

House Amendment to
Senate File 2472

S-5210

1 Amend Senate File 2472 Senate File 2472, as amended, passed,
2 and reprinted by the Senate, as follows:

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

5 <DIVISION I

6 PROPERTY TAX REVENUE LIMITATIONS — BOND REVENUE USE
7 LIMITATIONS — GENERAL FUND RESERVES

8 Section 1. Section 11.11, Code 2026, is amended to read as
9 follows:

10 **11.11 Scope of audits.**

11 The written report of the audit of a governmental
12 subdivision shall include the auditor's opinion as to whether a
13 governmental subdivision's financial statements are presented
14 fairly in all material respects in conformity with generally
15 accepted accounting principles or with ~~an other~~ another
16 comprehensive basis of accounting. As a part of conducting an
17 audit of a governmental subdivision, an evaluation of internal
18 control and tests for compliance with laws and regulations
19 shall be performed. As part of conducting an audit of a
20 governmental subdivision, an examination of the governmental
21 subdivision's compliance with the reporting requirements of
22 section 331.403, subsection 3, or section 384.22, subsection 2,
23 if applicable, shall be performed. As part of conducting an
24 audit of a governmental subdivision for fiscal years beginning
25 on or after July 1, 2027, an examination of the governmental
26 subdivision's compliance with section 24.35 shall be performed,
27 including verification of the circumstances resulting in actual
28 reserve funds exceeding the specified limits.

29 Sec. 2. Section 24.34, Code 2026, is amended to read as
30 follows:

31 **24.34 Unliquidated obligations.**

32 A city, county, or other political subdivision governmental
33 entity, as defined in section 24.35, may establish an
34 encumbrance system for any obligation not liquidated at the
35 close of the fiscal year in which the obligation has been

1 ~~encumbered~~ assigned, committed, restricted, or specified as
2 nonspendable. The encumbered obligations may be retained
3 upon the books of the ~~city, county, or other political~~
4 ~~subdivision~~ governmental entity, as defined in section 24.35,
5 until liquidated, all in accordance with generally accepted
6 ~~governmental accounting practices~~ principles, as established by
7 the governmental accounting standards board.

8 Sec. 3. NEW SECTION. 24.35 **General fund reserves —**
9 **limitations.**

10 1. For purposes of this section:

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

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

16 c. "*General fund*" means a governmental entity's fund
17 designated as such by law or the governmental entity's fund
18 from which primary general operations of the governmental
19 entity are funded.

20 d. "*Governmental entity*" means any unit of government
21 or other public body or public corporation, including any
22 intergovernmental entity, that has the power to impose or
23 certify a property tax levy. "*Governmental entity*" does not
24 include a school district.

25 e. "*Unassigned*" means funds that are not restricted,
26 committed, assigned, or nonspendable within the meaning of
27 generally accepted accounting principles, as established by the
28 governmental accounting standards board.

29 2. a. For budgets certified for budget years beginning
30 on or after July 1, 2027, proposed unassigned reserve funds
31 identified within a governmental entity's general fund shall
32 not exceed an amount equal to thirty-five percent of the
33 budgeted expenditures from the governmental entity's general
34 fund for the current fiscal year prior to budgeted transfers
35 from such general fund.

1 *b.* If the governmental entity's budget does not comply with
2 the requirements of paragraph "a", the department of management
3 shall not certify the governmental entity's taxes back to the
4 county auditor under section 24.17 and the governmental entity
5 shall remedy the violation and recertify the budget.

6 3. Each governmental entity shall establish an obligated
7 funds account within the governmental entity's general fund.
8 Restricted, committed, assigned, or nonspendable funds within
9 the meaning of generally accepted accounting principles, as
10 established by the governmental accounting standards board,
11 shall be deposited in and accounted for in the obligated funds
12 account, including but not limited to such funds that are
13 in the governmental entity's general fund for the purchase,
14 lease-purchase, or major refurbishment of law enforcement,
15 public safety, and public works vehicles and equipment and for
16 vertical infrastructure and horizontal infrastructure projects.

17 4. To ensure uniformity, accuracy, and efficiency in the
18 certification of governmental entity budgets according to the
19 requirements of this section, the department of management
20 shall prescribe the procedures to be used and instruct the
21 appropriate officials of the various governmental entities on
22 implementation of the procedures.

23 Sec. 4. Section 24.48, Code 2026, is amended by adding the
24 following new subsection:

25 NEW SUBSECTION. 6. The authority to suspend property tax
26 levy limitations under this section shall not apply to the
27 limitations of section 444.25.

28 Sec. 5. Section 176A.8, subsection 13, Code 2026, is amended
29 by striking the subsection.

30 Sec. 6. NEW SECTION. **444.25 Maximum property tax levy**
31 **dollars.**

32 1. For purposes of this section, unless the context
33 otherwise requires:

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

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

4 *c. "Governmental entity"* means any unit of government
5 or other public body or public corporation, including any
6 intergovernmental entity or special purpose district, that
7 has the power to impose or certify a property tax levy.
8 "*Governmental entity*" does not include a school district.

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

14 (1) New construction.

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

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

21 (4) Valuation exempt from property tax for the current
22 fiscal year as the result of prior new construction, additions,
23 or improvements under section 15.332, Code 2025, section
24 15.500, chapter 404, or chapter 427B, subchapter I, but which
25 is not exempt from property tax in the budget year.

26 *e. "Property tax levy"* means each ad valorem property tax
27 authorized by law to be imposed by a governmental entity, but
28 excluding any levy the revenue from which is specified by law
29 for debt service or required to be used exclusively for the
30 repayment of bonds or other indebtedness.

