundred two percent of the current~~
24 ~~fiscal year's actual property tax dollars certified for levy~~
25 ~~under this subsection 1 divided by the remainder of the total~~
26 ~~assessed value used to calculate such taxes for the budget year~~
27 ~~minus value attributable to new valuation.~~

28 Sec. _____. Section 331.423, subsection 1, Code 2026, is
29 amended by adding the following new paragraph:

30 NEW PARAGRAPH. *d.* For each fiscal year beginning on or
31 after July 1, 2030, the lesser of:

32 (1) A levy rate per one thousand dollars of assessed value
33 equal to one thousand multiplied by the quotient of one hundred
34 two percent of the current fiscal year's actual property tax
35 dollars certified for levy under this subsection 1 divided by

1 the remainder of the total assessed value used to calculate
2 such taxes for the budget year minus value attributable to new
3 valuation.

4 (2) Three dollars and fifty cents per thousand dollars of
5 assessed value.

6 Sec. _____. Section 331.423, subsection 2, paragraph b,
7 subparagraph (1), Code 2026, is amended to read as follows:

8 (1) For each fiscal year beginning on or after July 1, 2024,
9 but before July 1, ~~2028~~ 2027, subject to subparagraph (3), the
10 greater of three dollars and ninety-five cents per thousand
11 dollars of assessed value used to calculate taxes for rural
12 county services for the budget year and the adjusted rural
13 county basic levy rate, as adjusted under subparagraph (2), if
14 applicable.

15 Sec. _____. Section 331.423, subsection 2, paragraph c, Code
16 2026, is amended to read as follows:

17 ~~c. For each fiscal year beginning on or after July 1, 2028,~~
18 ~~three dollars and ninety-five cents per thousand dollars of~~
19 ~~assessed value. For fiscal years beginning on or after July~~
20 ~~1, 2027, but before July 1, 2030, a levy rate per one thousand~~
21 ~~dollars of assessed value equal to one thousand multiplied~~
22 ~~by the quotient of one hundred two percent of the current~~
23 ~~fiscal year's actual property tax dollars certified for levy~~
24 ~~under this subsection 2 divided by the remainder of the total~~
25 ~~assessed value used to calculate such taxes for the budget year~~
26 ~~minus value attributable to new valuation.~~

27 Sec. _____. Section 331.423, subsection 2, Code 2026, is
28 amended by adding the following new paragraph:

29 NEW PARAGRAPH. *d.* For each fiscal year beginning on or
30 after July 1, 2030, the lesser of:

31 (1) A levy rate per one thousand dollars of assessed value
32 equal to one thousand multiplied by the quotient of one hundred
33 two percent of the current fiscal year's actual property tax
34 dollars certified for levy under this subsection 2 divided by
35 the remainder of the total assessed value used to calculate

1 such taxes for the budget year minus value attributable to new
2 valuation.

3 (2) Three dollars and ninety-five cents per thousand
4 dollars of assessed value.

5 Sec. _____. Section 331.423, subsection 3, Code 2026, is
6 amended by adding the following new paragraph:

7 NEW PARAGRAPH. *c.* "New valuation" means the increase
8 from the current fiscal year to the budget year in taxable
9 valuation, as shown on the assessment roll due to the
10 following, the amount of each as reported under section 331.510
11 by the county auditor to the department of management:

12 (1) New construction.

13 (2) Additions or improvements to existing structures that
14 are not normal and necessary repairs under section 441.21,
15 subsection 8.

16 (3) Net boundary adjustments, including annexation,
17 severance, incorporation, consolidation, or discontinuance as
18 those terms are defined in section 368.1.

19 Sec. _____. Section 331.423, Code 2026, is amended by adding
20 the following new subsection:

21 NEW SUBSECTION. 2A. The amount of property tax dollars
22 calculated under this section includes those amounts budgeted
23 and received by the county as replacement taxes under chapter
24 437A or 437B, if applicable.

25 Sec. _____. EFFECTIVE DATE. This division of this Act takes
26 effect January 1, 2027.

27 Sec. _____. APPLICABILITY. This division of this Act applies
28 to property taxes and budgets for fiscal years beginning on or
29 after July 1, 2027.

30 DIVISION _____

31 CITY PROPERTY TAXES AND BUDGETS

32 Sec. _____. Section 384.1, subsection 3, paragraph c,
33 subparagraph (1), Code 2026, is amended to read as follows:

34 (1) For each fiscal year beginning on or after July 1,
35 2024, but before July 1, ~~2028~~ 2027, subject to subparagraph

1 (3), a city's tax levy for the general fund, except for levies
2 authorized in [section 384.12](#), shall not exceed in any tax year
3 the greater of eight dollars and ten cents per thousand dollars
4 of assessed value used to calculate taxes for the budget year
5 and the adjusted city general fund levy rate, as adjusted under
6 subparagraph (2), if applicable.

7 Sec. _____. Section 384.1, subsection 3, paragraph d, Code
8 2026, is amended to read as follows:

9 ~~d. For each fiscal year beginning on or after July 1, 2028,~~
10 ~~a city's tax levy rate for the general fund, except for levies~~
11 ~~authorized in [section 384.12](#), shall not exceed eight dollars~~
12 ~~and ten cents per thousand dollars of assessed value used to~~
13 ~~calculate taxes in any fiscal year. For fiscal years beginning~~
14 ~~on or after July 1, 2027, but before July 1, 2030, a city's tax~~
15 ~~levy rate for the general fund, except for levies authorized in~~
16 ~~section 384.12, shall not exceed a levy rate per one thousand~~
17 ~~dollars of assessed value equal to one thousand multiplied by~~
18 ~~the quotient of one hundred two percent of the current fiscal~~
19 ~~year's actual property tax dollars certified for levy under~~
20 ~~this subsection divided by the remainder of the total assessed~~
21 ~~value used to calculate such taxes for the budget year minus~~
22 ~~value attributable to new valuation.~~

23 Sec. _____. Section 384.1, subsection 3, Code 2026, is amended
24 by adding the following new paragraph:

25 NEW PARAGRAPH. e. For each fiscal year beginning on or
26 after July 1, 2030, a city's tax levy rate for the general
27 fund, except for levies authorized in section 384.12, shall not
28 exceed the lesser of:

29 (1) A levy rate per one thousand dollars of assessed value
30 equal to one thousand multiplied by the quotient of one hundred
31 two percent of the current fiscal year's actual property tax
32 dollars certified for levy under this subsection divided by
33 the remainder of the total assessed value used to calculate
34 such taxes for the budget year minus value attributable to new
35 valuation.

1 (2) Eight dollars and ten cents per thousand dollars of
2 assessed value.

3 Sec. _____. Section 384.1, subsection 4, Code 2026, is amended
4 by adding the following new paragraph:

5 NEW PARAGRAPH. *c.* "New valuation" means the increase
6 from the current fiscal year to the budget year in taxable
7 valuation, as shown on the assessment roll due to the
8 following, the amount of each as reported under section 331.510
9 by the county auditor to the department of management:

10 (1) New construction.

11 (2) Additions or improvements to existing structures that
12 are not normal and necessary repairs under section 441.21,
13 subsection 8.

14 (3) Net boundary adjustments, including annexation,
15 severance, incorporation, consolidation, or discontinuance as
16 those terms are defined in section 368.1.

17 Sec. _____. Section 384.1, Code 2026, is amended by adding the
18 following new subsection:

19 NEW SUBSECTION. 3A. The amount of property tax dollars
20 calculated under this section includes those amounts budgeted
21 and received by the city as replacement taxes under chapter
22 437A or 437B, if applicable.

23 Sec. _____. EFFECTIVE DATE. This division of this Act takes
24 effect January 1, 2027.

25 Sec. _____. APPLICABILITY. This division of this Act applies
26 to property taxes and budgets for fiscal years beginning on or
27 after July 1, 2027.

28 DIVISION _____

29 RATE-LIMITED PROPERTY TAX LEVY RATES

30 Sec. _____. Section 24.48, Code 2026, is amended by adding the
31 following new subsection:

32 NEW SUBSECTION. 6. The authority to suspend property tax
33 levy limitations under this section shall not apply to the
34 limitations of section 444.25.

35 Sec. _____. Section 312.2, subsection 5, paragraph a,

1 unnumbered paragraph 1, Code 2026, is amended to read as
2 follows:

3 The treasurer of state, before making any allotments to
4 counties under **this section**, shall reduce the allotment to a
5 county for the secondary road fund by the amount by which the
6 total funds that the county transferred or provided during
7 the prior fiscal year under **section 331.429, subsection 1**,
8 paragraphs "a", "b", "d", and "e", are less than ~~seventy-five~~
9 fifty-one percent of the sum of the following:

10 Sec. ____ . NEW SECTION. **444.25 Maximum property tax levy**
11 **rates — adjustments.**

12 1. For purposes of this section:

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

15 b. "*Current fiscal year*" is the fiscal year ending during
16 the calendar year in which a budget for the budget year is
17 certified.

18 c. "*Rate-limited property tax levy*" includes any ad valorem
19 property tax levy limited by law to a specific property tax
20 levy rate for a fiscal year beginning on or after July 1, 2027,
21 expressed in statute as a specific amount of money due other
22 than a calculated amount, per one thousand dollars of assessed
23 value used to calculate taxes. "*Rate-limited property tax*
24 *levy*" also includes a levy for a county agricultural extension
25 under section 176A.10. This paragraph shall not be construed
26 to include the school district foundation levy under section
27 257.3, the county general services levy under section 331.423,
28 subsection 1, the county rural services levy under section
29 331.423, subsection 2, the city general fund levy under section
30 384.1, the physical plant and equipment levies under section
31 298.2, the school district bond tax under section 298.18, any
32 levy under chapter 28M, a levy under section 384.12, subsection
33 1, paragraph "b", levied for operation and maintenance of a
34 regional transit district, any levy under chapter 347 or 347A,
35 and any levy under chapter 386. In addition, "*rate-limited*

1 *property tax levy*” does not include levy rates used in the
2 calculations under section 312.2, subsection 5, paragraph “a”.

3 2. Except as provided in subsection 3, for the fiscal year
4 beginning July 1, 2027, and each fiscal year thereafter, each
5 rate-limited property tax levy shall, by operation of this
6 section and in addition to any applicable levy rate limitation
7 imposed by another provision of law, be limited to a levy rate
8 per one thousand dollars of assessed value that is equal to one
9 thousand multiplied by the quotient of one hundred two percent
10 of the current fiscal year’s actual property tax dollars
11 certified for such levy divided by the total assessed value
12 used to calculate such taxes for the budget year.

13 3. a. For the fiscal year beginning July 1, 2027, and each
14 fiscal year thereafter, if the rate limited property tax levy
15 was not imposed by the governmental entity in the immediately
16 preceding fiscal year, such levy may for the initial year of
17 imposition be imposed at a rate not to exceed the maximum rate
18 for such levy authorized by law.

19 b. If a budget year includes a voter-approved increase in
20 the authorized rate of a voter-approved rate-limited property
21 tax levy for which the increased rate was not approved for
22 imposition in the current fiscal year, such rate-limited
23 property tax levy may be imposed for that budget year at a rate
24 not to exceed the voter-approved rate without application of
25 subsection 2.

26 4. The amount of property tax dollars calculated under this
27 section includes those amounts budgeted and received by the
28 governmental entity as replacement taxes under chapter 437A or
29 437B, if applicable.

30 Sec. _____. NEW SECTION. **444.26 Use of bonds and indebtedness**
31 **for general operations — prohibition.**

32 1. For purposes of this section:

33 a. “*General operations*” means services or activities
34 generally funded from the governmental entity’s general fund,
35 which are necessary for the operation of the governmental

1 the program with the FirstHome Iowa program trust established
2 in chapter 12L.

3 Sec. ____ . NEW SECTION. 12L.1 FirstHome Iowa program —
4 **purpose and definitions.**

5 1. The general assembly finds that the general welfare and
6 well-being of the state are directly related to homeownership
7 of the citizens of the state, and that a vital and valid
8 public purpose is served by the creation and implementation
9 of programs which encourage and make possible the attainment
10 of homeownership by the greatest number of citizens of the
11 state. The general welfare of the citizens of the state will
12 be enhanced by establishing a FirstHome Iowa program which
13 allows citizens of the state to invest money in a public trust
14 for future application to the payment of qualified homebuyer
15 expenses. The creation of the means of encouragement for
16 citizens to invest in such a program represents the carrying
17 out of a vital and valid public purpose. In order to make
18 available to the citizens of the state an opportunity to fund
19 future first-time homeownership, it is necessary that a public
20 trust be established in which moneys may be invested for future
21 use.

22 2. As used in this chapter, unless the context otherwise
23 requires:

24 a. "*Administrative fund*" means the administrative fund
25 established under section 12L.4.

26 b. "*Beneficiary*" means the individual designated by a
27 participation agreement to benefit from advance payments of
28 qualified homebuyer expenses on behalf of the beneficiary.

29 c. "*First-time homebuyer*" means an individual who is a
30 resident of Iowa and who does not own, either individually or
31 jointly, a single-family or multifamily residence, and who
32 has not previously owned or purchased, either individually or
33 jointly, a single-family or multifamily residence prior to the
34 date of the qualified purchase for which the eligible home
35 costs are paid or reimbursed from an account.

1 *d. "FirstHome Iowa program trust" or "trust" means the trust*
2 *created under section 12L.2.*

3 *e. "FirstHome Iowa program trust account" or "account"*
4 *means an account within the trust that was established for*
5 *the purpose of paying or reimbursing a beneficiary's eligible*
6 *qualified homebuyer expenses in connection with a qualified*
7 *purchase.*

8 *f. "Individual" means a natural person.*

9 *g. "Participant" means an individual, individual's legal*
10 *representative, trust, or estate that has entered into a*
11 *participation agreement under this chapter, either individually*
12 *or jointly with the individual's spouse, for the advance*
13 *payment of qualified homebuyer expenses on behalf of a*
14 *beneficiary.*

15 *h. "Participation agreement" means an agreement between a*
16 *participant and the trust entered into under this chapter.*

17 *i. "Program fund" means the program fund established under*
18 *section 12L.4.*

19 *j. "Qualified homebuyer expenses" means any of the*
20 *following:*

21 (1) A down payment or closing costs for the qualified
22 purchase of a single-family residence in Iowa that is to be the
23 homestead, as defined in section 425.11, of the beneficiary if
24 such beneficiary is a first-time homebuyer with respect to such
25 purchase.

26 (2) A cost, fee, tax, or payment incurred by, or charged
27 or assigned to, a beneficiary as part of the purchase under
28 subparagraph (1) and listed on the statement of receipts and
29 disbursements for the sale, including any statement prescribed
30 by 12 C.F.R. §1026.38, as amended.

31 (3) Any United States veterans administration funding
32 fee incurred by, or charged or assigned to, a beneficiary in
33 connection with a veterans administration home loan guaranty
34 program.

35 *k. "Qualified purchase" means the purchase of a*

1 single-family residence in Iowa by the account's beneficiary
2 for which the account's beneficiary will use as a homestead, as
3 defined in section 425.11, one year or more after the date the
4 participant first opened the account.

5 1. "Resident" means the same as defined in section 422.4.

6 m. "Single-family residence" means a single-family residence
7 owned and occupied by a beneficiary as the beneficiary's
8 homestead within the meaning of section 425.1, including but
9 not limited to a manufactured home, mobile home, condominium
10 unit, or cooperative.

11 Sec. ____ . NEW SECTION. 12L.2 **Creation of FirstHome Iowa**
12 **program trust.**

13 A FirstHome Iowa program trust is created. The treasurer of
14 state is the trustee of the trust, and has all powers necessary
15 to carry out and effectuate the purposes, objectives, and
16 provisions of this chapter pertaining to the trust, including
17 the power to do all of the following:

18 1. Make and enter into contracts necessary for the
19 administration of the trust created under this chapter.

20 2. Enter into agreements with any financial institution,
21 the state, or any federal or other state agency, or other
22 entity as required to implement this chapter.

23 3. Carry out the duties and obligations of the trust
24 pursuant to this chapter.

25 4. Accept any grants, gifts, legislative appropriations,
26 and other moneys from the state, any unit of federal, state, or
27 local government, or any other person, firm, partnership, or
28 corporation which the treasurer of state shall deposit into the
29 administrative fund or the program fund.

30 5. Carry out studies and projections so the treasurer of
31 state may advise participants regarding present and estimated
32 future qualified homebuyer expenses and levels of financial
33 participation in the trust required in order to enable
34 participants to achieve their qualifying purchase objectives.

35 6. Participate in any federal, state, or local governmental

1 program for the benefit of the trust.

2 7. Procure insurance against any loss in connection with the
3 property, assets, or activities of the trust.

4 8. Enter into participation agreements with participants.

5 9. Make payments to or on behalf of beneficiaries for
6 qualified homebuyer expenses pursuant to participation
7 agreements.

8 10. Make refunds to participants upon the termination
9 of participation agreements, and partial nonqualified
10 distributions to participants, pursuant to the provisions,
11 limitations, and restrictions set forth in this chapter.

12 11. Invest moneys from the program fund in any investments
13 which are determined by the treasurer of state to be
14 appropriate.