31 2. *a.* For the budget year beginning July 1, 2027, and
32 each budget year thereafter, the maximum aggregate amount of
33 property tax dollars that may be certified for levy among all
34 property tax levies imposed by a governmental entity against
35 property that is not new valuation shall not exceed an amount

1 equal to the sum of one hundred two percent of the aggregate
2 amount of property tax dollars certified for levy by the
3 governmental entity among all property tax levies imposed by
4 the governmental entity for the current fiscal year.

5 *b.* If the budget year includes a voter-approved property tax
6 levy, or an increased rate thereof, that was not approved for
7 imposition in the current fiscal year, the maximum aggregate
8 amount of property tax dollars for the governmental entity
9 under paragraph "a" for the budget year shall be increased
10 by the amount of the voter-approved property tax levy or
11 the voter-approved rate increase, as applicable, approved
12 at election for the budget year. If the current fiscal
13 year includes a voter-approved property tax levy that is not
14 approved for imposition in the budget year, or a decreased rate
15 thereof, the maximum aggregate amount of property tax dollars
16 for the governmental entity under paragraph "a" for the budget
17 year shall be reduced by the amount of the voter-approved
18 property tax levy or voter-approved rate decrease, as
19 applicable, for the current fiscal year.

20 *c.* The amount of property tax dollars calculated under this
21 section includes those amounts budgeted by the governmental
22 entity as replacement taxes under chapter 437A or 437B, if
23 applicable.

24 3. For purposes of this section, if the governmental
25 entity's taxes for a property tax levy were not certified
26 back by the department of management under section 24.17 for
27 the current fiscal year due to an act or omission of the
28 governmental entity, the current fiscal year's property tax
29 dollars certified for levy for that property tax levy shall
30 be equal to the amount certified for levy for the fiscal year
31 immediately preceding the current fiscal year.

32 4. If a governmental entity certifies a budget that violates
33 this section, the department of management shall reduce each of
34 the applicable governmental entity's property tax levies on a
35 pro rata basis so that the governmental entity is in compliance

1 with this section.

2 5. This section shall not be construed as removing or
3 otherwise affecting property tax limitations, including levy
4 rate limitations expressed as a specific amount of money due
5 per an amount of value and use limitations, otherwise provided
6 by law for any property tax levy of the governmental entity.

7 Sec. 7. NEW SECTION. **444.26 Use of bonds and indebtedness**
8 **for general operations — prohibition.**

9 1. For purposes of this section:

10 a. "*General operations*" means services or activities
11 generally funded from the governmental entity's general fund,
12 which are necessary for the operation of the governmental
13 entity, including salaries and benefits, or which are for the
14 health and welfare of the governmental entity's citizens or
15 primarily intended to benefit all residents of the governmental
16 entity, but excluding direct and indirect capital expenditures
17 properly allocable under the Internal Revenue Code, as defined
18 in section 422.3, if the governmental entity were a taxpayer,
19 capital leases, and services financed by statutory funds other
20 than a debt service fund.

21 b. "*Governmental entity*" means any unit of government
22 or other public body or public corporation, including any
23 intergovernmental entity, that has the power to impose or
24 certify a property tax levy.

25 2. On or after July 1, 2026, the governing body of a
26 governmental entity shall not issue bonds or other indebtedness
27 payable from an ad valorem property tax levy for the purpose of
28 funding the general operations of the governmental entity or
29 otherwise use proceeds from the sale of bonds or issuance of
30 other indebtedness to fund general operations.

31 3. The department of management, following consultation
32 with the city finance committee and the county finance
33 committee, may adopt rules under chapter 17A for governmental
34 entities to implement this section.

35

DIVISION II

1 before September 30.

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

10 Sec. 10. Section 441.21, subsection 5, paragraph e,
11 subparagraph (4), unnumbered paragraph 1, Code 2026, is amended
12 to read as follows:

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

18 DIVISION III

19 SCHOOL TAXES

20 Sec. 11. Section 257.3, subsection 1, paragraph a, Code
21 2026, is amended to read as follows:

22 a. (1) Except as provided in [subsections 2 and 3](#), a school
23 district shall cause to be levied each budget year beginning
24 before July 1, 2027, for the school general fund, a foundation
25 property tax equal to five dollars and forty cents per thousand
26 dollars of assessed valuation on all taxable property in the
27 district. The county auditor shall spread the foundation levy
28 over all taxable property in the district.

29 (2) Except as provided in subsections 2 and 3, a school
30 district shall cause to be levied for the budget year beginning
31 July 1, 2027, and each succeeding budget year, for the school
32 general fund, a foundation property tax equal to five dollars
33 per thousand dollars of assessed valuation on all taxable
34 property in the district. The county auditor shall spread the
35 foundation levy over all taxable property in the district.

1 Sec. 12. Section 257.3, subsection 2, paragraphs a and b,
2 Code 2026, are amended to read as follows:

3 a. Notwithstanding subsection 1, a reorganized school
4 district for which the reorganization takes effect on or
5 after July 1, 2027, shall cause a foundation property tax of
6 four dollars ~~and forty cents~~ per thousand dollars of assessed
7 valuation to be levied on all taxable property which, in the
8 year preceding a reorganization, was within a school district
9 affected by the reorganization as defined in section 275.1,
10 or in the year preceding a dissolution was a part of a school
11 district that dissolved if the dissolution proposal has
12 been approved by the director of the department of education
13 pursuant to section 275.55.

14 b. ~~In~~ For a reorganized school district for which the
15 reorganization took effect on or after July 1, 2027, in
16 succeeding school years, the foundation property tax levy on
17 that portion shall be increased to the rate of four dollars and
18 ~~ninety~~ fifty cents per thousand dollars of assessed valuation
19 the first succeeding year, ~~five~~ four dollars and ~~fifteen~~
20 seventy-five cents per thousand dollars of assessed valuation
21 the second succeeding year, and five dollars ~~and forty cents~~
22 per thousand dollars of assessed valuation the third succeeding
23 year and each year thereafter under subsection 1, paragraph "a".