15 12. Engage investment advisors, if necessary, to assist in
16 the investment of trust assets.

17 13. Contract for goods and services and engage personnel
18 as necessary, including consultants, actuaries, managers,
19 legal counsel, and auditors for the purpose of rendering
20 professional, managerial, and technical assistance and advice
21 to the treasurer of state regarding trust administration and
22 operation.

23 14. Establish, impose, and collect administrative fees
24 and charges in connection with transactions of the trust for
25 deposit in the administrative fund and provide for reasonable
26 service charges.

27 15. Administer the funds of the trust.

28 16. Adopt rules pursuant to chapter 17A for the
29 administration of the trust.

30 Sec. ____ . NEW SECTION. 12L.3 Participation agreements for
31 trust.

32 The trust may enter into participation agreements with
33 participants on behalf of beneficiaries pursuant to the
34 following terms and agreements:

35 1. Each participation agreement may require a participant

1 to agree to invest a specific amount of money in the trust
2 for a specific period of time for the benefit of a specific
3 beneficiary. A participant shall not be required to make an
4 annual contribution on behalf of a beneficiary. The maximum
5 contribution that may be deducted for Iowa income tax purposes
6 shall be the amount contributed by the participant during the
7 applicable tax year, not to exceed five thousand five hundred
8 dollars per beneficiary per year adjusted annually to reflect
9 increases in the consumer price index.

10 2. The execution of a participation agreement by the
11 trust shall not guarantee in any way that qualified homebuyer
12 expenses will be equal to projections and estimates provided by
13 the trust or that the beneficiary named in any participation
14 agreement will qualify for a mortgage, home loan, or other
15 forms of credit for a qualified purchase.

16 3. *a.* A beneficiary under a participation agreement may be
17 changed as permitted under rules adopted by the treasurer of
18 state upon written request of the participant as long as the
19 substitute beneficiary is eligible for participation.

20 *b.* Participation agreements may otherwise be freely amended
21 throughout their terms in order to enable participants to
22 increase or decrease the level of participation, change the
23 designation of beneficiaries, and carry out similar matters as
24 authorized by rule.

25 4. Each participation agreement shall provide that the
26 participation agreement may be canceled upon the terms and
27 conditions, and upon payment of applicable fees and costs set
28 forth and contained in the rules adopted by the treasurer of
29 state.

30 5. A participant may designate a successor in accordance
31 with rules adopted by the treasurer of state. The designated
32 successor shall succeed to the ownership of the account in
33 the event of the death of the participant. In the event a
34 participant dies and has not designated a successor to the
35 account, the following criteria shall apply:

1 *a.* The beneficiary of the account, if eighteen years of
2 age or older, shall become the owner of the account as well as
3 remain the beneficiary upon filing the appropriate forms in
4 accordance with rules adopted by the treasurer of state.

5 *b.* If the beneficiary of the account is under the age of
6 eighteen, account ownership shall be transferred to the first
7 surviving parent or other legal guardian of the beneficiary to
8 file the appropriate forms in accordance with rules adopted by
9 the treasurer of state.

10 Sec. _____. NEW SECTION. **12L.4 FirstHome Iowa program and**
11 **administrative funds — investment and payments.**

12 1. *a.* The treasurer of state shall segregate moneys
13 received by the trust into two funds: the FirstHome Iowa
14 program fund and the administrative fund to be used for
15 administration of the program.

16 *b.* All moneys paid by participants in connection with
17 participation agreements shall be deposited as received into
18 separate accounts within the program fund.

19 *c.* Contributions to the trust made by participants may only
20 be made in the form of cash.

21 *d.* A participant or beneficiary may, directly or indirectly,
22 direct the investment of any contributions to the trust or any
23 earnings thereon no more than four times in a calendar year.

24 2. Moneys accrued by participants in the program fund of the
25 trust may be used for payments to or on behalf of a beneficiary
26 for qualified homebuyer expenses.

27 Sec. _____. NEW SECTION. **12L.5 Cancellation of agreements.**

28 A participant may cancel a participation agreement at will.
29 Upon cancellation of a participation agreement, a participant
30 shall be entitled to the return of the participant's account
31 balance.

32 Sec. _____. NEW SECTION. **12L.6 Ownership of payments and**
33 **investment income — transfer of ownership rights.**

34 1. *a.* A participant retains ownership of all payments
35 made under a participation agreement up to the date of

1 utilization for payment of qualified homebuyer expenses for the
2 beneficiary.

3 *b.* All income derived from the investment of the payments
4 made by the participant shall be considered to be held in trust
5 for the benefit of the beneficiary.

6 2. In the event the FirstHome Iowa program is terminated
7 prior to payment of qualified homebuyer expenses for the
8 beneficiary, the participant is entitled to a refund of the
9 participant's account balance.

10 3. Any amounts which may be paid to any person or persons
11 pursuant to the FirstHome Iowa program trust but which are not
12 listed in this section are owned by the trust.

13 4. A participant may transfer ownership rights to another
14 participant or may transfer funds to another account under the
15 trust. The transfer shall be made and the property distributed
16 in accordance with rules adopted by the treasurer of state or
17 with the terms of the participation agreement.

18 5. A participant shall not be entitled to utilize any
19 interest in the trust as security for a loan.

20 Sec. _____. NEW SECTION. 12L.7 Annual audited financial
21 report to governor and general assembly.

22 1. *a.* The treasurer of state shall submit an annual
23 audited financial report, prepared in accordance with generally
24 accepted accounting principles, on the operations of the trust
25 by November 1 to the governor and the general assembly.

26 *b.* The annual audit shall be made either by the auditor
27 of state or by an independent certified public accountant
28 designated by the auditor of state and shall include direct and
29 indirect costs attributable to the use of outside consultants,
30 independent contractors, and any other persons who are not
31 state employees.

32 2. The annual audit shall be supplemented by all of the
33 following information prepared by the treasurer of state:

34 *a.* Any related studies or evaluations prepared in the
35 preceding year.

1 *b.* A summary of the benefits provided by the trust including
2 the number of participants and beneficiaries in the trust.

3 *c.* Any other information which is relevant in order to make
4 a full, fair, and effective disclosure of the operations of the
5 trust.

6 Sec. _____. NEW SECTION. 12L.8 Tax considerations.

7 State income tax treatment of the FirstHome Iowa program
8 trust shall be as provided in section 422.7, subsections 46 and
9 47.

10 Sec. _____. NEW SECTION. 12L.9 Property rights to assets in
11 trust.

12 1. The assets of the trust shall at all times be preserved,
13 invested, and expended solely and only for the purposes of
14 the trust and shall be held in trust for the participants and
15 beneficiaries.

16 2. No property rights in the trust shall exist in favor of
17 the state.

18 3. The assets of the trust shall not be transferred or used
19 by the state for any purposes other than the purposes of the
20 trust.

21 Sec. _____. NEW SECTION. 12L.10 Construction.

22 This chapter shall be construed liberally in order to
23 effectuate its purpose.

24 Sec. _____. Section 232D.503, subsection 6, Code 2026, is
25 amended by adding the following new paragraph:

26 NEW PARAGRAPH. *g.* A FirstHome Iowa program trust account
27 established for the minor pursuant to chapter 12L.

28 Sec. _____. Section 422.7, Code 2026, is amended by adding the
29 following new subsections:

30 NEW SUBSECTION. 46. *a.* Subtract the contribution that may
31 be deducted for Iowa income tax purposes as a participant in
32 the FirstHome Iowa program trust pursuant to section 12L.3,
33 subsection 1. For purposes of this paragraph, a participant
34 who makes a contribution on or before the date prescribed in
35 section 422.21 for making and filing an individual income tax

1 following new subsection:

2 NEW SUBSECTION. 18. The debtor's interest, whether as
3 participant or beneficiary, in contributions and assets,
4 including the accumulated earnings and market increases in
5 value, held in an account in the FirstHome Iowa program trust
6 organized under chapter 12L.

7 Sec. _____. Section 633.108, subsection 2, Code 2026, is
8 amended by adding the following new paragraph:

9 NEW PARAGRAPH. e. A FirstHome Iowa program trust account
10 established for the minor pursuant to chapter 12L.

11 Sec. _____. Section 633.555, subsection 1, Code 2026, is
12 amended by adding the following new paragraph:

13 NEW PARAGRAPH. f. An account owner or participant under
14 a FirstHome Iowa program trust account established for the
15 protected person pursuant to chapter 12L.

16 Sec. _____. Section 633.678, subsection 1, Code 2026, is
17 amended by adding the following new paragraph:

18 NEW PARAGRAPH. f. An account owner or participant under
19 a FirstHome Iowa program trust account established for the
20 protected person pursuant to chapter 12L.

21 Sec. _____. Section 633.681, subsection 1, Code 2026, is
22 amended by adding the following new paragraph:

23 NEW PARAGRAPH. e. An account owner or participant under
24 a FirstHome Iowa program trust account established for the
25 protected person pursuant to chapter 12L.

26 Sec. _____. APPLICABILITY. The following applies to
27 contributions made under chapter 12L on or after July 1, 2026,
28 for tax years ending on or after that date:

29 The section of this division of this Act enacting section
30 422.7, subsections 46 and 47.

31 DIVISION ____
32 SCHOOL TAXES

33 Sec. _____. Section 257.3, subsection 1, paragraph a, Code
34 2026, is amended to read as follows:

35 a. (1) Except as provided in subsections 2 and 3, a school

1 district shall cause to be levied each budget year beginning
2 before July 1, 2028, for the school general fund, a foundation
3 property tax equal to five dollars and forty cents per thousand
4 dollars of assessed valuation on all taxable property in the
5 district. The county auditor shall spread the foundation levy
6 over all taxable property in the district.

7 (2) Except as provided in subsections 2 and 3, a school
8 district shall cause to be levied for the budget year beginning
9 July 1, 2028, for the school general fund, a foundation
10 property tax equal to five dollars and ten cents per thousand
11 dollars of assessed valuation on all taxable property in the
12 district. The county auditor shall spread the foundation levy
13 over all taxable property in the district.

14 (3) Except as provided in subsections 2 and 3, a school
15 district shall cause to be levied for the budget year beginning
16 July 1, 2029, and each succeeding budget year, for the school
17 general fund, a foundation property tax equal to four dollars
18 and ninety cents per thousand dollars of assessed valuation
19 on all taxable property in the district. The county auditor
20 shall spread the foundation levy over all taxable property in
21 the district.

22 Sec. _____. Section 257.3, subsection 2, paragraphs a and b,
23 Code 2026, are amended to read as follows:

24 a. Notwithstanding [subsection 1](#), a reorganized school
25 district shall cause a foundation property tax ~~of four dollars~~
26 ~~and forty cents~~ at a rate equal to one dollar per thousand
27 dollars of assessed valuation less than the rate under
28 subsection 1, paragraph "a", for the applicable budget year to
29 be levied on all taxable property which, in the year preceding
30 a reorganization, was within a school district affected by the
31 reorganization as defined in [section 275.1](#), or in the year
32 preceding a dissolution was a part of a school district that
33 dissolved if the dissolution proposal has been approved by the
34 director of the department of education pursuant to section
35 275.55.

1 *b.* In succeeding school years, the foundation property tax
2 levy on that portion shall be increased to the rate of ~~four~~
3 ~~dollars and ninety~~ five cents per thousand dollars of assessed
4 valuation less than the rate applicable to the budget year
5 under subsection 1, paragraph "a", for the first succeeding
6 year, ~~five dollars and fifteen~~ twenty-five cents per thousand
7 dollars of assessed valuation less than the rate applicable
8 to the budget year under subsection 1, paragraph "a", for the
9 second succeeding year, and ~~five dollars and forty cents per~~
10 thousand dollars of assessed valuation the rate applicable to
11 the budget year under subsection 1, paragraph "a", for the third
12 succeeding year and each year thereafter.

13 Sec. _____. Section 425A.3, subsection 1, Code 2026, is
14 amended to read as follows:

15 1. The family farm tax credit fund shall be apportioned
16 each year in the manner provided in [this chapter](#) so as to give
17 a credit against the tax on each eligible tract of agricultural
18 land within the several school districts of the state in which
19 the levy for the general school fund exceeds ~~five dollars and~~
20 ~~forty cents per thousand dollars of assessed value~~ the levy
21 rate under section 257.3, subsection 1, paragraph "a". The
22 amount of the credit on each eligible tract of agricultural
23 land shall be the amount the tax levied for the general school
24 fund exceeds the amount of tax which would be levied on each
25 eligible tract of agricultural land were the levy for the
26 general school fund ~~five dollars and forty cents per thousand~~
27 ~~dollars of assessed value~~ the levy rate under section 257.3,
28 subsection 1, paragraph "a", for the previous year. However,
29 in the case of a deficiency in the family farm tax credit fund
30 to pay the credits in full, the credit on each eligible tract
31 of agricultural land in the state shall be proportionate and
32 applied as provided in [this chapter](#).

33 Sec. _____. Section 425A.5, Code 2026, is amended to read as
34 follows:

35 **425A.5 Computation by county auditor.**

1 The family farm tax credit allowed each year shall be
2 computed as follows: On or before April 1, the county auditor
3 shall list by school districts all tracts of agricultural
4 land which are entitled to credit, the taxable value for the
5 previous year, the budget from each school district for the
6 previous year, and the tax rate determined for the general
7 fund of the school district in the manner prescribed in
8 section 444.3 for the previous year, and if the tax rate is in
9 excess of ~~five dollars and forty cents per thousand dollars of~~
10 ~~assessed value~~ the levy rate under section 257.3, subsection
11 1, paragraph "a", the auditor shall multiply the tax levy which
12 is in excess of ~~five dollars and forty cents per thousand~~
13 ~~dollars of assessed value~~ the levy rate under section 257.3,
14 subsection 1, paragraph "a", by the total taxable value of the
15 agricultural land entitled to credit in the school district,
16 and on or before April 1, certify the total amount of credit
17 and the total number of acres entitled to the credit to the
18 department of revenue.

19 Sec. _____. Section 426.3, Code 2026, is amended to read as
20 follows:

21 **426.3 Where credit given.**

22 The agricultural land credit fund shall be apportioned each
23 year in the manner hereinafter provided so as to give a credit
24 against the tax on each tract of agricultural lands within the
25 several school districts of the state in which the levy for
26 the general school fund exceeds ~~five dollars and forty cents~~
27 ~~per thousand dollars of assessed value~~ the levy rate under
28 section 257.3, subsection 1, paragraph "a"; the amount of such
29 credit on each tract of such lands shall be the amount the tax
30 levied for the general school fund exceeds the amount of tax
31 which would be levied on said tract of such lands were the
32 levy for the general school fund ~~five dollars and forty cents~~
33 ~~per thousand dollars of assessed value~~ the levy rate under
34 section 257.3, subsection 1, paragraph "a", for the previous
35 year, except in the case of a deficiency in the agricultural

1 land credit fund to pay said credits in full, in which case the
2 credit on each eligible tract of such lands in the state shall
3 be proportionate and shall be applied as hereinafter provided.

4 Sec. _____. Section 426.6, subsection 1, Code 2026, is amended
5 to read as follows:

6 1. The agricultural land tax credit allowed each year
7 shall be computed as follows: On or before April 1, the
8 county auditor shall list by school districts all tracts of
9 agricultural lands which are entitled to credit, together with
10 the taxable value for the previous year, together with the
11 budget from each school district for the previous year, and the
12 tax rate determined for the general fund of the district in
13 the manner prescribed in [section 444.3](#) for the previous year,
14 and if such tax rate is in excess of ~~five dollars and forty~~
15 ~~cents per thousand dollars of assessed value~~ the levy rate
16 under section 257.3, subsection 1, paragraph "a", the auditor
17 shall multiply the tax levy which is in excess of ~~five dollars~~
18 ~~and forty cents per thousand dollars of assessed value~~ the
19 levy rate under section 257.3, subsection 1, paragraph "a", by
20 the total taxable value of the agricultural lands entitled to
21 credit in the district, and on or before April 1, certify the
22 amount to the department of revenue.

23 Sec. _____. ADJUSTMENT OF CALCULATIONS. For property tax
24 credits under chapters 425A and 426 for property taxes due and
25 payable in the fiscal year beginning July 1, 2027, the tax rate
26 determined for the general fund of the school district in the
27 manner prescribed in section 444.3 for the previous year shall
28 be determined using the appropriate property tax levy rate
29 under section 257.3, as amended in this division of this Act.

30 Sec. _____. APPLICABILITY. This division of this Act applies
31 to fiscal years and school budget years beginning on or after
32 July 1, 2027.

33 DIVISION _____
34 SECURE AN ADVANCED VISION FOR EDUCATION FUND — EQUITY TRANSFER
35 PERCENTAGE — FUTURE REPEAL

1 Sec. _____. Section 423.2, subsection 12, Code 2026, is
2 amended to read as follows:

3 12. The sales tax rate of six percent is reduced to five
4 percent on January 1, ~~2051~~ 2071.

5 Sec. _____. Section 423.2A, subsection 2, paragraph c, Code
6 2026, is amended to read as follows:

7 c. Transfer one-sixth of the remaining revenues to the
8 secure an advanced vision for education fund created in section
9 423F.2. This paragraph "c" is repealed January 1, ~~2051~~ 2071.