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

26 1. The family farm tax credit fund shall be apportioned
27 each year in the manner provided in [this chapter](#) so as to give
28 a credit against the tax on each eligible tract of agricultural
29 land within the several school districts of the state in which
30 the levy for the general school fund exceeds ~~five dollars and~~
31 ~~forty cents per thousand dollars of assessed value~~ the levy
32 rate under section 257.3, subsection 1, paragraph "a". The
33 amount of the credit on each eligible tract of agricultural
34 land shall be the amount the tax levied for the general school
35 fund exceeds the amount of tax which would be levied on each

1 eligible tract of agricultural land were the levy for the
2 general school fund ~~five dollars and forty cents per thousand~~
3 ~~dollars of assessed value~~ the levy rate under section 257.3,
4 subsection 1, paragraph "a", for the previous year. However,
5 in the case of a deficiency in the family farm tax credit fund
6 to pay the credits in full, the credit on each eligible tract
7 of agricultural land in the state shall be proportionate and
8 applied as provided in [this chapter](#).

9 Sec. 14. Section 425A.5, Code 2026, is amended to read as
10 follows:

11 **425A.5 Computation by county auditor.**

12 The family farm tax credit allowed each year shall be
13 computed as follows: On or before April 1, the county auditor
14 shall list by school districts all tracts of agricultural
15 land which are entitled to credit, the taxable value for the
16 previous year, the budget from each school district for the
17 previous year, and the tax rate determined for the general
18 fund of the school district in the manner prescribed in
19 section 444.3 for the previous year, and if the tax rate is in
20 excess of ~~five dollars and forty cents per thousand dollars of~~
21 ~~assessed value~~ the levy rate under section 257.3, subsection
22 1, paragraph "a", the auditor shall multiply the tax levy which
23 is in excess of ~~five dollars and forty cents per thousand~~
24 ~~dollars of assessed value~~ the levy rate under section 257.3,
25 subsection 1, paragraph "a", by the total taxable value of the
26 agricultural land entitled to credit in the school district,
27 and on or before April 1, certify the total amount of credit
28 and the total number of acres entitled to the credit to the
29 department of revenue.

30 Sec. 15. Section 426.3, Code 2026, is amended to read as
31 follows:

32 **426.3 Where credit given.**

33 The agricultural land credit fund shall be apportioned each
34 year in the manner hereinafter provided so as to give a credit
35 against the tax on each tract of agricultural lands within the

1 several school districts of the state in which the levy for
2 the general school fund exceeds ~~five dollars and forty cents~~
3 ~~per thousand dollars of assessed value~~ the levy rate under
4 section 257.3, subsection 1, paragraph "a"; the amount of such
5 credit on each tract of such lands shall be the amount the tax
6 levied for the general school fund exceeds the amount of tax
7 which would be levied on said tract of such lands were the
8 levy for the general school fund ~~five dollars and forty cents~~
9 ~~per thousand dollars of assessed value~~ the levy rate under
10 section 257.3, subsection 1, paragraph "a", for the previous
11 year, except in the case of a deficiency in the agricultural
12 land credit fund to pay said credits in full, in which case the
13 credit on each eligible tract of such lands in the state shall
14 be proportionate and shall be applied as hereinafter provided.

15 Sec. 16. Section 426.6, subsection 1, Code 2026, is amended
16 to read as follows:

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

34 Sec. 17. ADJUSTMENT OF CALCULATIONS. For property tax
35 credits under chapters 425A and 426 for property taxes due and

1 payable in the fiscal year beginning July 1, 2027, the tax rate
2 determined for the general fund of the school district in the
3 manner prescribed in section 444.3 for the previous year shall
4 be determined using the appropriate property tax levy rate
5 under section 257.3, as amended in this division of this Act.

6 Sec. 18. APPLICABILITY. This division of this Act applies
7 to fiscal years and school budget years beginning on or after
8 July 1, 2027.

9 DIVISION IV

10 SECURE AN ADVANCED VISION FOR EDUCATION FUND — EQUITY TRANSFER
11 PERCENTAGE — FUTURE REPEAL

12 Sec. 19. Section 423.2, subsection 12, Code 2026, is amended
13 to read as follows:

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

16 Sec. 20. Section 423.2A, subsection 2, paragraph c, Code
17 2026, is amended to read as follows:

18 c. Transfer one-sixth of the remaining revenues to the
19 secure an advanced vision for education fund created in section
20 423F.2. This paragraph "c" is repealed January 1, ~~2051~~ 2071.

21 Sec. 21. Section 423.5, subsection 4, Code 2026, is amended
22 to read as follows:

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

25 Sec. 22. Section 423.43, subsection 1, paragraph b, Code
26 2026, is amended to read as follows:

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

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

1 (b) For each fiscal year beginning on or after July 1,
2 2020, but before July 1, 2026, the equity transfer percentage
3 is equal to the equity transfer percentage for the immediately
4 preceding fiscal year, unless the amount of moneys available
5 in the secure an advanced vision for education fund in the
6 immediately preceding fiscal year equals or exceeds one hundred
7 two percent of the amount of moneys available in the fund for
8 the fiscal year prior to the immediately preceding fiscal year,
9 in which case the equity transfer percentage shall be the
10 equity transfer percentage for the immediately preceding fiscal
11 year plus one percent subject to the limitation in subparagraph
12 division (c).

13 Sec. 24. Section 423F.2, subsection 3, paragraph b,
14 subparagraph (2), subparagraph division (c), Code 2026, is
15 amended by striking the subparagraph division and inserting in
16 lieu thereof the following:

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

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

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

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

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

28 Sec. 25. Section 423F.6, Code 2026, is amended to read as
29 follows:

30 **423F.6 Repeal.**

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

32 **Sec. 26. SCHOOL DISTRICT FUNDING RECONCILIATION.**

33 For amounts allocated under section 423F.2 for fiscal
34 years beginning on or after July 1, 2026, the department of
35 management shall adjust or reconcile actual amounts to be

1 received by school districts in the fiscal year immediately
2 following the fiscal year during which the revenues were
3 collected.

4 DIVISION V

5 PROPERTY PARCEL INFORMATION

6 Sec. 27. Section 331.510, Code 2026, is amended by adding
7 the following new subsection:

8 NEW SUBSECTION. 5. *a.* An annual report not later
9 than January 1 to the department of management containing
10 parcel-level property data, including parcel identification
11 information, location, size, valuation, classification, types
12 of structures and improvements, exemptions, credits, historical
13 amounts of property taxes due and payable, and whether the
14 parcel is subject to a division of revenue.

15 *b.* In addition to the information required under paragraph
16 "*a*", the department of management may require additional
17 parcel-level data deemed necessary by the director of the
18 department of management. The department shall prescribe the
19 form and manner of submitting the annual report under this
20 subsection.

21 *c.* The department of management shall establish and manage
22 a searchable internet-based dashboard that contains the
23 information collected under paragraphs "*a*" and "*b*", as well as
24 individual parcel information tax information provided as part
25 of the statements required under section 24.2A, subsection 2,
26 paragraph "*b*".

27 DIVISION VI

28 URBAN RENEWAL

29 Sec. 28. Section 15A.1, subsection 1, paragraph b, Code
30 2026, is amended to read as follows:

31 *b.* For purposes of [this chapter](#), "*economic development*"
32 means private or joint public and private investment involving
33 the creation of new jobs and income or the retention of
34 existing jobs and income that would otherwise be lost or the
35 provision of workforce housing.

1 Sec. 29. Section 15A.1, subsection 2, Code 2026, is amended
2 by adding the following new paragraph:

3 NEW PARAGRAPH. *e.* Development policies that advance the
4 development of workforce housing.

5 Sec. 30. Section 331.403, subsection 3, paragraph b,
6 subparagraph (19), Code 2026, is amended by striking the
7 subparagraph.

8 Sec. 31. Section 384.22, subsection 2, paragraph b,
9 subparagraph (19), Code 2026, is amended by striking the
10 subparagraph.

11 Sec. 32. Section 403.17, subsection 10, Code 2026, is
12 amended to read as follows:

13 10. *"Economic development area"* means an area of a
14 municipality designated by the local governing body as
15 appropriate for commercial and industrial enterprises, public
16 improvements related to housing and residential development,
17 or construction of housing and residential development for low
18 and moderate income families, including single or multifamily
19 housing. ~~If an urban renewal plan for an urban renewal area is
20 based upon a finding that the area is an economic development
21 area and that no part contains slum or blighted conditions,
22 then the division of revenue provided in [section 403.19](#) and
23 stated in the plan shall be limited to twenty years from
24 the calendar year following the calendar year in which the
25 municipality first certifies to the county auditor the amount
26 of any loans, advances, indebtedness, or bonds which qualify
27 for payment from the division of revenue provided in [section](#)
28 [403.19](#).~~ Such designated area shall not include agricultural
29 land, including land which is part of a century farm, unless
30 the owner of the agricultural land or century farm agrees to
31 include the agricultural land or century farm in the urban
32 renewal area. For the purposes of [this subsection](#), *"century*
33 *farm"* means a farm in which at least forty acres of such farm
34 have been held in continuous ownership by the same family for
35 one hundred years or more.

1 Sec. 33. Section 403.17, subsection 14, Code 2026, is
2 amended to read as follows:

3 14. *“Low ~~or~~ and moderate income families”* means those
4 families, including single person households, earning no
5 more than eighty percent of the higher of the median family
6 income of the county or the statewide nonmetropolitan area as
7 determined by the latest United States department of housing
8 and urban development, section 8 income guidelines.

9 Sec. 34. Section 403.17, Code 2026, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 14A. *“Low and moderate income family*
12 *housing”* means housing for low and moderate income families and
13 includes housing that meets the requirements of section 15.353.

14 Sec. 35. Section 403.19, subsection 2, paragraph a, Code
15 2026, is amended to read as follows:

16 a. That portion of the taxes each year in excess of such
17 amount shall be allocated to and when collected be paid into a
18 special fund of the municipality to pay the principal of and
19 interest on loans, moneys advanced to, or indebtedness, whether
20 funded, refunded, assumed, or otherwise, including bonds
21 issued under the authority of [section 403.9, subsection 1](#),
22 incurred by the municipality to finance or refinance, in whole
23 or in part, an urban renewal project within the area, and to
24 provide ~~assistance for~~ low and moderate income family housing
25 ~~as provided in [section 403.22](#)~~. However, except as provided
26 in paragraph “b”, taxes for the regular and voter-approved
27 physical plant and equipment levy of a school district imposed
28 pursuant to [section 298.2](#); ~~and~~ taxes for the instructional
29 support program of a school district imposed pursuant to
30 [section 257.19](#); ~~taxes for the payment of bonds and interest of~~
31 each taxing district; foundation property taxes of a school
32 district imposed under section 257.3 levied against property
33 located in an incorporated area and subject to an ordinance
34 providing for a division of revenue adopted on or after January
35 1, 2027; taxes for emergency medical services imposed pursuant

1 to chapter 357F, 357G, or 422D; and taxes imposed under section
2 346.27, subsection 22, related to joint county-city buildings
3 shall be collected against all taxable property within the
4 taxing district without limitation by the provisions of this
5 subsection.