10 Sec. _____. Section 423.5, subsection 4, Code 2026, is amended
11 to read as follows:

12 4. The use tax rate of six percent is reduced to five
13 percent on January 1, ~~2051~~ 2071.

14 Sec. _____. Section 423.43, subsection 1, paragraph b, Code
15 2026, is amended to read as follows:

16 b. Subsequent to the deposit into the general fund of
17 the state and after the transfer of such revenues collected
18 under [chapter 423B](#), the department shall transfer one-sixth of
19 such remaining revenues to the secure an advanced vision for
20 education fund created in [section 423F.2](#). This paragraph is
21 repealed January 1, ~~2051~~ 2071.

22 Sec. _____. Section 423F.2, subsection 3, paragraph b,
23 subparagraph (2), subparagraph division (b), Code 2026, is
24 amended to read as follows:

25 (b) For each fiscal year beginning on or after July 1,
26 2020, but before July 1, 2026, the equity transfer percentage
27 is equal to the equity transfer percentage for the immediately
28 preceding fiscal year, unless the amount of moneys available
29 in the secure an advanced vision for education fund in the
30 immediately preceding fiscal year equals or exceeds one hundred
31 two percent of the amount of moneys available in the fund for
32 the fiscal year prior to the immediately preceding fiscal year,
33 in which case the equity transfer percentage shall be the
34 equity transfer percentage for the immediately preceding fiscal
35 year plus one percent subject to the limitation in subparagraph

1 division (c).

2 Sec. _____. Section 423F.2, subsection 3, paragraph b,
3 subparagraph (2), subparagraph division (c), Code 2026, is
4 amended by striking the subparagraph division and inserting in
5 lieu thereof the following:

6 (c) (i) For the fiscal year beginning July 1, 2026, the
7 equity transfer percentage is twelve and one-half percent.

8 (ii) For the fiscal year beginning July 1, 2027, the equity
9 transfer percentage is fifteen percent.

10 (iii) For the fiscal year beginning July 1, 2028, the equity
11 transfer percentage is seventeen and one-half percent.

12 (iv) For the fiscal year beginning July 1, 2029, the equity
13 transfer percentage is twenty-two and one-half percent.

14 (v) For the fiscal year beginning July 1, 2030, and each
15 fiscal year thereafter, the equity transfer percentage is
16 twenty-five percent.

17 Sec. _____. Section 423F.6, Code 2026, is amended to read as
18 follows:

19 **423F.6 Repeal.**

20 This chapter is repealed January 1, ~~2051~~ 2071.

21 Sec. _____. SCHOOL DISTRICT FUNDING RECONCILIATION.

22 For amounts allocated under section 423F.2 for fiscal
23 years beginning on or after July 1, 2026, the department of
24 management shall adjust or reconcile actual amounts to be
25 received by school districts in the fiscal year immediately
26 following the fiscal year during which the revenues were
27 collected.

28 DIVISION _____

29 ELDERLY AND DISABLED PROPERTY TAX CREDIT AND RENT REIMBURSEMENT

30 Sec. _____. Section 425.24, Code 2026, is amended to read as
31 follows:

32 **425.24 Maximum property tax for purpose of credit or**
33 **reimbursement.**

34 For claimants under [section 425.17, subsection 2](#), paragraph
35 "a", subparagraphs (1) and (2), and for the calculation under

1 section 425.23, subsection 1, paragraph "c", subparagraph (1),
2 in any case in which property taxes due or rent constituting
3 property taxes paid for any household exceeds one thousand
4 five hundred dollars, the amount of property taxes due or
5 rent constituting property taxes paid shall be deemed to have
6 been one thousand five hundred dollars for purposes of this
7 subchapter.

8 Sec. _____. APPLICABILITY.

9 1. This division of this Act applies to claims under chapter
10 425, subchapter II, for credits against property taxes due and
11 payable in fiscal years beginning on or after July 1, 2027.

12 2. This division of this Act applies to claims under chapter
13 425, subchapter II, for reimbursement for rent constituting
14 property taxes paid in base years beginning on or after January
15 1, 2026.

16 DIVISION _____

17 PROPERTY CLASSIFICATIONS AND ASSESSMENT LIMITATIONS

18 Sec. _____. Section 386.8, Code 2026, is amended to read as
19 follows:

20 **386.8 Operation tax.**

21 A city may establish a self-supported improvement district
22 operation fund, and may certify taxes not to exceed the
23 rate limitation as established in the ordinance creating the
24 district, or any amendment thereto, each year to be levied
25 for the fund against all of the property in the district,
26 for the purpose of paying the administrative expenses of
27 the district, which may include but are not limited to
28 administrative personnel salaries, a separate administrative
29 office, planning costs including consultation fees, engineering
30 fees, architectural fees, and legal fees and all other expenses
31 reasonably associated with the administration of the district
32 and the fulfilling of the purposes of the district. The taxes
33 levied for this fund may also be used for the purpose of paying
34 maintenance expenses of improvements or self-liquidating
35 improvements for a specified length of time with one or more

1 options to renew if such is clearly stated in the petition
2 which requests the council to authorize construction of the
3 improvement or self-liquidating improvement, whether or not
4 such petition is combined with the petition requesting creation
5 of a district. Parcels of property which are assessed as
6 residential property for property tax purposes are exempt from
7 the tax levied under [this section](#) except residential properties
8 within a duly designated historic district or property
9 classified as ~~residential~~ multiresidential property under
10 section 441.21, subsection ~~14~~ 13, paragraph "a", subparagraph
11 ~~(6)~~ (5). A tax levied under [this section](#) is not subject to the
12 levy limitation in [section 384.1](#).

13 Sec. _____. Section 386.9, Code 2026, is amended to read as
14 follows:

15 **386.9 Capital improvement tax.**

16 A city may establish a capital improvement fund for a
17 district and may certify taxes, not to exceed the rate
18 established by the ordinance creating the district, or any
19 subsequent amendment thereto, each year to be levied for
20 the fund against all of the property in the district, for
21 the purpose of accumulating moneys for the financing or
22 payment of a part or all of the costs of any improvement or
23 self-liquidating improvement. However, parcels of property
24 which are assessed as residential property for property tax
25 purposes are exempt from the tax levied under [this section](#)
26 except residential properties within a duly designated historic
27 district or property classified as ~~residential~~ multiresidential
28 property under [section 441.21, subsection ~~14~~ 13](#), paragraph "a",
29 subparagraph ~~(6)~~ (5). A tax levied under [this section](#) is not
30 subject to the levy limitations in [section 384.1](#) or [384.7](#).

31 Sec. _____. Section 386.10, Code 2026, is amended to read as
32 follows:

33 **386.10 Debt service tax.**

34 A city shall establish a self-supported municipal
35 improvement district debt service fund whenever any

1 self-supported municipal improvement district bonds are issued
2 and outstanding, other than revenue bonds, and shall certify
3 taxes to be levied against all of the property in the district
4 for the debt service fund in the amount necessary to pay
5 interest as it becomes due and the amount necessary to pay,
6 or to create a sinking fund to pay, the principal at maturity
7 of all self-supported municipal improvement district bonds as
8 authorized in [section 386.11](#), issued by the city. However,
9 parcels of property which are assessed as residential property
10 for property tax purposes at the time of the issuance of the
11 bonds are exempt from the tax levied under [this section](#) until
12 the parcels are no longer assessed as residential property
13 or until the residential properties are designated as a part
14 of a historic district or property classified as ~~residential~~
15 multiresidential property under section 441.21, subsection ~~14~~
16 13, paragraph "a", subparagraph ~~(6)~~ (5).

17 Sec. _____. Section 404.2, subsection 2, paragraph f, Code
18 2026, is amended to read as follows:

19 *f.* A statement specifying whether the revitalization is
20 applicable to none, some, or all of the property assessed as
21 residential, multiresidential, agricultural, commercial, or
22 industrial property within the designated area or a combination
23 thereof and whether the revitalization is for rehabilitation
24 and additions to existing buildings or new construction or
25 both. If revitalization is made applicable only to some
26 property within an assessment classification, the definition of
27 that subset of eligible property must be by uniform criteria
28 which further some planning objective identified in the plan.
29 The city shall state how long it is estimated that the area
30 shall remain a designated revitalization area which time
31 shall be longer than one year from the date of designation
32 and shall state any plan by the city to issue revenue bonds
33 for revitalization projects within the area. For a county,
34 a revitalization area shall include only property which
35 will be used as industrial property, commercial property,

1 multiresidential property, or residential property. However, a
2 county shall not provide a tax exemption under [this chapter](#) to
3 commercial property, multiresidential property, or residential
4 property which is located within the limits of a city.

5 Sec. _____. Section 404.3, subsection 4, paragraph a, Code
6 2026, is amended by striking the paragraph and inserting in
7 lieu thereof the following:

8 a. All qualified real estate assessed as any of the
9 following is eligible to receive a one hundred percent
10 exemption from taxation on the actual value added by the
11 improvements:

12 (1) Residential property.

13 (2) Commercial property if the commercial property
14 consists of three or more separate living quarters with at
15 least seventy-five percent of the space used for residential
16 purposes.

17 (3) Multiresidential property if the multiresidential
18 property consists of three or more separate living quarters
19 with at least seventy-five percent of the space used for
20 residential purposes.

21 Sec. _____. Section 404.3A, Code 2026, is amended to read as
22 follows:

23 **404.3A Residential development area exemption.**

24 Notwithstanding the schedules provided for in [section 404.3](#),
25 all qualified real estate assessed as residential property or
26 multiresidential property, excluding property classified as
27 ~~residential~~ multiresidential property under section 441.21,
28 subsection ~~14~~ 13, paragraph "a", subparagraph ~~(6)~~ (5), in an
29 area designated under [section 404.1, subsection 5](#), is eligible
30 to receive an exemption from taxation on the first seventy-five
31 thousand dollars of actual value added by the improvements.
32 The exemption is for a period of five years.

33 Sec. _____. Section 404.3D, Code 2026, is amended to read as
34 follows:

35 **404.3D Exemptions for residential and multiresidential**

1 **property.**

2 For revitalization areas established under [this chapter](#)
3 on or after July 1, 2024, and for first-year exemption
4 applications for property located in a revitalization area in
5 existence on July 1, 2024, filed on or after July 1, 2024, an
6 exemption authorized under [this chapter](#) for property that is
7 residential property or multiresidential property shall not
8 apply to property tax levies imposed by a school district.

9 Sec. _____. Section 441.21, subsection 2, Code 2026, is
10 amended to read as follows:

11 2. In the event market value of the property being assessed
12 cannot be readily established in the foregoing manner, then
13 the assessor may determine the value of the property using the
14 other uniform and recognized appraisal methods including its
15 productive and earning capacity, if any, industrial conditions,
16 its cost, physical and functional depreciation and obsolescence
17 and replacement cost, and all other factors which would assist
18 in determining the fair and reasonable market value of the
19 property but the actual value shall not be determined by use
20 of only one such factor. The following shall not be taken into
21 consideration: Special value or use value of the property to
22 its present owner, and the goodwill or value of a business
23 which uses the property as distinguished from the value of
24 the property as property. In addition, for assessment years
25 beginning on or after January 1, 2018, and unless otherwise
26 required for property valued by the department of revenue
27 pursuant to [chapters 428, 437, and 438](#), the assessor shall not
28 take into consideration and shall not request from any person
29 sales or receipts data, expense data, balance sheets, bank
30 account information, or other data related to the financial
31 condition of a business operating in whole or in part on the
32 property if the property is both classified as commercial or
33 industrial property and owned and used by the owner of the
34 business. However, in assessing property that is rented or
35 leased to low-income individuals and families as authorized by

1 section 42 of the Internal Revenue Code, as amended, and which
2 section limits the amount that the individual or family pays
3 for the rental or lease of units in the property, the assessor
4 shall, unless the owner elects to withdraw the property from
5 the assessment procedures for section 42 property, use the
6 productive and earning capacity from the actual rents received
7 as a method of appraisal and shall take into account the extent
8 to which that use and limitation reduces the market value of
9 the property. The assessor shall not consider any tax credit
10 equity or other subsidized financing as income provided to
11 the property in determining the assessed value. The property
12 owner shall notify the assessor when property is withdrawn
13 from section 42 eligibility under the Internal Revenue Code
14 or if the owner elects to withdraw the property from the
15 assessment procedures for section 42 property under this
16 subsection. The property shall not be subject to section 42
17 assessment procedures for the assessment year for which section
18 42 eligibility is withdrawn or an election is made. This
19 notification must be provided to the assessor no later than
20 March 1 of the assessment year or the owner will be subject to a
21 penalty of five hundred dollars for that assessment year. The
22 penalty shall be collected at the same time and in the same
23 manner as regular property taxes. An election to withdraw
24 from the assessment procedures for section 42 property is
25 irrevocable. Property that is withdrawn from the assessment
26 procedures for section 42 property shall be classified and
27 assessed as ~~residential~~ multiresidential property unless the
28 property otherwise fails to meet the requirements of subsection
29 ~~14~~ 13. Upon adoption of uniform rules by the department of
30 revenue or succeeding authority covering assessments and
31 valuations of such properties, the valuation on such properties
32 shall be determined in accordance with such rules and in
33 accordance with forms and guidelines contained in the real
34 property appraisal manual prepared by the department as updated
35 from time to time for assessment purposes to assure uniformity,

1 but such rules, forms, and guidelines shall not be inconsistent
2 with or change the foregoing means of determining the actual,
3 market, taxable, and assessed values.

4 Sec. _____. Section 441.21, subsection 4, paragraph a,
5 subparagraph (3), Code 2026, is amended to read as follows:

6 (3) For valuations established for assessment years
7 beginning on or after January 1, 2022, but before January 1,
8 2027, the calculation of the dividend for residential property
9 under this subsection shall exclude the value of all property
10 described in subsection 14, paragraph "a", subparagraphs (2),
11 (3), (4), (5), and (6), Code 2026, and the property described
12 in subsection 14, paragraph "a", subparagraph (7), Code 2026,
13 that contains three or more separate dwelling units.

14 Sec. _____. Section 441.21, subsection 4, paragraph b,
15 subparagraph (2), Code 2026, is amended to read as follows:

16 (2) For valuations established for assessment years
17 beginning on or after January 1, 2022, but before January 1,
18 2027, the calculation of the divisor for residential property
19 under this subsection shall exclude the value of all property
20 described in subsection 14, paragraph "a", subparagraphs (2),
21 (3), (4), (5), and (6), Code 2026, and the property described
22 in subsection 14, paragraph "a", subparagraph (7), Code 2026,
23 that contains three or more separate dwelling units.

24 Sec. _____. Section 441.21, subsection 5, paragraph f,
25 subparagraph (2), Code 2026, is amended to read as follows:

26 (2) "Parcel" means the same as defined in section 445.1.
27 "Parcel" also means that portion of a parcel assigned a
28 classification of commercial property or industrial property
29 pursuant to ~~section 441.21,~~ subsection 13, paragraph "c", or
30 subsection 14, paragraph "b", Code 2026, as applicable.

31 Sec. _____. Section 441.21, subsection 8, paragraph b, Code
32 2026, is amended to read as follows:

33 b. Notwithstanding paragraph "a", any construction or
34 installation of a solar energy system on property classified
35 as agricultural, residential, multiresidential, commercial, or

1 industrial property shall not increase the actual, assessed,
2 and taxable values of the property for five full assessment
3 years.

4 Sec. _____. Section 441.21, subsections 9 and 10, Code 2026,
5 are amended to read as follows:

6 9. Not later than November 1, ~~1979~~ 2026, and November
7 1 of each subsequent year, the director shall certify to
8 the county auditor of each county the percentages of actual
9 value at which ~~residential property, agricultural property,~~
10 ~~commercial property, industrial property, property valued by~~
11 ~~the department of revenue pursuant to chapters 428 and 438,~~
12 ~~property valued by the department of revenue pursuant to~~
13 ~~chapter 434, and property valued by the department of revenue~~
14 ~~pursuant to chapter 437 in each assessing jurisdiction in~~
15 ~~the county each classification of property shall be assessed~~
16 ~~for taxation, including for assessment years beginning on~~
17 ~~or after January 1, 2022, the percentages used to apply the~~
18 ~~assessment limitations under subsection 5, paragraphs "b"~~
19 ~~and "c".~~ The county auditor shall proceed to determine the
20 assessed values of ~~agricultural property, residential property,~~
21 ~~commercial property, industrial property, property valued by~~
22 ~~the department of revenue pursuant to chapters 428 and 438,~~
23 ~~property valued by the department of revenue pursuant to~~
24 ~~chapter 434, and property valued by the department of revenue~~
25 ~~pursuant to chapter 437 by applying such percentages to the~~
26 ~~current actual value of such property, as reported to the~~
27 ~~county auditor by the assessor, and the assessed values so~~
28 ~~determined shall be the taxable values of such properties upon~~
29 ~~which the levy shall be made.~~

30 10. The percentages of actual value ~~computed~~ determined
31 by the department of revenue for ~~agricultural property,~~
32 ~~residential property, commercial property, industrial property,~~
33 ~~property valued by the department of revenue pursuant to~~
34 ~~chapters 428 and 438, property valued by the department of~~
35 ~~revenue pursuant to chapter 434, and property valued by the~~

1 ~~department of revenue pursuant to chapter 437, including for~~
2 ~~assessment years beginning on or after January 1, 2022, the~~
3 ~~percentages used to apply the assessment limitations under~~
4 ~~subsection 5, paragraphs "b" and "c", and under this section~~
5 ~~and used to determine assessed values of those classes of~~
6 ~~property do not constitute a rule as defined in section 17A.2,~~
7 ~~subsection 11.~~

8 Sec. _____. Section 441.21, subsection 13, paragraph a,
9 unnumbered paragraph 1, Code 2026, is amended to read as
10 follows:

11 Beginning with valuations established on or after January
12 1, ~~2016~~ 2027, ~~but before January 1, 2022,~~ all of the following
13 shall be valued as a separate class of property known as
14 multiresidential property and, excluding properties referred
15 to in section 427A.1, subsection 9, shall be assessed at
16 a percentage of its actual value, as determined in this
17 subsection:

18 Sec. _____. Section 441.21, subsection 13, paragraph b, Code
19 2026, is amended by striking the paragraph and inserting in
20 lieu thereof the following:

21 *b.* (1) For valuations established for the assessment year
22 beginning January 1, 2027, the percentage of actual value as
23 equalized by the department of revenue as provided in section
24 441.49 at which multiresidential property shall be assessed
25 shall be the percentage of actual value determined by the
26 department of revenue at which property assessed as residential
27 property is assessed for the same assessment year under
28 subsection 4 plus three percent, but not to exceed one hundred
29 percent.

30 (2) For valuations established for the assessment
31 year beginning January 1, 2028, and each assessment year
32 thereafter, the percentage of actual value as equalized by
33 the department of revenue as provided in section 441.49 at
34 which multiresidential property shall be assessed shall be the
35 percentage of actual value determined by the department of

1 revenue at which property assessed as residential property is
2 assessed for the same assessment year under subsection 4 plus
3 six percent, but not to exceed one hundred percent.

4 Sec. _____. Section 441.21, subsection 13, paragraph c, Code
5 2026, is amended to read as follows:

6 c. Beginning with valuations established on or after
7 January 1, ~~2016~~ 2027, ~~but before January 1, 2022~~, for parcels
8 for which a portion of the parcel satisfies the requirements
9 for classification as multiresidential property pursuant to
10 paragraph "a", subparagraph (5) or (6), the assessor shall
11 assign to that portion of the parcel the classification
12 of multiresidential property and to such other portions of
13 the parcel the property classification for which such other
14 portions qualify.

15 Sec. _____. Section 441.21, subsection 13, Code 2026, is
16 amended by adding the following new paragraph:

17 NEW PARAGRAPH. *Oe.* For purposes of equalization under
18 sections 441.47 through 441.49, multiresidential property shall
19 be considered residential property.

20 Sec. _____. Section 441.21, subsection 14, Code 2026, is
21 amended to read as follows:

22 14. ~~a.~~ Beginning with valuations established on or after
23 January 1, ~~2022~~ 2027, ~~all of the following property primarily~~
24 used or intended for human habitation containing two or fewer
25 dwelling units shall be classified and valued as residential
26 property+.

27 ~~(1) Property primarily used or intended for human~~
28 ~~habitation containing two or fewer dwelling units.~~

29 ~~(2) Mobile home parks.~~

30 ~~(3) Manufactured home communities.~~

31 ~~(4) Land-leased communities.~~

32 ~~(5) Assisted living facilities.~~

33 ~~(6) A parcel primarily used or intended for human habitation~~
34 ~~containing three or more separate dwelling units. If a~~
35 ~~portion of such a parcel is used or intended for a purpose~~

1 ~~that, if the primary use, would be classified as commercial~~
2 ~~property or industrial property, each such portion, including~~
3 ~~a proportionate share of the land included in the parcel, if~~
4 ~~applicable, shall be assigned the appropriate classification~~
5 ~~pursuant to paragraph "b".~~

6 ~~(7) For a parcel that is primarily used or intended for use~~
7 ~~as commercial property or industrial property, that portion~~
8 ~~of the parcel that is used or intended for human habitation,~~
9 ~~regardless of the number of dwelling units contained on the~~
10 ~~parcel, including a proportionate share of the land included~~
11 ~~in the parcel, if applicable. The portion of such a parcel~~
12 ~~used or intended for use as commercial property or industrial~~
13 ~~property, including a proportionate share of the land included~~
14 ~~in the parcel, if applicable, shall be assigned the appropriate~~
15 ~~classification pursuant to paragraph "b".~~

16 ~~b. Beginning with valuations established on or after~~
17 ~~January 1, 2022, for parcels for which a portion of the parcel~~
18 ~~satisfies the requirements for classification as residential~~
19 ~~property pursuant to paragraph "a", subparagraph (6) or (7),~~
20 ~~the assessor shall assign to that portion of the parcel the~~
21 ~~classification of residential property and to such other~~
22 ~~portions of the parcel the property classification for which~~
23 ~~such other portions qualify.~~

24 ~~c. Property that is rented or leased to low-income~~
25 ~~individuals and families as authorized by section 42 of the~~
26 ~~Internal Revenue Code, and that has not been withdrawn from~~
27 ~~section 42 assessment procedures under [subsection 2](#) of this~~
28 ~~section, or a hotel, motel, inn, or other building where rooms~~
29 ~~or dwelling units are usually rented for less than one month~~
30 ~~shall not be classified as residential property under this~~
31 ~~subsection.~~

32 ~~d. As used in [this subsection](#):~~

33 ~~(1) "Assisted living facility" means property for providing~~
34 ~~assisted living as defined in [section 231C.2](#). "Assisted living~~
35 ~~facility" also includes a health care facility, as defined in~~

1 ~~section 135C.1, an elder group home, as defined in section~~
2 ~~231B.1, a child foster care facility under chapter 237, or~~
3 ~~property used for a hospice program as defined in section~~
4 ~~135J.1.~~

5 ~~(2) "Dwelling unit" means an apartment, group of rooms,~~
6 ~~or single room which is occupied as separate living quarters~~
7 ~~or, if vacant, is intended for occupancy as separate living~~
8 ~~quarters, in which a tenant can live and sleep separately from~~
9 ~~any other persons in the building.~~

10 ~~(3) "Land-leased community" means the same as defined in~~
11 ~~sections 335.30A and 414.28A.~~

12 ~~(4) "Manufactured home community" means the same as a~~
13 ~~land-leased community.~~

14 ~~(5) "Mobile home park" means the same as defined in section~~
15 ~~435.1.~~

16 Sec. _____. Section 558.46, Code 2026, is amended by adding
17 the following new subsection:

18 NEW SUBSECTION. 4A. For the purposes of this section,
19 "residential property" includes multiresidential property.

20 Sec. _____. EFFECTIVE DATE. The following take effect January
21 1, 2027:

22 1. The section of this division of this Act amending section
23 386.8.

24 2. The section of this division of this Act amending section
25 386.9.

26 3. The section of this division of this Act amending section
27 386.10.

28 4. The section of this division of this Act amending section
29 404.2, subsection 2, paragraph "f".

30 5. The section of this division of this Act amending section
31 404.3, subsection 4, paragraph "a".

32 6. The section of this division of this Act amending section
33 404.3A.

34 7. The section of this division of this Act amending section
35 404.3D.

1 8. The section of this division of this Act amending section
2 441.21, subsection 2.

3 9. The section of this division of this Act amending section
4 441.21, subsection 8, paragraph "b".

5 10. The sections of this division of this Act amending
6 section 441.21, subsection 13.

7 11. The section of this division of this Act amending
8 section 441.21, subsection 14.

9 12. The section of this division of this Act amending
10 section 558.46.

11 Sec. _____. APPLICABILITY. The following apply to assessment
12 years beginning on or after January 1, 2027:

13 1. The section of this division of this Act amending section
14 386.8.

15 2. The section of this division of this Act amending section
16 386.9.

17 3. The section of this division of this Act amending section
18 386.10.

19 4. The section of this division of this Act amending section
20 404.2, subsection 2, paragraph "f".

21 5. The section of this division of this Act amending section
22 404.3, subsection 4, paragraph "a".

23 6. The section of this division of this Act amending section
24 404.3A.

25 7. The section of this division of this Act amending section
26 404.3D.

27 8. The section of this division of this Act amending section
28 441.21, subsection 2.

29 9. The section of this division of this Act amending section
30 441.21, subsection 8, paragraph "b".

31 10. The sections of this division of this Act amending
32 section 441.21, subsection 13.

33 11. The section of this division of this Act amending
34 section 441.21, subsection 14.

35 12. The section of this division of this Act amending

1 section 558.46.

2 DIVISION ____

3 EMERGENCY MEDICAL SERVICES LEVY

4 Sec. ____ . Section 422D.1, subsection 1, paragraph a,
5 subparagraph (2), Code 2026, is amended to read as follows:

6 (2) (a) ~~An~~ For fiscal years beginning before July 1, 2027,
7 an ad valorem property tax not to exceed seventy-five cents per
8 one thousand dollars of assessed value on all taxable property
9 within the county.

10 (b) For fiscal years beginning on or after July 1, 2027,
11 an ad valorem property tax not to exceed one dollar and fifty
12 cents per one thousand dollars of assessed value on all taxable
13 property within the county. However, for counties authorized
14 to impose the ad valorem property tax under this subparagraph
15 for the fiscal year beginning July 1, 2026, the maximum levy
16 rate for such county shall not exceed a rate of seventy-five
17 cents per one thousand dollars of assessed value unless a rate
18 in excess thereof, not to exceed one dollar and fifty cents
19 per one thousand dollars of assessed value, is approved at an
20 election held on or after July 1, 2026.

21 DIVISION ____

22 SCHOOL DISTRICT UNSPENT BALANCES — ON-TIME FUNDING AND
23 MODIFIED SUPPLEMENTAL AMOUNTS

24 Sec. ____ . Section 257.7, Code 2026, is amended by adding the
25 following new subsection:

26 NEW SUBSECTION. 3. *Unspent balances.* For school budget
27 years beginning on or after July 1, 2026, a school district's
28 actual unspent balance from the preceding year used to
29 calculate the authorized budget under subsection 1 shall
30 not exceed an amount equal to thirty-five percent of the
31 school district's authorized expenditures for the budget year
32 immediately preceding the base year unless a greater amount
33 is authorized by the school budget review committee based on
34 one or more grounds authorized for the approval of a modified
35 supplemental amount under section 257.31.

1 Sec. _____. Section 257.13, Code 2026, is amended to read as
2 follows:

3 **257.13 On-time ~~funding~~ budget adjustment.**

4 1. a. For the school budget year beginning July 1, 2001,
5 and succeeding budget years beginning before July 1, 2026, if a
6 district's actual enrollment for the budget year, determined
7 under section 257.6, is greater than its budget enrollment for
8 the budget year, the district shall be eligible to receive an
9 on-time ~~funding~~ budget adjustment. The adjustment shall be in
10 an amount equal to the difference between the actual enrollment
11 for the budget year and the budget enrollment for the budget
12 year, multiplied by the district cost per pupil.

13 ~~2.~~ b. The board of directors of a school district that
14 wishes to receive an on-time ~~funding~~ budget adjustment under
15 this subsection shall adopt a resolution to receive the
16 adjustment and notify the school budget review committee
17 annually, but not earlier than November 1, as determined by the
18 department of education. The school budget review committee
19 shall establish a modified supplemental amount pursuant to
20 subsection 1 paragraph "a".

21 2. a. For the school budget years beginning on or after
22 July 1, 2026, if a district's actual enrollment for the budget
23 year, determined under section 257.6, is greater than its
24 budget enrollment for the budget year, the district may request
25 an on-time budget adjustment. The adjustment shall not exceed
26 an amount equal to the difference between the actual enrollment
27 for the budget year and the budget enrollment for the budget
28 year, multiplied by the district cost per pupil.

29 b. To request an on-time budget adjustment under this
30 subsection, the board of directors of a school district shall
31 adopt a resolution to receive the adjustment and notify the
32 school budget review committee on or before a date established
33 by the committee. The school budget review committee may
34 establish a modified supplemental amount pursuant to paragraph
35 "a".

1 3. If the board of directors of a school district determines
2 that a need exists for additional funds exceeding the on-time
3 ~~funding~~ budget adjustment pursuant to [this section](#), a request
4 for a modified supplemental amount based upon increased
5 enrollment may be submitted to the school budget review
6 committee as provided in [section 257.31](#).

7 Sec. _____. NEW SECTION. **279.63A Unspent balance — policy.**

8 1. The board of directors of each school district shall
9 establish a policy that defines a targeted range and maximum
10 amount of unspent balance of authorized expenditures,
11 determined by a percent of authorized expenditures under
12 section 257.7 or other methodology specified in the policy.
13 The policy shall also state the date the policy was adopted
14 and the date the policy was most recently reviewed or revised
15 under subsection 2. The targeted range and maximum amount
16 established in the policy shall be made with the intent to
17 equalize educational opportunity, provide a good education
18 for all the children of the school district, provide property
19 tax relief, decrease the percentage of school costs paid from
20 property taxes, and to provide reasonable control of school
21 costs.

22 2. Targeted ranges and maximum amounts defined in the policy
23 under subsection 1 shall be reviewed annually by the board of
24 directors and such review shall be entered in the minutes of
25 the board and approved revisions shall be made to the policy.

26 Sec. _____. EFFECTIVE DATE. This division of this Act, being
27 deemed of immediate importance, takes effect upon enactment.

28 DIVISION _____

29 GENERAL FUND RESERVES

30 Sec. _____. Section 11.11, Code 2026, is amended to read as
31 follows:

32 **11.11 Scope of audits.**

33 The written report of the audit of a governmental
34 subdivision shall include the auditor's opinion as to whether a
35 governmental subdivision's financial statements are presented

1 fairly in all material respects in conformity with generally
2 accepted accounting principles or with ~~an other~~ another
3 comprehensive basis of accounting. As a part of conducting an
4 audit of a governmental subdivision, an evaluation of internal
5 control and tests for compliance with laws and regulations
6 shall be performed. As part of conducting an audit of a
7 governmental subdivision, an examination of the governmental
8 subdivision's compliance with the reporting requirements of
9 section 331.403, subsection 3, or section 384.22, subsection 2,
10 if applicable, shall be performed. As part of conducting an
11 audit of a governmental subdivision for fiscal years beginning
12 on or after July 1, 2027, an examination of the governmental
13 subdivision's compliance with section 24.35 shall be performed,
14 including verification of the circumstances resulting in actual
15 reserve funds exceeding the specified limits.

16 Sec. _____. Section 24.34, Code 2026, is amended to read as
17 follows:

18 **24.34 Unliquidated obligations.**

19 ~~A city, county, or other political subdivision~~ governmental
20 entity, as defined in section 24.35, may establish an
21 encumbrance system for any obligation not liquidated at the
22 close of the fiscal year in which the obligation has been
23 ~~encumbered~~ assigned, committed, restricted, or specified as
24 nonspendable. The encumbered obligations may be retained
25 upon the books of the ~~city, county, or other political~~
26 ~~subdivision~~ governmental entity, as defined in section 24.35,
27 until liquidated, all in accordance with generally accepted
28 ~~governmental accounting practices~~ principles, as established by
29 the governmental accounting standards board.

30 Sec. _____. NEW SECTION. **24.35 General fund reserves —**
31 **limitations.**

32 1. For purposes of this section:

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

35 b. "*Current fiscal year*" is the fiscal year ending during

1 the calendar year in which a budget for the budget year is
2 certified.

3 *c. "General fund"* means a governmental entity's fund
4 designated as such by law or the governmental entity's fund
5 from which primary general operations of the governmental
6 entity are funded.

7 *d. "Governmental entity"* means any unit of government
8 or other public body or public corporation, including any
9 intergovernmental entity, that has the power to impose or
10 certify a property tax levy. *"Governmental entity"* does not
11 include a school district or a governmental entity within the
12 meaning of this paragraph if the governmental entity has a bond
13 rating for the budget year that is the highest classification,
14 as established by at least one of the standard rating services
15 approved by the superintendent of banking by rule adopted under
16 chapter 17A.

17 *e. "Unassigned"* means funds that are not restricted,
18 committed, assigned, or nonspendable within the meaning of
19 generally accepted accounting principles, as established by the
20 governmental accounting standards board.

21 2. *a.* For budgets certified for budget years beginning
22 on or after July 1, 2027, proposed unassigned reserve funds
23 identified within a governmental entity's general fund shall
24 not exceed an amount equal to thirty-five percent of the
25 budgeted expenditures from the governmental entity's general
26 fund for the current fiscal year prior to budgeted transfers
27 from such general fund.

28 *b.* If the governmental entity's budget does not comply with
29 the requirements of paragraph "a", the department of management
30 shall not certify the governmental entity's taxes back to the
31 county auditor under section 24.17 and the governmental entity
32 shall remedy the violation and recertify the budget.