6 Sec. 36. Section 403.19, subsection 2, Code 2026, is amended
7 by adding the following new paragraph:

8 NEW PARAGRAPH. e. For urban renewal areas for which an
9 ordinance providing for a division of revenue is not limited
10 in duration under section 403.17, subsection 10, after twenty
11 years following the effective date of this division of this
12 Act or after twenty years from the calendar year following
13 the calendar year in which the municipality first certifies
14 to the county auditor the amount of any loans, advances,
15 indebtedness, or bonds which qualify for payment from the
16 division of revenue, whichever is later, the amount determined
17 under paragraph "a" that may be paid into the municipality's
18 special fund shall not exceed sixty percent of the amount
19 otherwise determined under paragraph "a" but for this paragraph
20 and such excess amounts shall be allocated and paid to the
21 respective taxing districts in the same manner as amounts under
22 subsection 1. The municipality may exceed the limitation in
23 this paragraph to the extent necessary for payments of bonds
24 or other indebtedness incurred before the effective date of
25 this division of this Act, but in such event the municipality
26 shall not issue bonds or other indebtedness payable from such
27 division of revenue while exceeding the limitation. This
28 paragraph shall not apply to divisions of revenue established
29 by community colleges under chapter 260E or rural improvement
30 zones under chapter 357H.

31 Sec. 37. Section 403.19, Code 2026, is amended by adding the
32 following new subsection:

33 NEW SUBSECTION. 3A. An ordinance providing for a division
34 of revenue under this section that is adopted on or after the
35 effective date of this division of this Act shall be limited

1 to twenty-three years from the calendar year following the
2 calendar year in which the municipality first certifies to the
3 county auditor the amount of any loans, advances, indebtedness,
4 or bonds that qualify for payment from the division of
5 revenue provided for in this section. The ordinance shall
6 terminate and be of no further force and effect following the
7 twenty-three-year period provided in this subsection. This
8 subsection shall not apply to divisions of revenue established
9 by community colleges under chapter 260E or rural improvement
10 zones under chapter 357H.

11 Sec. 38. Section 403.19, Code 2026, is amended by adding the
12 following new subsection:

13 NEW SUBSECTION. 12. For any fiscal year beginning on
14 or after July 1, 2027, following written request filed with
15 the county auditor and the board of directors of the school
16 district, a school district may approve by resolution of the
17 board of directors the payment from the school district's
18 general fund to the municipality for deposit in the special
19 fund under this section all or a portion of the school district
20 foundation property taxes under section 257.3 levied against
21 property located in an incorporated area and subject to an
22 ordinance providing for a division of revenue adopted on or
23 after January 1, 2027, for one or more applicable fiscal years.
24 If approved, the board of directors shall file such resolution
25 with the county auditor. Payments approved under this
26 subsection are voluntary and a school district is not required
27 to pay over the revenue to the municipality unless approved
28 by resolution. Amounts paid by a school district under this
29 subsection shall continue to be considered foundation property
30 taxes levied under section 257.3 and such payment shall not
31 result in the adjustment of state foundation aid or other
32 amounts under chapter 257.

33 Sec. 39. REPEAL. Section 403.22, Code 2026, is repealed.

34 Sec. 40. EFFECTIVE DATE. This division of this Act, being
35 deemed of immediate importance, takes effect upon enactment.

1 from the immediately preceding assessment year, the assessor
2 shall provide the taxpayer with a statement of the reasons
3 for the increase in actual value, information specifying the
4 portion of actual value increase attributable to a change in
5 classification, revaluation, new construction, improvements, or
6 renovations to the property, and all information in any formula
7 or method used to determine the actual value.

8 ~~b. (1) For assessment years beginning before January~~
9 ~~1, 2018, the burden of proof shall be upon any complainant~~
10 ~~attacking such valuation as excessive, inadequate, inequitable,~~
11 ~~or capricious. However, in protest or appeal proceedings when~~
12 ~~the complainant offers competent evidence by at least two~~
13 ~~disinterested witnesses that the market value of the property~~
14 ~~is less than the market value determined by the assessor, the~~
15 ~~burden of proof thereafter shall be upon the officials or~~
16 ~~persons seeking to uphold such valuation to be assessed.~~

17 ~~(2) (1) For assessment years beginning on or after January~~
18 ~~1, 2018, the Except as provided in subparagraph (3), the burden~~
19 ~~of proof shall be upon any complainant attacking such valuation~~
20 ~~as excessive, inadequate, inequitable, or capricious. However,~~
21 ~~in protest or appeal proceedings when the complainant offers~~
22 ~~competent evidence that the market value of the property is~~
23 ~~different than the market value determined by the assessor,~~
24 ~~the burden of proof thereafter shall be upon the officials or~~
25 ~~persons seeking to uphold such valuation to be assessed.~~

26 ~~(3) (2) If the classification of a property has been~~
27 ~~previously adjudicated by the property assessment appeal board~~
28 ~~or a court as part of an appeal under [this chapter](#), there~~
29 ~~is a presumption that the classification of the property has~~
30 ~~not changed for each of the four subsequent assessment years,~~
31 ~~unless a subsequent such adjudication of the classification of~~
32 ~~the property has occurred, and the burden of demonstrating a~~
33 ~~change in use shall be upon the person asserting a change to~~
34 ~~the property's classification.~~

35 (3) For assessment years beginning on or after January 1,

1 2027, if the taxpayer's property actual value increased by ten
2 percent or more from the immediately preceding assessment year,
3 including an increase as the result of an equalization order,
4 and the property did not change classification or primary use
5 and the increase in actual value is not the result of new
6 construction, improvements, or renovations to the property, the
7 actual value so determined by the assessor is not presumed to
8 be the actual value and in any protest or appeal the assessor
9 shall have the burden of proof that the valuation is not
10 excessive, inadequate, inequitable, or capricious.