33 3. Each governmental entity shall establish an obligated
34 funds account within the governmental entity's general fund.
35 Restricted, committed, assigned, or nonspendable funds within

1 the meaning of generally accepted accounting principles, as
2 established by the governmental accounting standards board,
3 shall be deposited in and accounted for in the obligated funds
4 account, including but not limited to such funds that are
5 in the governmental entity's general fund for the purchase,
6 lease-purchase, or major refurbishment of law enforcement,
7 public safety, and public works vehicles and equipment and for
8 vertical infrastructure and horizontal infrastructure projects.

9 4. To ensure uniformity, accuracy, and efficiency in the
10 certification of governmental entity budgets according to the
11 requirements of this section, the department of management
12 shall prescribe the procedures to be used and instruct the
13 appropriate officials of the various governmental entities on
14 implementation of the procedures.

15 Sec. _____. Section 176A.8, subsection 13, Code 2026, is
16 amended by striking the subsection.

17 DIVISION _____

18 PROPERTY PARCEL INFORMATION

19 Sec. _____. Section 331.510, Code 2026, is amended by adding
20 the following new subsection:

21 NEW SUBSECTION. 5. *a.* An annual report not later than
22 September 1 to the department of management containing
23 parcel-level property data, including parcel identification
24 information, location, size, valuation, classification, types
25 of structures and improvements, exemptions, credits, and
26 reporting year amounts of property taxes due and payable.

27 *b.* In addition to the information required under paragraph
28 "*a*", the department of management may require additional
29 parcel-level data deemed necessary by the director of the
30 department of management. The department shall prescribe the
31 form and manner of submitting the annual report under this
32 subsection.

33 *c.* The first annual report under this subsection shall be
34 due not later than September 1, 2027.

35 DIVISION _____

1 URBAN RENEWAL

2 Sec. _____. Section 15A.1, subsection 1, paragraph b, Code
3 2026, is amended to read as follows:

4 b. For purposes of **this chapter**, “*economic development*”
5 means private or joint public and private investment involving
6 the creation of new jobs and income or the retention of
7 existing jobs and income that would otherwise be lost or the
8 provision of workforce housing.

9 Sec. _____. Section 15A.1, subsection 2, Code 2026, is amended
10 by adding the following new paragraph:

11 NEW PARAGRAPH. e. Development policies that advance the
12 development of workforce housing.

13 Sec. _____. Section 331.403, subsection 3, paragraph b,
14 subparagraph (19), Code 2026, is amended by striking the
15 subparagraph.

16 Sec. _____. Section 384.22, subsection 2, paragraph b,
17 subparagraph (19), Code 2026, is amended by striking the
18 subparagraph.

19 Sec. _____. Section 403.17, subsection 10, Code 2026, is
20 amended to read as follows:

21 10. “*Economic development area*” means an area of a
22 municipality designated by the local governing body as
23 appropriate for commercial and industrial enterprises, public
24 improvements related to housing and residential development,
25 or construction of housing and residential development for low
26 and moderate income families, including single or multifamily
27 housing. ~~If an urban renewal plan for an urban renewal area is~~
28 ~~based upon a finding that the area is an economic development~~
29 ~~area and that no part contains slum or blighted conditions,~~
30 ~~then the division of revenue provided in **section 403.19** and~~
31 ~~stated in the plan shall be limited to twenty years from~~
32 ~~the calendar year following the calendar year in which the~~
33 ~~municipality first certifies to the county auditor the amount~~
34 ~~of any loans, advances, indebtedness, or bonds which qualify~~
35 ~~for payment from the division of revenue provided in section~~

1 ~~403.19.~~ Such designated area shall not include agricultural
2 land, including land which is part of a century farm, unless
3 the owner of the agricultural land or century farm agrees to
4 include the agricultural land or century farm in the urban
5 renewal area. For the purposes of **this subsection**, "century
6 farm" means a farm in which at least forty acres of such farm
7 have been held in continuous ownership by the same family for
8 one hundred years or more.

9 Sec. _____. Section 403.17, subsection 14, Code 2026, is
10 amended to read as follows:

11 14. "~~Low or~~ and moderate income families" means those
12 families, including single person households, earning no
13 more than eighty percent of the higher of the median family
14 income of the county or the statewide nonmetropolitan area as
15 determined by the latest United States department of housing
16 and urban development, section 8 income guidelines.

17 Sec. _____. Section 403.17, Code 2026, is amended by adding
18 the following new subsection:

19 NEW SUBSECTION. 14A. "Low and moderate income family
20 housing" means housing for low and moderate income families and
21 includes housing that meets the requirements of section 15.353.

22 Sec. _____. Section 403.19, subsection 2, paragraph a, Code
23 2026, is amended to read as follows:

24 a. That portion of the taxes each year in excess of such
25 amount shall be allocated to and when collected be paid into a
26 special fund of the municipality to pay the principal of and
27 interest on loans, moneys advanced to, or indebtedness, whether
28 funded, refunded, assumed, or otherwise, including bonds
29 issued under the authority of **section 403.9, subsection 1**,
30 incurred by the municipality to finance or refinance, in whole
31 or in part, an urban renewal project within the area, and to
32 provide ~~assistance for~~ low and moderate income family housing
33 ~~as provided in section 403.22~~. However, except as provided
34 in paragraph "b", taxes for the regular and voter-approved
35 physical plant and equipment levy of a school district imposed

1 pursuant to [section 298.2](#); ~~and~~ taxes for the instructional
2 support program of a school district imposed pursuant to
3 [section 257.19](#); taxes for the payment of bonds and interest of
4 each taxing district; foundation property taxes of a school
5 district imposed under section 257.3 levied against property
6 located in an incorporated area and subject to an ordinance
7 providing for a division of revenue adopted on or after January
8 1, 2027; foundation property taxes of a school district imposed
9 under section 257.3 levied against property subject to a
10 division of revenue subject to the sixty percent limitation
11 under paragraph "e" for the applicable fiscal year; and taxes
12 imposed under [section 346.27, subsection 22](#), related to joint
13 county-city buildings shall be collected against all taxable
14 property within the taxing district without limitation by the
15 provisions of [this subsection](#).

16 Sec. _____. Section 403.19, subsection 2, Code 2026, is
17 amended by adding the following new paragraph:

18 NEW PARAGRAPH. e. For urban renewal areas for which an
19 ordinance providing for a division of revenue in effect on
20 the effective date of this division of this Act that is not
21 limited in duration under section 403.17, subsection 10, Code
22 2026, after twenty years following the effective date of this
23 division of this Act or after twenty years from the calendar
24 year following the calendar year in which the municipality
25 first certifies to the county auditor the amount of any loans,
26 advances, indebtedness, or bonds which qualify for payment
27 from the division of revenue, whichever is later, the amount
28 determined under paragraph "a" that may be paid into the
29 municipality's special fund shall not exceed sixty percent of
30 the amount otherwise determined under paragraph "a" but for
31 this paragraph and such excess amounts shall be allocated and
32 paid to the respective taxing districts in the same manner
33 as amounts under subsection 1. The municipality may exceed
34 the limitation in this paragraph to the extent necessary for
35 payments of bonds or other indebtedness incurred before the

1 effective date of this division of this Act, but in such event
2 the municipality shall not issue bonds or other indebtedness
3 payable from such division of revenue while exceeding the
4 limitation and the municipality shall not be eligible to
5 utilize school district foundation property taxes imposed under
6 section 257.3. This paragraph shall not apply to divisions of
7 revenue established by community colleges under chapter 260E or
8 rural improvement zones under chapter 357H.

9 Sec. _____. Section 403.19, Code 2026, is amended by adding
10 the following new subsection:

11 NEW SUBSECTION. 3A. An ordinance providing for a division
12 of revenue under this section that is adopted on or after the
13 effective date of this division of this Act shall be limited
14 to twenty-three years from the calendar year following the
15 calendar year in which the municipality first certifies to the
16 county auditor the amount of any loans, advances, indebtedness,
17 or bonds that qualify for payment from the division of
18 revenue provided for in this section. The ordinance shall
19 terminate and be of no further force and effect following the
20 twenty-three-year period provided in this subsection. This
21 subsection shall not apply to divisions of revenue established
22 by community colleges under chapter 260E or rural improvement
23 zones under chapter 357H.

24 Sec. _____. Section 403.19, Code 2026, is amended by adding
25 the following new subsection:

26 NEW SUBSECTION. 12. For any fiscal year beginning on
27 or after July 1, 2027, following written request filed with
28 the county auditor and the board of directors of the school
29 district, a school district may approve by resolution of the
30 board of directors the payment from the school district's
31 general fund to the municipality for deposit in the special
32 fund under this section all or a portion of the school district
33 foundation property taxes under section 257.3 levied against
34 property located in an incorporated area and subject to an
35 ordinance providing for a division of revenue adopted on or

1 after January 1, 2027, for one or more applicable fiscal years.
2 If approved, the board of directors shall file such resolution
3 with the county auditor. Payments approved under this
4 subsection are voluntary and a school district is not required
5 to pay over the revenue to the municipality unless approved
6 by resolution. Amounts paid by a school district under this
7 subsection shall continue to be considered foundation property
8 taxes levied under section 257.3 and such payment shall not
9 result in the adjustment of state foundation aid or other
10 amounts under chapter 257.

11 Sec. _____. REPEAL. Section 403.22, Code 2026, is repealed.

12 Sec. _____. IMPLEMENTATION. For a division of revenue in
13 effect on the effective date of this division of this Act that
14 was subject to the duration limitation of section 403.22,
15 subsection 5, prior to the effective date of this division of
16 this Act, such division of revenue shall continue to be subject
17 to the duration limitation otherwise applicable to an urban
18 renewal area established upon the determination that the area
19 is an economic development area, as provided in section 403.17,
20 subsection 10, Code 2026.

21 Sec. _____. EFFECTIVE DATE. This division of this Act, being
22 deemed of immediate importance, takes effect upon enactment.

23 Sec. _____. APPLICABILITY. The following applies to property
24 taxes due and payable in fiscal years beginning on or after
25 July 1, 2028:

26 The portion of the section of this division of this Act
27 excluding taxes under section 257.3 from divisions of revenue
28 by amending section 403.19, subsection 2, paragraph "a".

29 Sec. _____. APPLICABILITY. The following applies to urban
30 renewal areas in existence on or established on or after the
31 effective date of this division of this Act:

32 The section of this division of this Act repealing section
33 403.22.

34 DIVISION ____
35 ASSESSMENT PROCEDURES

1 Sec. _____. Section 441.21, subsection 3, Code 2026, is
2 amended to read as follows:
3 3. a. "Actual value", "taxable value", or "assessed
4 value" as used in other sections of the Code in relation to
5 assessment of property for taxation shall mean the valuations
6 as determined by [this section](#); however, other provisions of
7 the Code providing special methods or formulas for assessing
8 or valuing specified property shall remain in effect, but this
9 section shall be applicable to the extent consistent with such
10 provisions. The assessor and department of revenue shall
11 disclose at the written request of the taxpayer all information
12 in any formula or method used to determine the actual value of
13 the taxpayer's property. In addition, for assessment years
14 beginning on or after January 1, 2027, if the taxpayer's
15 residential property has increased in actual value by ten
16 percent or more as compared to either of the two immediately
17 preceding assessment years, the assessor shall provide the
18 taxpayer with a statement of the reasons for the increase in
19 actual value, information specifying the portion of actual
20 value increase attributable to a change in classification,
21 revaluation, new construction, improvements, or renovations to
22 the property, and all information in any formula or method used
23 to determine the actual value.

24 b. ~~(1) For assessment years beginning before January~~
25 ~~1, 2018, the burden of proof shall be upon any complainant~~
26 ~~attacking such valuation as excessive, inadequate, inequitable,~~
27 ~~or capricious. However, in protest or appeal proceedings when~~
28 ~~the complainant offers competent evidence by at least two~~
29 ~~disinterested witnesses that the market value of the property~~
30 ~~is less than the market value determined by the assessor, the~~
31 ~~burden of proof thereafter shall be upon the officials or~~
32 ~~persons seeking to uphold such valuation to be assessed.~~

33 ~~(2)~~ (1) For assessment years beginning on or after January
34 1, 2018, the except as provided in subparagraph (3), the burden
35 of proof shall be upon any complainant attacking such valuation

1 as excessive, inadequate, inequitable, or capricious. However,
2 in protest or appeal proceedings when the complainant offers
3 competent evidence that the market value of the property is
4 different than the market value determined by the assessor,
5 the burden of proof thereafter shall be upon the officials or
6 persons seeking to uphold such valuation to be assessed.

7 ~~(3)~~ (2) If the classification of a property has been
8 previously adjudicated by the property assessment appeal board
9 or a court as part of an appeal under [this chapter](#), there
10 is a presumption that the classification of the property has
11 not changed for each of the four subsequent assessment years,
12 unless a subsequent such adjudication of the classification of
13 the property has occurred, and the burden of demonstrating a
14 change in use shall be upon the person asserting a change to
15 the property's classification.

16 (3) For assessment years beginning on or after January 1,
17 2027, for residential property, if the taxpayer's property
18 actual value increased by ten percent or more as compared to
19 either of the two immediately preceding assessment years,
20 including an increase as the result of an equalization order,
21 and the property did not change classification or primary use
22 and the increase in actual value is not the result of new
23 construction, improvements, or renovations to the property, the
24 actual value so determined by the assessor is not presumed to
25 be the actual value and in any protest or appeal the assessor
26 shall have the burden of proof that the valuation is not
27 excessive, inadequate, inequitable, or capricious.

28 Sec. ____ . Section 441.33, Code 2026, is amended by adding
29 the following new subsection:

30 NEW SUBSECTION. 3. Ex parte communications with board of
31 review members are prohibited in protests before the board.

32 DIVISION ____
33 VALUATIONS — ABNORMAL TRANSACTIONS — REAL ESTATE TRANSFER TAX
34 FORMS

35 Sec. ____ . Section 428A.7, Code 2026, is amended to read as

1 follows:

2 **428A.7 Forms provided by director of revenue.**

3 The director of revenue shall prescribe the form of the
4 declaration of value and shall include an appropriate place
5 for the inclusion of special facts and circumstances relating
6 to the actual sales price in real estate transfers including
7 but not limited to factors that distort market value such as
8 built-to-suit sales, sale-leaseback sales, leased fee sales,
9 and the abnormal transactions identified in section 441.21,
10 subsection 1, paragraph "b", subparagraph (1). The director
11 shall provide an adequate number of the declaration of value
12 forms to each county recorder in the state. If the declaration
13 of value form requires or provides for the inclusion of the
14 social security number or federal tax identification number of
15 a seller or buyer, the department shall provide that the social
16 security number or federal tax identification number remains
17 confidential and cannot be obtained by public examination.

18 Sec. _____. Section 441.21, subsection 1, paragraph b,
19 subparagraph (1), Code 2026, is amended to read as follows:

20 (1) The actual value of all property subject to assessment
21 and taxation shall be the fair and reasonable market value of
22 such property except as otherwise provided in [this section](#).

23 "Market value" is defined as the fair and reasonable exchange
24 in the year in which the property is listed and valued between
25 a willing buyer and a willing seller, neither being under any
26 compulsion to buy or sell and each being familiar with all
27 the facts relating to the particular property. Sale prices
28 of the property or comparable property in normal transactions
29 reflecting market value, and the probable availability
30 or unavailability of persons interested in purchasing the
31 property, shall be taken into consideration in arriving at
32 its market value. In arriving at market value, sale prices
33 of property in abnormal transactions not reflecting market
34 value shall not be taken into account, or shall be adjusted to
35 eliminate the effect of factors which distort market value,

1 including but not limited to built-to-suit construction,
2 sale-leaseback transactions, leased fee sales, sales to
3 immediate family of the seller between related parties,
4 foreclosure or other forced sales, contract sales, discounted
5 purchase transactions or purchase of adjoining land or other
6 land to be operated as a unit.

7 Sec. ____ . RETROACTIVE APPLICABILITY. This division of this
8 Act applies retroactively to assessment years beginning on or
9 after January 1, 2026.

10 DIVISION ____
11 AGRICULTURAL EXTENSION LEVY

12 Sec. ____ . Section 176A.10, Code 2026, is amended to read as
13 follows:

14 **176A.10 County agricultural extension education tax.**

15 1. The extension council of each extension district shall,
16 at a meeting held before April 30, estimate the amount of money
17 required to be raised by taxation for financing the county
18 agricultural extension education program authorized in this
19 chapter. The annual tax levy and the amount of money to be
20 raised from the levy for the county agricultural extension
21 education fund shall not exceed the ~~following~~ amount levied
22 for the immediately preceding fiscal year plus any allowable
23 increase under section 444.25.