11 Sec. 45. Section 441.33, Code 2026, is amended by adding the
12 following new subsection:

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

15 DIVISION VIII

16 LOCAL GOVERNMENT EFFICIENCY GRANT PROGRAM

17 Sec. 46. NEW SECTION. **28E.20 Local government efficiency**
18 **grant program.**

19 1. A local government efficiency grant fund is created
20 and established as a separate and distinct fund in the state
21 treasury under the control of the Iowa economic development
22 authority. For purposes of this section, "*local government*"
23 means a county, city, township, or any special-purpose district
24 or authority.

25 2. a. There is appropriated from the general fund of
26 the state to the local government efficiency grant fund for
27 the fiscal year beginning July 1, 2026, and ending July 1,
28 2027, ten million dollars. In addition to moneys deposited
29 in the local government efficiency grant fund pursuant to
30 appropriations made by the general assembly, the Iowa economic
31 development authority or the commission established under
32 paragraph "c" may accept gifts, grants, bequests, and other
33 private contributions, as well as state or federal funds, and
34 shall deposit the moneys in the fund to be used for purposes
35 of this section. Moneys in the fund are appropriated to

1 the Iowa economic development authority and shall be used
2 only, after commission approval, to provide grants to local
3 governments to assist in efforts to increase government
4 efficiency, including but not limited to efforts to consolidate
5 government positions and pursue agreements with other local
6 governments to share services and reduce the use of property
7 tax revenues for such shared services. Grant funds may be
8 used by the local government for costs to implement efficiency
9 initiatives including but not limited to service-sharing or
10 service-consolidation initiatives and transitional or temporary
11 costs of eliminating services.

12 *b.* Notwithstanding section 8.33, moneys in the fund
13 that remain unawarded at the close of the fiscal year shall
14 not revert but shall remain in the fund for expenditure in
15 succeeding fiscal years. Notwithstanding section 12C.7,
16 subsection 2, interest earned on moneys in the local government
17 efficiency grant fund shall be credited to the fund.

18 *c.* A local government efficiency commission shall be
19 established within the Iowa economic development authority
20 comprised of not more than ten individuals appointed by
21 the director of the economic development authority who have
22 experience in local government operations and budgeting, local
23 government planning, and cooperative extension services. The
24 local government efficiency commission shall review and approve
25 or deny each grant application.

26 3. The local government efficiency commission shall
27 establish and administer the grant program to provide for the
28 allocation of moneys in the fund in the form of competitive
29 grants to local governments in accordance with the purposes and
30 objectives of this section. The rules for the program adopted
31 by the commission shall specify the eligibility of applicants,
32 eligible services and items for grant funding, the electronic
33 application process, and the maximum award per grant.

34
35

DIVISION IX
FIRSTHOME IOWA ACCOUNTS

1 Sec. 47. Section 12G.2, Code 2026, is amended by adding the
2 following new subsection:

3 NEW SUBSECTION. 6. Create strategies for coordination of
4 the program with the FirstHome Iowa program trust established
5 in chapter 12L.

6 Sec. 48. NEW SECTION. 12L.1 **FirstHome Iowa program —**
7 **purpose and definitions.**

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

25 2. As used in this chapter, unless the context otherwise
26 requires:

27 *a. "Administrative fund"* means the administrative fund
28 established under section 12L.4.

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

32 *c. "First-time homebuyer"* means an individual who is a
33 resident of Iowa and who does not own, either individually or
34 jointly, a single-family or multifamily residence, and who
35 has not owned or purchased, either individually or jointly, a

1 single-family or multifamily residence for a period of three
2 years prior to the date of the qualified purchase for which the
3 eligible home costs are paid or reimbursed from an account.

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

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

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

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

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

20 *i. "Program fund" means the program fund established under*
21 *section 12L.4.*

22 *j. "Qualified homebuyer expenses" means any of the*
23 *following:*

24 (1) A down payment or closing costs for the qualified
25 purchase of a single-family residence in Iowa that is the
26 principal residence of the beneficiary if such beneficiary is a
27 first-time homebuyer with respect to such purchase.

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

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

1 program.

2 *k.* "Qualified purchase" means the purchase of a
3 single-family residence in Iowa by the account's beneficiary
4 ninety or more days after the date the participant first opened
5 the account.

6 *l.* "Resident" means the same as defined in section 422.4.

7 *m.* "Single-family residence" means a single-family
8 residence owned and occupied by a beneficiary as the
9 beneficiary's principal residence, including but not limited
10 to a manufactured home, mobile home, condominium unit, or
11 cooperative.

12 Sec. 49. NEW SECTION. 12L.2 **Creation of FirstHome Iowa**
13 **program trust.**

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

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

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

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

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

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

1 6. Participate in any federal, state, or local governmental
2 program for the benefit of the trust.

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

5 8. Enter into participation agreements with participants.

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

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

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

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

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

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

28 15. Administer the funds of the trust.

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

31 **Sec. 50. NEW SECTION. 12L.3 Participation agreements for**
32 **trust.**

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

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

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

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

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

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

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

1 account, the following criteria shall apply:

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

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

11 Sec. 51. NEW SECTION. 12L.4 **FirstHome Iowa program and**
12 **administrative funds — investment and payments.**

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

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

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

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

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

28 Sec. 52. NEW SECTION. 12L.5 **Cancellation of agreements.**

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

33 Sec. 53. NEW SECTION. 12L.6 **Ownership of payments and**
34 **investment income — transfer of ownership rights.**

35 1. *a.* A participant retains ownership of all payments

1 made under a participation agreement up to the date of
2 utilization for payment of qualified homebuyer expenses for the
3 beneficiary.

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

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

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

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

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

21 **Sec. 54. NEW SECTION. 12L.7 Annual audited financial report**
22 **to governor and general assembly.**

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

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

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

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

1 preceding year.

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

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

7 **Sec. 55. NEW SECTION. 12L.8 Tax considerations.**

8 State income tax treatment of the FirstHome Iowa program
9 trust shall be as provided in section 422.7, subsections 46 and
10 47.