24 ~~a. (1) Except as provided in subparagraph (2), for an~~
25 ~~extension district having a population of less than thirty~~
26 ~~thousand, an annual levy of twenty and one-fourth cents per~~
27 ~~thousand dollars of the assessed valuation of the taxable~~
28 ~~property in the district up to a maximum of seventy thousand~~
29 ~~dollars for the fiscal year commencing July 1, 1985, and~~
30 ~~seventy-five thousand dollars for each subsequent fiscal year.~~

31 ~~(2) For an extension district having a population of less~~
32 ~~than thirty thousand and as provided in subsection 2, an annual~~
33 ~~levy of thirty cents per thousand dollars of the assessed~~
34 ~~valuation of the taxable property in the district up to a~~
35 ~~maximum of eighty-seven thousand dollars payable during the~~

1 ~~fiscal year commencing July 1, 1992, and an increase of six~~
2 ~~thousand dollars in the amount payable during each subsequent~~
3 ~~fiscal year.~~

4 ~~b. (1) Except as provided in subparagraph (2), for an~~
5 ~~extension district having a population of thirty thousand or~~
6 ~~more but less than fifty thousand, an annual levy of twenty and~~
7 ~~one-fourth cents per thousand dollars of the assessed valuation~~
8 ~~of the taxable property in the district up to a maximum of~~
9 ~~eighty-four thousand dollars for the fiscal year commencing~~
10 ~~July 1, 1985, and ninety thousand dollars for each subsequent~~
11 ~~fiscal year.~~

12 ~~(2) For an extension district having a population of thirty~~
13 ~~thousand or more but less than fifty thousand and as provided~~
14 ~~in [subsection 2](#), an annual levy of twenty and one-fourth cents~~
15 ~~per thousand dollars of the assessed valuation of the taxable~~
16 ~~property in the district up to a maximum of one hundred four~~
17 ~~thousand dollars payable during the fiscal year commencing~~
18 ~~July 1, 1992, and an increase of seven thousand dollars in the~~
19 ~~amount payable during each subsequent fiscal year.~~

20 ~~c. (1) Except as provided in subparagraph (2), for an~~
21 ~~extension district having a population of fifty thousand~~
22 ~~or more but less than ninety-five thousand, an annual levy~~
23 ~~of thirteen and one-half cents per thousand dollars of the~~
24 ~~assessed valuation of the taxable property in the district~~
25 ~~up to a maximum of one hundred five thousand dollars for the~~
26 ~~fiscal year commencing July 1, 1985, and one hundred twelve~~
27 ~~thousand five hundred dollars for each subsequent fiscal year.~~

28 ~~(2) For an extension district having a population of fifty~~
29 ~~thousand or more but less than ninety thousand and as provided~~
30 ~~in [subsection 2](#), an annual levy of thirteen and one-half cents~~
31 ~~per thousand dollars of the assessed valuation of the taxable~~
32 ~~property in the district up to a maximum of one hundred thirty~~
33 ~~thousand five hundred dollars payable during the fiscal year~~
34 ~~commencing July 1, 1992, and an increase of nine thousand~~
35 ~~dollars in the amount payable during each subsequent fiscal~~

1 year.

2 ~~d. (1) Except as provided in subparagraph (2), for an~~
3 ~~extension district having a population of ninety-five thousand~~
4 ~~or more, an annual levy of thirteen and one-half cents per~~
5 ~~thousand dollars of the assessed valuation of the taxable~~
6 ~~property in the district up to a maximum of one hundred forty~~
7 ~~thousand dollars for the fiscal year commencing July 1, 1985,~~
8 ~~and one hundred fifty thousand dollars for each subsequent~~
9 ~~fiscal year.~~

10 (2) ~~For an extension district having a population of~~
11 ~~ninety thousand or more but less than two hundred thousand and~~
12 ~~as provided in subsection 2, an annual levy of thirteen and~~
13 ~~one-half cents per thousand dollars of the assessed valuation~~
14 ~~of the taxable property in the district up to a maximum of one~~
15 ~~hundred eighty thousand dollars payable during the fiscal year~~
16 ~~commencing July 1, 1992, and an increase of fifteen thousand~~
17 ~~dollars in the amount payable during each subsequent fiscal~~
18 ~~year.~~

19 ~~e. For an extension district having a population of two~~
20 ~~hundred thousand or more and as provided in subsection 2,~~
21 ~~an annual levy of five cents per thousand dollars of the~~
22 ~~assessed valuation of the taxable property in the district up~~
23 ~~to a maximum of two hundred thousand dollars payable during~~
24 ~~the fiscal year commencing July 1, 1992, and an increase of~~
25 ~~twenty-five thousand dollars in the amount payable during each~~
26 ~~subsequent fiscal year.~~

27 2. ~~An extension council of an extension district may~~
28 ~~choose to be subject to the levy and revenue limits specified~~
29 ~~in subsection 1, paragraph "a", subparagraph (2), paragraph~~
30 ~~"b", subparagraph (2), paragraph "c", subparagraph (2), and~~
31 ~~paragraph "d", subparagraph (2), and subsection 1, paragraph~~
32 ~~"e", for the purpose of the annual levy for the fiscal year~~
33 ~~commencing July 1, 1991, which levy is payable in the fiscal~~
34 ~~year beginning July 1, 1992. Before an extension district~~
35 ~~may be subject to the levy and revenue limits specified in~~

1 ~~subsection 1, paragraph "a", subparagraph (2), paragraph~~
2 ~~"b", subparagraph (2), paragraph "c", subparagraph (2), and~~
3 ~~paragraph "d", subparagraph (2), and subsection 1, paragraph~~
4 ~~"e", for fiscal years beginning on or after July 1, 1992, which~~
5 ~~levy is payable in fiscal years beginning on or after July 1,~~
6 ~~1993, the question of whether the district shall be subject to~~
7 ~~the levy and revenue limits as specified in such paragraphs~~
8 ~~must be submitted to the registered voters of the district.~~
9 ~~The question shall be submitted at the time of a general~~
10 ~~election. If the question is approved by a majority of those~~
11 ~~voting on the question the levy and revenue limits specified~~
12 ~~in subsection 1, paragraph "a", subparagraph (2), paragraph~~
13 ~~"b", subparagraph (2), paragraph "c", subparagraph (2), and~~
14 ~~paragraph "d", subparagraph (2), and subsection 1, paragraph~~
15 ~~"e", shall thereafter apply to the extension district. The~~
16 ~~question need only be approved at one general election. If~~
17 ~~a majority of those voting on the question vote against the~~
18 ~~question, the district may continue to submit the question at~~
19 ~~subsequent general elections until approved.~~

20 3. 2. The extension council in each extension district
21 shall comply with [chapter 24](#).

22 Sec. ____ . APPLICABILITY. This division of this Act applies
23 to property taxes due and payable in fiscal years beginning on
24 or after July 1, 2027.

25 DIVISION ____

26 CHAPTER 404 — SCHOOL TAXES

27 Sec. ____ . Section 404.3D, Code 2026, is amended to read as
28 follows:

29 **404.3D Exemptions for residential property.**

30 1. For revitalization areas established under this
31 chapter on or after July 1, 2024, and for first-year exemption
32 applications for property located in a revitalization area in
33 existence on July 1, 2024, filed on or after July 1, 2024, an
34 exemption authorized under [this chapter](#) for property that is
35 residential property shall not apply to property tax levies

1 imposed by a school district.

2 2. In addition to the inapplicability of the exemption to
3 school district property tax levies specified under subsection
4 1, for property taxes due and payable in fiscal years beginning
5 on or after July 1, 2027, if such a property receiving an
6 exemption is located in both a revitalization area and an
7 urban renewal area, the school district property taxes on the
8 property shall not be subject to the division of revenue under
9 section 403.19 and when collected shall be paid to the school
10 district.

11 Sec. ____ . EFFECTIVE DATE. This division of this Act, being
12 deemed of immediate importance, takes effect upon enactment.

13 DIVISION ____

14 UTILITY REPLACEMENT TAX TASK FORCE

15 Sec. ____ . Section 437A.15, subsection 7, paragraph b, Code
16 2026, is amended to read as follows:

17 b. The task force shall study the accuracy of the taxes
18 imposed under this chapter and chapter 437B, ways to modernize
19 the administration of such taxes, methods of simplifying
20 administration of the replacement taxes, elimination of
21 property taxes imposed under this chapter or chapter 437B,
22 simplification of thresholds for replacement tax rate
23 adjustments while retaining tax stability, the effects of
24 the replacement such taxes under ~~this chapter~~ and chapter
25 437B on local taxing authorities, local taxing districts,
26 consumers, and taxpayers through ~~January 1, 2024~~ December 31,
27 2026, including ways to maintain continuity for local taxing
28 districts and consumers and ways to provide a competitive
29 and equitable tax environment for taxpayers. If the task
30 force recommends modifications to the replacement tax that
31 will further the purposes of tax neutrality for local taxing
32 authorities, local taxing districts, taxpayers, and consumers,
33 consistent with the stated purposes of ~~this chapter~~ taxes, the
34 department of management shall transmit those recommendations
35 to the general assembly.

1 representatives from their respective parties.

2 3. Task force meetings shall be open to the public.

3 4. The task force shall compile and analyze at least all of
4 the following prior to preparation of the department's report
5 under subsection 1:

6 a. An inventory of tax-exempt property.

7 b. Interest and feasibility of county participation in such
8 a program.

9 c. Feasible program structures.

10 d. Possible methods for calculation of program payment
11 amounts, not to exceed the proportionate amount of a county's
12 budget for law enforcement, fire protection, and public works
13 services.

14 e. Implementation timelines and procedures.

15 DIVISION ____

16 HOMESTEAD CREDITS AND EXEMPTIONS

17 Sec. _____. Section 10A.518, subsection 2, paragraph b, Code
18 2026, is amended to read as follows:

19 b. The rules shall require the installation of smoke
20 detectors in existing single-family rental units and
21 multiple-unit residential buildings. Existing single-family
22 dwelling units shall be equipped with approved smoke detectors.
23 A person who files for a homestead credit or exemption
24 pursuant to [chapter 425](#), subchapter I, shall certify that the
25 single-family dwelling unit for which the credit or exemption
26 is filed has a smoke detector installed in compliance with this
27 section, or that one will be installed within thirty days of
28 the date the filing for the credit or exemption is made. The
29 director shall adopt rules and establish appropriate procedures
30 to administer [this subsection](#).

31 Sec. _____. Section 10A.518, subsection 3, paragraph b, Code
32 2026, is amended to read as follows:

33 b. The rules shall require the installation of carbon
34 monoxide alarms in existing single-family rental units and
35 multiple-unit residential buildings that have a fuel-fired

1 heater or appliance, a fireplace, or an attached garage.
2 Existing single-family dwellings that have a fuel-fired heater
3 or appliance, a fireplace, or an attached garage shall be
4 equipped with approved carbon monoxide alarms. For purposes
5 of this paragraph, "approved carbon monoxide alarm" means a
6 carbon monoxide alarm that meets the standards established by
7 the underwriters' laboratories or is approved by the director
8 as established by rule under [subsection 5](#). A person who files
9 for a homestead credit or exemption pursuant to [chapter 425,](#)
10 [subchapter I](#), shall certify that the single-family dwelling
11 for which the credit or exemption is filed and that has a
12 fuel-fired heater or appliance, a fireplace, or an attached
13 garage, has carbon monoxide alarms installed in compliance with
14 this section, or that such alarms will be installed within
15 thirty days of the date the filing for the credit or exemption
16 is made. The director shall adopt rules and establish
17 appropriate procedures to administer [this subsection](#).

18 Sec. _____. Section 25B.7, subsection 2, paragraph a, Code
19 2026, is amended to read as follows:

20 a. Homestead tax credit pursuant to [section 425.1](#), and
21 sections 425.2 through 425.13, ~~and [section 425.15](#)~~.

22 Sec. _____. Section 103.22, subsection 7, Code 2026, is
23 amended to read as follows:

24 7. Prohibit an owner of property from performing work on the
25 owner's principal residence, if such residence is an existing
26 dwelling rather than new construction and is not an apartment
27 that is attached to any other apartment or building, as those
28 terms are defined in [section 499B.2](#), and is not larger than a
29 single-family dwelling, or require such owner to be licensed
30 under [this chapter](#). In order to qualify for inapplicability
31 pursuant to [this subsection](#), a residence shall qualify for the
32 homestead tax credit or exemption.

33 Sec. _____. Section 105.11, subsection 3, Code 2026, is
34 amended to read as follows:

35 3. Prohibit an owner of property from performing work on the

1 owner's principal residence, if such residence is an existing
2 dwelling rather than new construction and is not larger than a
3 single-family dwelling, or farm property, excluding commercial
4 or industrial installations or installations in public use
5 buildings or facilities, or require such owner to be licensed
6 under [this chapter](#). In order to qualify for inapplicability
7 pursuant to [this subsection](#), a residence shall qualify for the
8 homestead tax credit or exemption.

9 Sec. _____. Section 216.12, subsection 1, paragraph e, Code
10 2026, is amended to read as follows:

11 e. The rental or leasing of a housing accommodation in a
12 building which contains housing accommodations for not more
13 than four families living independently of each other, if the
14 owner resides in one of the housing accommodations for which
15 the owner qualifies for the homestead tax credit or exemption
16 under ~~section 425.1~~ chapter 425, subchapter I.

17 Sec. _____. Section 321.1, subsection 6C, Code 2026, is
18 amended to read as follows:

19 6C. "*Bona fide residence*" or "*bona fide address*" means the
20 current street or highway address of an individual's residence.
21 The bona fide residence of a person with more than one dwelling
22 is the dwelling for which the person claims a homestead
23 tax credit or exemption under chapter 425, subchapter I, if
24 applicable. The bona fide residence of a homeless person is a
25 primary nighttime residence meeting one of the criteria listed
26 in [section 48A.2, subsection 3](#).

27 Sec. _____. Section 331.401, subsection 1, paragraphs e and f,
28 Code 2026, are amended to read as follows:

29 e. Adopt resolutions authorizing the county assessor to
30 provide forms for homestead tax exemption and credit claimants
31 as provided in ~~section 425.2~~ chapter 425, subchapter I, and
32 military service tax exemptions as provided in [section 426A.14](#).

33 f. Examine and allow or disallow claims for homestead
34 tax exemption and credit in accordance with ~~section 425.3~~
35 chapter 425, subchapter I, and claims for military service

1 tax exemption in accordance with chapter 426A. The board,
2 by a single resolution, may allow or disallow the exemptions
3 recommended by the assessor.

4 Sec. _____. Section 331.512, subsection 3, Code 2026, is
5 amended to read as follows:

6 3. Carry out duties relating to the homestead tax exemption
7 and credit as provided in chapter 425, subchapter I, and
8 agricultural land tax credit as provided in ~~chapters 425 and~~
9 chapter 426.

10 Sec. _____. Section 331.559, subsection 11, Code 2026, is
11 amended to read as follows:

12 11. Carry out duties relating to the administration of
13 the homestead tax exemption and credit and other credits as
14 provided in ~~sections 425.4, 425.5, 425.7, 425.9, 425.10, and~~
15 425.25 chapter 425.

16 Sec. _____. Section 404.3, subsection 1, Code 2026, is amended
17 to read as follows:

18 1. All qualified real estate assessed as residential
19 property is eligible to receive an exemption from taxation
20 based on the actual value added by the improvements. The
21 exemption is for a period of ten years. The amount of the
22 exemption is equal to a percent of the actual value added by
23 the improvements, determined as follows: One hundred fifteen
24 percent of the value added by the improvements. However, the
25 amount of the actual value added by the improvements which
26 shall be used to compute the exemption shall not exceed twenty
27 thousand dollars and the granting of the exemption shall not
28 result in the actual value of the qualified real estate being
29 reduced below the actual value on which the homestead ~~credit~~
30 exemption is computed under section ~~425.1~~ 425.1A, subsection
31 1A.

32 Sec. _____. Section 425.1, subsection 2, Code 2026, is amended
33 by striking the subsection and inserting in lieu thereof the
34 following:

35 2. a. The homestead credit fund shall be apportioned each

1 year so as to give a credit against the tax on each eligible
2 homestead in the state equal to the amounts specified pursuant
3 to paragraph "b" or "c", as applicable.

4 *b.* (1) If the owner of a homestead allowed a credit under
5 this subchapter is any of the following, the homestead credit
6 allowed on the homestead shall be the entire amount of tax
7 levied on the homestead:

8 (a) A veteran of any of the military forces of the United
9 States who acquired the homestead under 38 U.S.C. §21.801,
10 21.802 prior to August 6, 1991, or under 38 U.S.C. §2101, 2102.

11 (b) A veteran as defined in section 35.1 with a permanent
12 service-connected disability rating of one hundred percent, as
13 certified by the United States department of veterans affairs,
14 or a permanent and total disability rating based on individual
15 unemployability that is compensated at the one hundred percent
16 disability rate, as certified by the United States department
17 of veterans affairs.

18 (c) A former member of the national guard of any state
19 who otherwise meets the service requirements of section 35.1,
20 subsection 2, paragraph "b", subparagraph (2) or (7), with a
21 permanent service-connected disability rating of one hundred
22 percent, as certified by the United States department of
23 veterans affairs, or a permanent and total disability rating
24 based on individual unemployability that is compensated at the
25 one hundred percent disability rate, as certified by the United
26 States department of veterans affairs.

27 (d) An individual who is a surviving spouse or a child and
28 who is receiving dependency and indemnity compensation pursuant
29 to 38 U.S.C. §1301 et seq., as certified by the United States
30 department of veterans affairs.

31 (2) (a) For an owner described in subparagraph (1),
32 subparagraph division (a), (b), or (c), the credit allowed
33 shall be continued to the estate of an owner who is deceased
34 or the surviving spouse and any child, as defined in section
35 234.1, who are the beneficiaries of a deceased owner, so long

1 as the surviving spouse remains unmarried.