11 **Sec. 56. NEW SECTION. 12L.9 Property rights to assets in
12 trust.**

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

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

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

22 **Sec. 57. NEW SECTION. 12L.10 Construction.**

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

25 **Sec. 58.** Section 232D.503, subsection 6, Code 2026, is
26 amended by adding the following new paragraph:

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

29 **Sec. 59.** Section 422.7, Code 2026, is amended by adding the
30 following new subsections:

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

1 section 422.21 for making and filing an individual income tax
2 return, excluding extensions, or the date for making and filing
3 an individual income tax return determined by the director
4 pursuant to an order issued under section 421.17, subsection
5 30, may elect to be deemed to have made the contribution on the
6 last day of the preceding calendar year. The director, after
7 consultation with the treasurer of state, shall prescribe by
8 rule the manner and method by which a participant may make an
9 election authorized by the preceding sentence.

10 *b.* Add the amount resulting from the cancellation of
11 a participation agreement refunded to the taxpayer as a
12 participant in the FirstHome Iowa program trust to the extent
13 previously deducted as a contribution to the trust.

14 *c.* Add, to the extent previously deducted as a contribution
15 to the trust, the amount resulting from a withdrawal or
16 transfer made by the taxpayer from the FirstHome Iowa program
17 trust for purposes other than the payment of qualified
18 homebuyer expenses.

19 NEW SUBSECTION. 47. Subtract, to the extent included,
20 income from interest and earnings received from the FirstHome
21 Iowa program trust created in chapter 12L.

22 Sec. 60. Section 541B.4, Code 2026, is amended by adding the
23 following new subsections:

24 NEW SUBSECTION. 5. *Withdrawal for deposit into FirstHome*
25 *Iowa program trust account.* First-time homebuyer account
26 balances under this chapter may be withdrawn without penalty or
27 taxation in this state if such withdrawal is deposited in an
28 account within the FirstHome Iowa program trust under chapter
29 12L within thirty days of the withdrawal. The treasurer of
30 state may by rule provide for the direct transfer of moneys
31 within an account under this chapter to a FirstHome Iowa
32 program trust account and such transfer shall not be subject to
33 penalty or taxation in this state.

34 NEW SUBSECTION. 6. *No new accounts.* New accounts shall not
35 be established under this chapter on or after July 1, 2026.

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

10

DIVISION XI

11

LOCAL GOVERNMENT BUDGET STATEMENTS

12 Sec. 70. Section 24.2A, subsection 1, paragraph c, Code
13 2026, is amended by striking the paragraph.

14 Sec. 71. Section 24.2A, subsection 1, paragraph d, Code
15 2026, is amended to read as follows:

16 *d. "Political subdivision"* means a school district, a
17 county, or a city. In addition, for purposes of the statements
18 required under subsection 2, paragraph "b", only, all
19 certifying boards that are not a political subdivision shall be
20 considered a single political subdivision and identified under
21 a designation of special taxing districts on such statements.

22 Sec. 72. Section 24.2A, subsection 2, paragraph a, Code
23 2026, is amended to read as follows:

24 *a.* On or before 4:00 p.m. on March 5 of each year, each
25 political subdivision certifying board shall file with the
26 department of management a report containing all necessary
27 information for the department of management to compile and
28 calculate amounts required to be included in the statements
29 mailed under paragraph "b" or provided under paragraph "c". If
30 a county or city certifying board, except a school district,
31 fails to file all necessary information with the department of
32 management by 4:00 p.m. on March 5, taxes levied by the county
33 or city certifying board shall be limited to the prior year's
34 budget amount.

35 Sec. 73. Section 24.2A, subsection 2, paragraph b, Code

1 2026, is amended by striking the paragraph and inserting in
2 lieu thereof the following:

3 *b.* Not later than March 15, the county auditor, using
4 information compiled and calculated by the department of
5 management under paragraph "a", shall send to each property
6 owner or taxpayer within the county by regular mail or post
7 under paragraph "c" a statement, identified as not being a
8 property tax bill and indicating the approximate date when
9 a property tax bill will be delivered, but containing a
10 minimum of all of the following, including the information
11 in subparagraphs (3), (4), (5), (7), and (8) for each of the
12 political subdivisions comprising the owner's or taxpayer's
13 taxing district:

14 (1) The address, property description, parcel
15 identification number, actual value, and taxable value of the
16 owner's or taxpayer's property.

17 (2) The classification of the owner's or taxpayer's
18 property, including identification of all assessment
19 limitations under section 441.21, and identification of each
20 property tax exemption or credit being received by the owner
21 or taxpayer for the property for the assessment year and the
22 immediately preceding assessment year.

23 (3) The sum of the current fiscal year's actual property
24 taxes certified for levy for all of the political subdivision's
25 levies on the owner's or taxpayer's property, the percentage
26 that such amount represents of the total taxes due on the
27 property, and the allocation of such amounts to specified
28 categories of the political subdivision's services and
29 activities.

30 (4) The combined amount of the proposed property tax dollars
31 to be certified for all of the political subdivision's levies
32 for the budget year on the owner's or taxpayer's property,
33 the percentage that such amount represents of the proposed
34 total taxes due on the property, the percentage increase of
35 such amount from the current fiscal year and the potential

1 reasons for any increases, and the allocation of such amounts
2 to specified categories of the political subdivision's services
3 and activities, including that portion of such amount subject
4 to the limitation under section 444.25.

5 (5) Tax amounts provided under subparagraphs (3) and (4)
6 as a per month amount and a percentage change in the per month
7 amount between the current fiscal year and the budget year.

8 (6) A comparison of the combined amount of property taxes
9 due on the owner's or taxpayer's property for all political
10 subdivisions for the current fiscal year and the combined
11 proposed amount of property taxes due on the owner's or
12 taxpayer's property for all political subdivisions for the
13 budget year, including the percentage in change in such
14 amounts.