2 (b) An individual described in subparagraph (1),
3 subparagraph division (d), is no longer eligible for the credit
4 upon termination of dependency and indemnity compensation under
5 38 U.S.C. §1301 et seq.

6 (3) An owner or a beneficiary of an owner who elects to
7 secure the credit provided in this paragraph is not eligible
8 for the credit provided in paragraph "c" or any other real
9 property tax credit or exemption provided by law for veterans
10 of military service.

11 (4) If an owner acquires a different homestead, the
12 credit allowed under this paragraph may be claimed on the new
13 homestead unless the owner fails to meet the other requirements
14 of this paragraph.

15 (5) (a) Except as provided in subparagraph division (b),
16 the list of the names and addresses of individuals allowed
17 a credit under this paragraph and maintained by the county
18 recorder, county treasurer, county assessor, city assessor, or
19 other government body is confidential information and shall
20 not be disseminated to any person unless otherwise ordered by
21 a court or released by the lawful custodian of the records
22 pursuant to state or federal law. The county recorder, county
23 treasurer, county assessor, city assessor, or other government
24 body responsible for maintaining the names and addresses
25 of individuals allowed a credit under this paragraph may
26 display such credit on individual paper records and individual
27 electronic records, including display on an internet site.

28 (b) Upon request, a county recorder, county assessor, city
29 assessor, or other entity may share information as described in
30 subparagraph division (a) to a county veterans service officer
31 for purposes of providing information on benefits and services
32 available to veterans and their families.

33 (6) (a) For an owner who makes an application to secure
34 the credit provided in this paragraph before July 1, 2026,
35 and for the beneficiary of such an owner, "homestead" shall

1 mean the same as defined in section 425.11 for each succeeding
2 assessment year.

3 (b) For an owner who makes an application to secure the
4 credit provided in this paragraph on or after July 1, 2026, and
5 for the beneficiary of such an owner, "homestead" shall mean the
6 same as provided in section 425.11, except the homestead shall
7 not include appurtenances and shall not exceed one-half acre.

8 (7) For purposes of this paragraph, "permanent and total
9 disability rating based on individual unemployability" means
10 a condition under which a person has either a permanent
11 service-connected disability rating of sixty percent or two or
12 more permanent service-connected disability conditions in which
13 one of the conditions has at least a forty percent rating and
14 the combined rating for all the conditions is at least seventy
15 percent, and the person has an administrative adjustment added
16 to the service-connected disability rating, due to individual
17 unemployability, such that the United States department of
18 veterans affairs rates the veteran permanently and totally
19 disabled for purposes of disability compensation.

20 c. (1) For assessment years beginning prior to January
21 1, 2026, unless eligible under section 425.15, Code 2026, an
22 amount equal to the actual levy on the first four thousand
23 eight hundred fifty dollars of actual value for each homestead.

24 (2) For the assessment year beginning January 1, 2026,
25 and each assessment year thereafter, unless eligible under
26 paragraph "b", a claim for the homestead credit under this
27 paragraph "c" shall not be allowed.

28 Sec. ____ . Section 425.1A, subsection 1, Code 2026, is
29 amended to read as follows:

30 1. The following exemptions from taxation shall be allowed
31 ~~in addition to following application of the homestead credit~~
32 exemption under subsection 1A for an owner that has attained
33 the age of sixty-five years by January 1 of the assessment
34 year:

35 a. For the assessment year beginning January 1, 2023, the

1 eligible homestead, not to exceed three thousand two hundred
2 fifty dollars in taxable value.

3 *b.* For ~~the assessment year~~ years beginning on or after
4 January 1, 2024, ~~and each succeeding assessment year,~~ the
5 eligible homestead, not to exceed six thousand five hundred
6 dollars in taxable value.

7 Sec. _____. Section 425.1A, Code 2026, is amended by adding
8 the following new subsection:

9 NEW SUBSECTION. 1A. *a.* For the assessment year beginning
10 January 1, 2026, and each assessment year thereafter, an
11 exemption from taxation of ten percent of the taxable value,
12 but not less than an exemption of five thousand five hundred
13 dollars in taxable value and not to exceed an exemption of
14 twenty thousand dollars in taxable value, shall be allowed on
15 each eligible homestead.

16 *b.* (1) For the assessment year beginning January 1, 2027,
17 and for each subsequent assessment year, the maximum exemption
18 amount under paragraph "a" shall be multiplied by the cumulative
19 adjustment factor for that assessment year. "*Cumulative*
20 *adjustment factor*" means the product of the annual adjustment
21 factor for the assessment year beginning January 1, 2026, and
22 all annual adjustment factors for subsequent assessment years.
23 The cumulative adjustment factor applies to the assessment year
24 beginning in the calendar year for which the latest annual
25 adjustment factor has been determined.

26 (2) The annual adjustment factor for the assessment year
27 beginning January 1, 2026, is one hundred percent. For each
28 subsequent assessment year, the annual adjustment factor equals
29 the annual inflation factor for the calendar year, in which
30 the assessment year begins, as computed in section 422.4 for
31 purposes of the individual income tax.

32 (3) The cumulative adjustment factor shall be determined
33 annually by the department of revenue.

34 Sec. _____. Section 425.1A, subsection 2, Code 2026, is
35 amended to read as follows:

1 2. [Section 25B.7, subsection 1](#), shall not apply to the
2 property tax ~~exemption~~ exemptions provided in [this section](#).

3 Sec. _____. Section 425.2, subsections 1 and 2, Code 2026, are
4 amended to read as follows:

5 1. A person who wishes to qualify for the homestead credit
6 or exemptions allowed under [this subchapter](#) shall obtain the
7 appropriate forms for filing ~~for the credit~~ from the assessor.
8 The forms shall include the ability to claim the credit under
9 section 425.1 and the exemptions under section 425.1A.
10 However, a separate form shall be required for claiming a
11 credit under section 425.1, subsection 2, paragraph "b". The
12 person claiming the credit or exemption shall file a verified
13 statement and designation of homestead with the assessor for
14 the year for which the person is first claiming the credit
15 or exemption. The claim shall be filed not later than July
16 1 of the year for which the person is claiming the credit or
17 exemption. A claim filed after July 1 of the year for which the
18 person is claiming the credit or exemption shall be considered
19 as a claim filed for the following year.

20 2. Upon the filing and allowance of the claim, the claim
21 shall be allowed on that homestead for successive years without
22 further filing as long as the property is legally or equitably
23 owned and used as a homestead by that person or that person's
24 spouse on July 1 of each of those successive years, and the
25 owner of the property being claimed as a homestead declares
26 residency in Iowa for purposes of income taxation, and the
27 property is occupied by that person or that person's spouse
28 for at least six months in each of those calendar years in
29 which the fiscal year begins. When the property is sold or
30 transferred, the buyer or transferee who wishes to qualify
31 shall refile for the credit or exemption. However, when the
32 property is transferred as part of a distribution made pursuant
33 to [chapter 598](#), the transferee who is the spouse retaining
34 ownership of the property is not required to refile for the
35 credit or exemption. Property divided pursuant to [chapter 598](#)

1 shall not be modified following the division of the property.
2 An owner who ceases to use a property for a homestead or
3 intends not to use it as a homestead for at least six months in
4 a calendar year shall provide written notice to the assessor
5 by July 1 following the date on which the use is changed. A
6 person who sells or transfers a homestead or the personal
7 representative of a deceased person who had a homestead at the
8 time of death, shall provide written notice to the assessor
9 that the property is no longer the homestead of the former
10 claimant.

11 Sec. _____. Section 425.2, subsection 4, Code 2026, is amended
12 by striking the subsection.

13 Sec. _____. Section 425.2, subsections 5 and 6, Code 2026, are
14 amended to read as follows:

15 5. Any person sixty-five years of age or older or any person
16 who is disabled may request, in writing, from the appropriate
17 assessor forms for filing ~~for homestead tax credit~~. Any
18 person sixty-five years of age or older or who is disabled
19 may complete the form, which shall include a statement of
20 homestead, and mail or return it to the appropriate assessor.
21 The signature of the claimant on the statement shall be
22 considered the claimant's acknowledgment that all statements
23 and facts entered on the form are correct to the best of the
24 claimant's knowledge.

25 6. Upon adoption of a resolution by the county board
26 of supervisors, any person may request, in writing, from
27 the appropriate assessor forms for the filing ~~for homestead~~
28 ~~tax credit~~. The person may complete the form, which shall
29 include a statement of homestead, and mail or return it to
30 the appropriate assessor. The signature of the claimant on
31 the statement of homestead shall be considered the claimant's
32 acknowledgment that all statements and facts entered on the
33 form are correct to the best of the claimant's knowledge.

34 Sec. _____. Section 425.8, subsection 1, Code 2026, is amended
35 to read as follows:

1 1. The director of revenue shall prescribe the form
2 for the making of a verified statement and designation of
3 homestead, the form for the supporting affidavits required
4 herein, and such other forms as may be necessary for the proper
5 administration of [this subchapter](#). Whenever necessary, the
6 department of revenue shall forward to the county auditors of
7 the several counties in the state the prescribed sample forms,
8 and the county auditors shall furnish blank forms prepared in
9 accordance therewith with the assessment rolls, books, and
10 supplies delivered to the assessors. The department of revenue
11 shall prescribe and the county auditors shall provide on the
12 forms ~~for claiming the homestead credit~~ a statement to the
13 effect that the owner realizes that the owner must give written
14 notice to the assessor when the owner changes the use of the
15 property.

16 Sec. _____. Section 425.11, subsection 1, paragraph d,
17 subparagraph (1), unnumbered paragraph 1, Code 2026, is amended
18 to read as follows:

19 The homestead includes the dwelling house which the owner,
20 in good faith, is occupying as a home on July 1 of the year for
21 which the credit or exemption is claimed and occupies as a home
22 for at least six months during the calendar year in which the
23 fiscal year begins, except as otherwise provided.

24 Sec. _____. Section 425.11, subsection 1, paragraph d,
25 subparagraph (3), Code 2026, is amended to read as follows:

26 (3) It must not embrace more than one dwelling house, but
27 where a homestead has more than one dwelling house situated
28 thereon, the exemption ~~and~~ or credit provided for in this
29 subchapter shall apply to the home and buildings used by the
30 owner, but shall not apply to any other dwelling house and
31 buildings appurtenant.

32 Sec. _____. Section 425.11, subsection 1, paragraph e,
33 subparagraph (2), Code 2026, is amended to read as follows:

34 (2) For the purpose of [this subchapter](#), the word "owner"
35 shall be construed to mean a bona fide owner and not one for

1 the purpose only of availing the person of the benefits of this
2 subchapter. In order to qualify for the homestead tax credit
3 ~~and~~ or exemption, evidence of ownership shall be on file in the
4 office of the clerk of the district court or recorded in the
5 office of the county recorder at the time the owner files with
6 the assessor a verified statement of the homestead claimed by
7 the owner as provided in [section 425.2](#).

8 Sec. ____ . NEW SECTION. **425.50 Homestead credit replacement**
9 **funding — replacement claims.**

10 1. *a.* For the fiscal year beginning July 1, 2027, and
11 each fiscal year thereafter beginning before July 1, 2029,
12 there is appropriated from the general fund of the state to the
13 department of revenue an amount necessary for the payment of
14 all homestead credit replacement claims under this section for
15 the fiscal year.

16 *b.* Moneys appropriated by the general assembly to the
17 department of revenue under this subsection are not subject
18 to a uniform reduction in appropriations in accordance with
19 section 8.31.

20 2. For each fiscal year beginning on or after July 1, 2027,
21 but before July 1, 2029, each county treasurer shall be paid
22 by the department of revenue an amount equal to the sum of the
23 homestead credit replacement claims for all taxing authorities
24 located in the county, as calculated in subsection 3. The
25 county treasurer shall pay to each taxing authority the taxing
26 authority's homestead credit replacement claim as calculated in
27 subsection 3. As used in this section, "*taxing authority*" means
28 a city, county, school district, or other governmental entity
29 or political subdivision in this state authorized to certify a
30 levy on property located within such authority.

31 3. *a.* Subject to paragraph "*b*", for fiscal years beginning
32 on or after July 1, 2027, but before July 1, 2029, the amount of
33 each taxing authority's replacement claim is as follows:

34 (1) For the fiscal year beginning July 1, 2027, two-thirds
35 of the amount received by the taxing authority from payments

1 made from the homestead credit fund under section 425.1 for
2 the fiscal year beginning July 1, 2026, excluding amounts
3 attributable to the payment of homestead credits under section
4 425.15, Code 2026.

5 (2) For the fiscal year beginning July 1, 2028, one-third
6 of the amount received by the taxing authority from payments
7 made from the homestead credit fund under section 425.1 for
8 the fiscal year beginning July 1, 2026, excluding amounts
9 attributable to the payment of homestead credits under section
10 425.15, Code 2026.

11 *b.* For a taxing authority that is a school district, the
12 amount received by the school district from payments made from
13 the homestead credit fund under section 425.1 for the fiscal
14 year beginning July 1, 2026, used to calculate the school
15 district's replacement claim shall be reduced by that portion
16 of such amount attributable to homestead credits against
17 property taxes levied by the school district under section
18 257.3 for the fiscal year beginning July 1, 2026.

19 4. *a.* For fiscal years beginning on or after July 1, 2027,
20 but before July 1, 2029, each taxing authority's replacement
21 claim calculated under subsection 3 shall be paid to the
22 appropriate county treasurer, as provided in subsection 2, in
23 equal installments in September and March of each year.

24 *b.* After payment by the county treasurer to the taxing
25 authority, the taxing authority's replacement claim shall be
26 apportioned and credited by the governing body of the taxing
27 authority among the taxing authority's tax levies in the same
28 proportion that each property tax levy bears to the total of
29 all property tax levies imposed by the taxing authority for the
30 fiscal year for which the payment is received, but excluding
31 a school district's property tax levy under section 257.3, as
32 applicable. The amounts received under this section shall
33 be considered property taxes in the same manner as though
34 the amount had been paid as credits under the provisions of
35 section 425.1 and shall be used for the purposes of the taxing

1 authority's applicable property tax levies.

2 5. This section is repealed July 1, 2030.

3 Sec. _____. Section 483A.24, subsection 20, Code 2026, is
4 amended to read as follows:

5 20. Upon payment of a fee established by rules adopted
6 pursuant to [section 483A.1](#) for a lifetime trout fishing
7 license, the department shall issue a lifetime trout fishing
8 license to a person who is at least sixty-five years of age or
9 to a person who qualifies for the disabled veteran homestead
10 credit under [section ~~425.15~~ 425.1, subsection 2, paragraph "b"](#).
11 The department shall prepare an application to be used by a
12 person requesting a lifetime trout fishing license under this
13 subsection.

14 Sec. _____. REPEAL. Section 425.15, Code 2026, is repealed.

15 Sec. _____. CODE EDITOR DIRECTIVE. The Code editor is
16 directed to create a new subchapter III in chapter 425,
17 entitled "Homestead Credit Replacement Funding" and include
18 section 425.50.

19 Sec. _____. IMPLEMENTATION. Homestead owners who have filed
20 for or that are receiving homestead credits or exemptions under
21 chapter 425, subchapter I, before the effective date of this
22 division of this Act shall continue to receive such credits and
23 exemptions for which the owner is eligible for assessment years
24 beginning on or after January 1, 2026, without refileing, and,
25 if the owner is eligible, shall receive the exemption under
26 section 425.1A, subsection 1A, as enacted in this division of
27 this Act, without filing for such exemption.

28 Sec. _____. RETROACTIVE APPLICABILITY. This division of this
29 Act applies retroactively to assessment years beginning on or
30 after January 1, 2026.

31 DIVISION _____

32 LOCAL GOVERNMENT BUDGET STATEMENTS

33 Sec. _____. Section 24.2A, subsection 1, paragraph c, Code
34 2026, is amended by striking the paragraph.

35 Sec. _____. Section 24.2A, subsection 2, paragraph a, Code

1 2026, is amended to read as follows:

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

12 Sec. _____. Section 24.2A, subsection 2, paragraph b, Code
13 2026, is amended by striking the paragraph and inserting in
14 lieu thereof the following:

15 *b.* Not later than March 15, the county auditor, using
16 information compiled and calculated by the department of
17 management under paragraph "*a*", shall send to each property
18 owner or taxpayer within the county by regular mail or post
19 under paragraph "*c*" a statement, identified as not being a
20 property tax bill and indicating the approximate date when
21 a property tax bill will be delivered, but containing a
22 minimum of all of the following, including the information
23 in subparagraphs (3) and (4) for each of the political
24 subdivisions comprising the owner's or taxpayer's taxing
25 district:

26 (1) The address, property description, parcel
27 identification number, actual value, and taxable value of the
28 owner's or taxpayer's property.

29 (2) A comparison of the combined amount of property taxes
30 due on the owner's or taxpayer's property for the city, if
31 applicable, county, and school district for the current fiscal
32 year and the combined proposed amount of property taxes due on
33 the owner's or taxpayer's property for the city, if applicable,
34 county, and school district for the budget year, including the
35 percentage in change in such amounts.

1 (3) The date, time, and location of the political
2 subdivision's public hearing under subsection 4, including
3 a statement of the owner or taxpayer's ability to provide
4 feedback at the public hearing and protest property
5 assessments.

6 (4) Information on how to access on the political
7 subdivision's internet site the political subdivision's
8 statements under this section and other budget documents for
9 prior fiscal years.

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

14 Sec. _____. Section 24.2A, subsection 2, Code 2026, is amended
15 by adding the following new paragraph:

16 NEW PARAGRAPH. c. For budgets for fiscal years beginning
17 on or after July 1, 2027, statements under paragraph "b", in
18 lieu of regular mail, may be provided by posting the statement
19 not later than March 15 as a link on the county's internet site
20 for public viewing. Additionally, if the political subdivision
21 maintains a social media account on one or more social media
22 applications, the statement or an electronic link to the
23 statement shall be posted on each such account on a date no
24 later than March 15.

25 Sec. _____. Section 24.2A, subsection 3, Code 2026, is amended
26 to read as follows:

27 3. The department of management shall prescribe the form
28 for the report required under subsection 2, paragraph "a";
29 following consultation with the Iowa league of cities and the
30 Iowa state association of counties, the statements required to
31 be mailed under subsection 2, paragraph "b", or provided under
32 subsection 2, paragraph "c"; and the public hearing notice
33 required under subsection 4, paragraph "b". The statements
34 required under subsection 2, paragraph "b", shall be clear,
35 concise, written in plain language, and may be presented using

1 tables, written narrative, and graphic representations and
2 shall contain the internet site, if applicable, and a telephone
3 number for each political subdivision that owners and taxpayers
4 may call if they have questions related to the statement.

5 Sec. _____. Section 24.2A, subsection 4, paragraph b,
6 subparagraph (4), subparagraph division (a), Code 2026, is
7 amended to read as follows:

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

12 Sec. _____. Section 24.3, unnumbered paragraph 1, Code 2026,
13 is amended to read as follows:

14 A municipality shall not certify or levy in any fiscal year
15 any tax on property subject to taxation unless and until the
16 following estimates have been made, filed, and considered,
17 and for school districts, the ~~individual~~ statements have been
18 mailed or posted, as applicable, and public hearings held, as
19 provided in [this chapter](#):

20 Sec. _____. Section 331.434, subsection 3, Code 2026, is
21 amended to read as follows:

22 3. Following, and not until, the requirements of section
23 24.2A are completed, the board shall set a time and place for
24 a public hearing on the budget before the final certification
25 date and shall publish notice of the hearing not less than
26 ten nor more than twenty days prior to the hearing in the
27 county newspapers selected under [chapter 349](#). A summary of
28 the proposed budget and a description of the procedure for
29 protesting the county budget under [section 331.436](#), in the form
30 prescribed by the director of the department of management,
31 shall be included in the notice. Proof of publication of
32 the notice under [this subsection 3](#) shall be filed with and
33 preserved by the county auditor. A levy is not valid unless
34 and until the notice is published and ~~individual~~ statements
35 under [section 24.2A](#) are mailed or posted. The department of

1 management shall prescribe the form for the public hearing
2 notice for use by counties.

3 Sec. _____. Section 331.435, subsection 2, Code 2026, is
4 amended to read as follows:

5 2. The board shall prepare and adopt a budget amendment in
6 the same manner as the original budget as provided in section
7 331.434, but excluding the requirements for ~~mailing individual~~
8 statements under [section 24.2A](#), and the amendment is subject
9 to protest as provided in [section 331.436](#), except that the
10 director of the department of management may by rule provide
11 that amendments of certain types or up to certain amounts may
12 be made without public hearing and without being subject to
13 protest. A county budget for the ensuing fiscal year shall be
14 amended by May 31 to allow time for a protest hearing to be
15 held and a decision rendered before June 30. An amendment of
16 a budget after May 31 which is properly appealed but without
17 adequate time for hearing and decision before June 30 is void.

18 Sec. _____. Section 384.17, Code 2026, is amended to read as
19 follows:

20 **384.17 Levy by county.**

21 At the time required by law, the county board of supervisors
22 shall levy the taxes necessary for each city fund for the
23 following fiscal year. The levy must be as shown in the
24 adopted city budget and as certified by the clerk, subject to
25 any changes made after a protest hearing, and any additional
26 tax rates approved at a city election. A city levy is not valid
27 until proof of publication or posting of notice of a budget
28 hearing under [section 384.16, subsection 3](#), is filed with the
29 county auditor and ~~individual~~ statements are mailed or posted
30 under [section 24.2A](#).

31 Sec. _____. Section 384.18, subsection 2, Code 2026, is
32 amended to read as follows:

33 2. A budget amendment must be prepared and adopted in the
34 same manner as the original budget, as provided in section
35 384.16, excluding the requirement for the ~~mailing of individual~~

1 statements under [section 24.2A](#), and is subject to protest as
2 provided in [section 384.19](#), except that the committee may by
3 rule provide that amendments of certain types or up to certain
4 amounts may be made without public hearing and without being
5 subject to protest. A city budget shall be amended by May
6 31 of the current fiscal year to allow time for a protest
7 hearing to be held and a decision rendered before June 30. The
8 amendment of a budget after May 31, which is properly appealed
9 but without adequate time for hearing and decision before June
10 30 is void.

11 Sec. _____. IMPLEMENTATION OF DIVISION OF ACT. Section 25B.2,
12 subsection 3, shall not apply to this division of this Act.

13 Sec. _____. APPLICABILITY. This division of this Act applies
14 to political subdivision budgets for fiscal years beginning on
15 or after July 1, 2027.

16 DIVISION ____

17 HOSPITAL PROPERTY TAX LEVIES

18 Sec. _____. Section 347.7, Code 2026, is amended by adding the
19 following new subsection:

20 NEW SUBSECTION. 3A. *a.* For fiscal years beginning on
21 or after July 1, 2027, any property tax levy imposed for a
22 county hospital under this chapter that is limited by law to
23 a specific property tax levy rate per one thousand dollars of
24 assessed value shall not exceed a levy rate per one thousand
25 dollars of assessed value that is equal to one thousand
26 multiplied by the quotient obtained by dividing one hundred
27 four percent of the current fiscal year's actual property tax
28 dollars certified for such levy by the remainder of the total
29 assessed value used to calculate such taxes for the budget year
30 minus value attributable to new valuation.

31 *b.* The amount of property tax dollars calculated under this
32 subsection includes those amounts budgeted by the hospital as
33 replacement taxes under chapter 437A or 437B, if applicable.

34 *c.* For purposes of this subsection, "*budget year*", "*current*
35 *fiscal year*", and "*new valuation*" mean the same as defined in

1 section 331.423.

2 Sec. _____. Section 347A.3, Code 2026, is amended by adding
3 the following new subsection:

4 NEW SUBSECTION. 3. *a.* For fiscal years beginning on
5 or after July 1, 2027, any property tax levy imposed for a
6 county hospital under this chapter that is limited by law to
7 a specific property tax levy rate per one thousand dollars of
8 assessed value shall not exceed a levy rate per one thousand
9 dollars of assessed value that is equal to one thousand
10 multiplied by the quotient obtained by dividing one hundred
11 four percent of the current fiscal year's actual property tax
12 dollars certified for such levy by the remainder of the total
13 assessed value used to calculate such taxes for the budget year
14 minus value attributable to new valuation.

15 *b.* The amount of property tax dollars calculated under this
16 subsection includes those amounts budgeted by the hospital as
17 replacement taxes under chapter 437A or 437B, if applicable.

18 *c.* For purposes of this subsection, "budget year", "current
19 fiscal year", and "new valuation" mean the same as defined in
20 section 331.423.

21 DIVISION ____

22 TRANSIT TAXES

23 Sec. _____. Section 28M.5, subsection 1, Code 2026, is amended
24 to read as follows:

25 1. *a.* The commission, with the approval of the board of
26 supervisors of participating counties and the city council of
27 participating cities in the [chapter 28E](#) agreement, may, subject
28 to paragraph "b", levy annually a tax not to exceed ninety-five
29 cents per thousand dollars of the assessed value of all taxable
30 property in a regional transit district to the extent provided
31 in [this section](#). The [chapter 28E](#) agreement may authorize
32 the commission to levy the tax at different rates within the
33 participating cities and counties in amounts sufficient to meet
34 the revenue responsibilities of such cities and counties as
35 allocated in the budget adopted by the commission. However,

1 for a city participating in a regional transit district, the
2 total of all the tax levies imposed in the city pursuant to
3 section 384.12, subsection 1, paragraph "b", and this section
4 shall not exceed the aggregate of ninety-five cents per
5 thousand dollars of the assessed value of all taxable property
6 in the participating city.

7 b. (1) For each fiscal year beginning on or after July 1,
8 2027, the sum of property tax dollars levied for the regional
9 transit district under this subsection and property tax dollars
10 received by the regional transit district from participating
11 cities and counties shall not exceed an amount equal to one
12 hundred three percent of the sum of property tax dollars levied
13 for the regional transit district under this subsection for
14 the immediately preceding fiscal year and property tax dollars
15 received by the regional transit district from participating
16 cities and counties for the immediately preceding fiscal year.

17 (2) The amount of property tax dollars calculated under this
18 paragraph includes those amounts budgeted by the district as
19 replacement taxes under chapter 437A or 437B, if applicable.

20 Sec. _____. Section 384.12, subsection 1, Code 2026, is
21 amended to read as follows:

22 1. a. A tax for the operation and maintenance of a
23 ~~municipal transit system or for operation and maintenance of a~~
24 ~~regional transit district,~~ and for the creation of a reserve
25 fund for the system ~~or district,~~ in an amount not to exceed
26 ninety-five cents per thousand dollars of assessed value each
27 year, when the revenues from the transit system ~~or district~~ are
28 insufficient for such purposes.

29 b. (1) A tax for the operation and maintenance of a
30 regional transit district, and for the creation of a reserve
31 fund for the district under chapter 28M, in an amount not
32 to exceed ninety-five cents per thousand dollars of assessed
33 value each year, when the revenues from the district are
34 insufficient for such purposes. In addition to the levy rate
35 limitation, for each fiscal year beginning on or after July 1,

1 2027, the sum of property tax dollars levied for the regional
2 transit district by the city under this paragraph shall not
3 exceed an amount equal to one hundred three percent of the sum
4 of property tax dollars levied by the city for the regional
5 transit district under this paragraph for the immediately
6 preceding fiscal year.

7 (2) The amount of property tax dollars calculated under
8 this paragraph includes those amounts budgeted by the city as
9 replacement taxes under chapter 437A or 437B, if applicable.

10

DIVISION ____

11 COMMERCIAL AND INDUSTRIAL PROPERTY TAX REPLACEMENT PAYMENTS

12 Sec. ____ . Section 441.21, subsection 5, paragraph e, Code
13 2026, is amended to read as follows:

14 e. (1) ~~For the fiscal year beginning July 1, 2023, there~~
15 ~~is appropriated from the general fund of the state to the~~
16 ~~department of revenue the sum of one hundred twenty-two million~~
17 ~~three hundred fifty thousand dollars to be used for payments~~
18 ~~under this paragraph calculated as a result of the assessment~~
19 ~~limitations imposed under paragraph "b", subparagraph (2),~~
20 ~~subparagraph division (a), and paragraph "c", subparagraph (2),~~
21 ~~subparagraph division (a).~~ For each fiscal year beginning
22 on or after July 1, 2024, but before July 1, 2027, there
23 is appropriated from the general fund of the state to the
24 department of revenue the sum of one hundred twenty-five
25 million dollars to be used for payments under this paragraph
26 calculated as a result of the assessment limitations imposed
27 under paragraph "b", subparagraph (2), subparagraph division
28 (a), and paragraph "c", subparagraph (2), subparagraph division
29 (a).

30 (2) For fiscal years beginning on or after July 1, 2023, but
31 before July 1, 2027, each county treasurer shall be paid by the
32 department of revenue an amount calculated under subparagraph
33 (4) for the applicable fiscal year. If an amount appropriated
34 for the fiscal year is insufficient to make all payments as
35 calculated under subparagraph (4), the director of revenue

1 shall prorate the payments to the county treasurers and shall
2 notify the county auditors of the pro rata percentage on or
3 before September 30.

4 (3) On or before July 1 of each applicable fiscal year, the
5 assessor shall report to the county auditor that portion of the
6 total actual value of all commercial property and industrial
7 property in the county that is subject to the assessment
8 limitations imposed under paragraph "b", subparagraph (2),
9 subparagraph division (a), and paragraph "c", subparagraph (2),
10 subparagraph division (a), for the assessment year used to
11 calculate the taxes due and payable in that fiscal year.

12 (4) On or before September 1 of each applicable fiscal year,
13 the county auditor shall prepare a statement, based on the
14 report received in subparagraph (3) and information transmitted
15 to the county auditor under chapter 434, listing for each
16 taxing district in the county:

17 (a) The product of the portion of the total actual value
18 of all commercial property, industrial property, and property
19 valued by the department under chapter 434 in the county
20 that is subject to the assessment limitations imposed under
21 paragraph "b", subparagraph (2), subparagraph division (a), and
22 paragraph "c", subparagraph (2), subparagraph division (a), for
23 the applicable assessment year used to calculate taxes which
24 are due and payable in the applicable fiscal year multiplied
25 by the difference, stated as a percentage, between ninety
26 percent and the assessment limitation percentage applicable
27 to residential property under subsection 4 for the applicable
28 assessment year.

29 (b) The tax levy rate per one thousand dollars of assessed
30 value for each taxing district for the applicable fiscal year.

31 (c) The amount of the payment for each county is equal to
32 the amount determined pursuant to subparagraph division (a),
33 multiplied by the tax rate specified in subparagraph division
34 (b), and then divided by one thousand dollars.

35 (5) The county auditor shall certify and forward one copy of

1 the statement described in subparagraph (4) to the department
2 of revenue not later than September 1 of each applicable fiscal
3 year.

4 (6) The amounts determined under this paragraph shall
5 be paid by the department to the county treasurers in equal
6 installments in September and March of each applicable year.
7 The county treasurer shall apportion the payments among
8 the eligible taxing districts in the county and the amounts
9 received by each taxing authority shall be treated the same as
10 property taxes paid.

11 DIVISION ____

12 IOWA ECONOMIC EMERGENCY FUND — TAXPAYER RELIEF FUND

13 Sec. ____ . GENERAL FUND EXPENDITURE LIMITATION — FY
14 2027-2028. For the fiscal year beginning July 1, 2027, and
15 ending June 30, 2028, the state general fund expenditure
16 limitation calculated under section 8.54 for the fiscal year
17 shall be reduced by \$125,000,000.

18 Sec. ____ . DISTRIBUTIONS OF IOWA ECONOMIC

19 EMERGENCY FUND EXCESS — TAXPAYER RELIEF FUND — FY

20 2028-2029. Notwithstanding section 8.55, subsection 2,
21 paragraphs "a" and "b", for the fiscal year beginning July 1,
22 2028, and ending June 30, 2029, moneys in excess of the maximum
23 balance of the Iowa economic emergency fund created in section
24 8.55 shall be distributed as follows:

25 1. The difference between the actual net revenue for the
26 general fund of the state for the fiscal year and the adjusted
27 revenue estimate for the fiscal year shall be transferred to
28 the taxpayer relief fund created in section 8.57E.

29 2. Of the remaining moneys in excess of the maximum balance
30 of the Iowa economic emergency fund, if any, \$125,000,000 shall
31 be transferred to the taxpayer relief fund.

32 3. After the transfer pursuant to subsection 2, the
33 remaining moneys in excess of the maximum balance of the Iowa
34 economic emergency fund, if any, shall be transferred to the
35 general fund of the state.

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DIVISION ____

LOCAL EMERGENCY MANAGEMENT PROPERTY TAXES

Sec. ____ . Section 29C.17, subsection 2, unnumbered paragraph 1, Code 2026, is amended to read as follows:

For purposes consistent with [this chapter](#), the local emergency management agency's approved budget shall be funded by one or any combination of the following options, as determined by the commission and subject to subsection 7:

Sec. ____ . Section 29C.17, Code 2026, is amended by adding the following new subsection:

NEW SUBSECTION. 7. For each fiscal year beginning on or after July 1, 2027, and in addition to any applicable property tax levy rate limitations provided by law, the sum of the property tax dollars levied by all governmental entities for the purpose of funding the services and operation of the emergency management agency and commission shall not exceed an amount equal to one hundred three percent of the sum of property tax dollars levied by all governmental entities for the purpose of funding the services and operation of the emergency management agency and commission for the immediately preceding fiscal year. The amount of property tax dollars determined under this subsection includes those amounts received as replacement taxes under chapter 437A or 437B, if applicable.>

____ . Title page, by striking lines 1 through 5 and inserting <An Act relating to state and local government taxes, fees, financial authority, and budgets, by modifying property assessment provisions, divisions of revenue, and funding from the secure an advanced vision for education fund, establishing a program for first-time homebuyers, modifying and making appropriations, and including effective date, applicability, and retroactive applicability provisions.>>

2. By renumbering as necessary.