15 (7) The date, time, and location of the political
16 subdivision's public hearing under subsection 4, including
17 a statement of the owner or taxpayer's ability to provide
18 feedback at the public hearing and protest property
19 assessments.

20 (8) Information on how to access on the political
21 subdivision's internet site the political subdivision's
22 statements under this section and other budget documents for
23 prior fiscal years.

24 (9) A link to the department of management's internet site
25 where the property owner or taxpayer may view an example of the
26 statement and a brief explanation of the information included
27 on the statement.

28 Sec. 74. Section 24.2A, subsection 2, Code 2026, is amended
29 by adding the following new paragraph:

30 NEW PARAGRAPH. *c.* For budgets for fiscal years beginning
31 on or after July 1, 2027, statements under paragraph "b", in
32 lieu of regular mail, may be provided by posting the statement
33 not later than March 15 on the political subdivision's
34 internet site for public viewing and shall be maintained on
35 the political subdivision's internet site with all such prior

1 year statements. Additionally, if the political subdivision
2 maintains a social media account on one or more social media
3 applications, the statement or an electronic link to the
4 statement shall be posted on each such account on a date no
5 later than March 15.

6 Sec. 75. Section 24.2A, subsection 3, Code 2026, is amended
7 to read as follows:

8 3. The department of management shall prescribe the form
9 for the report required under subsection 2, paragraph "a";
10 following consultation with the Iowa league of cities and the
11 Iowa state association of counties, the statements required to
12 be mailed under subsection 2, paragraph "b", or provided under
13 subsection 2, paragraph "c"; and the public hearing notice
14 required under subsection 4, paragraph "b". The statements
15 required under subsection 2, paragraph "b", shall be clear,
16 concise, written in plain language, and may be presented
17 using tables, written narrative, and graphic representations
18 and shall contain the internet site, mailing address, and a
19 telephone number for each political subdivision that owners
20 and taxpayers may call if they have questions related to the
21 statement.

22 Sec. 76. Section 24.2A, subsection 4, paragraph b,
23 subparagraph (4), subparagraph division (a), Code 2026, is
24 amended to read as follows:

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

29 Sec. 77. Section 24.3, unnumbered paragraph 1, Code 2026,
30 is amended to read as follows:

31 A municipality shall not certify or levy in any fiscal year
32 any tax on property subject to taxation unless and until the
33 following estimates have been made, filed, and considered,
34 and for school districts, the ~~individual~~ statements have been
35 mailed or posted, as applicable, and public hearings held, as

1 provided in [this chapter](#):

2 Sec. 78. Section 331.434, subsection 3, Code 2026, is
3 amended to read as follows:

4 3. Following, and not until, the requirements of section
5 24.2A are completed, the board shall set a time and place for
6 a public hearing on the budget before the final certification
7 date and shall publish notice of the hearing not less than
8 ten nor more than twenty days prior to the hearing in the
9 county newspapers selected under [chapter 349](#). A summary of
10 the proposed budget and a description of the procedure for
11 protesting the county budget under [section 331.436](#), in the form
12 prescribed by the director of the department of management,
13 shall be included in the notice. Proof of publication of
14 the notice under [this subsection 3](#) shall be filed with and
15 preserved by the county auditor. A levy is not valid unless
16 and until the notice is published and ~~individual~~ statements
17 under [section 24.2A](#) are mailed or posted. The department of
18 management shall prescribe the form for the public hearing
19 notice for use by counties.

20 Sec. 79. Section 331.435, subsection 2, Code 2026, is
21 amended to read as follows:

22 2. The board shall prepare and adopt a budget amendment in
23 the same manner as the original budget as provided in section
24 331.434, but excluding the requirements for ~~mailing individual~~
25 statements under [section 24.2A](#), and the amendment is subject
26 to protest as provided in [section 331.436](#), except that the
27 director of the department of management may by rule provide
28 that amendments of certain types or up to certain amounts may
29 be made without public hearing and without being subject to
30 protest. A county budget for the ensuing fiscal year shall be
31 amended by May 31 to allow time for a protest hearing to be
32 held and a decision rendered before June 30. An amendment of
33 a budget after May 31 which is properly appealed but without
34 adequate time for hearing and decision before June 30 is void.

35 Sec. 80. Section 384.17, Code 2026, is amended to read as

1 follows:

2 **384.17 Levy by county.**

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

13 Sec. 81. Section 384.18, subsection 2, Code 2026, is amended
14 to read as follows:

15 2. A budget amendment must be prepared and adopted in the
16 same manner as the original budget, as provided in section
17 384.16, excluding the requirement for ~~the mailing of individual~~
18 statements under [section 24.2A](#), and is subject to protest as
19 provided in [section 384.19](#), except that the committee may by
20 rule provide that amendments of certain types or up to certain
21 amounts may be made without public hearing and without being
22 subject to protest. A city budget shall be amended by May
23 31 of the current fiscal year to allow time for a protest
24 hearing to be held and a decision rendered before June 30. The
25 amendment of a budget after May 31, which is properly appealed
26 but without adequate time for hearing and decision before June
27 30 is void.

28 Sec. 82. IMPLEMENTATION OF DIVISION OF ACT. Section 25B.2,
29 subsection 3, shall not apply to this division of this Act.

30 Sec. 83. APPLICABILITY. This division of this Act applies
31 to political subdivision budgets for fiscal years beginning on
32 or after July 1, 2027.

33 DIVISION XII

34 ELECTION DATES — BONDS

35 Sec. 84. Section 39.2, subsection 4, paragraph d, Code 2026,

1 is amended to read as follows:

2 *d.* For any political subdivision of this state, if the
3 special election is in whole or in part for the question of
4 issuing bonds or other indebtedness, the first Tuesday after
5 the first Monday in June or the first Tuesday after the first
6 Monday in November. However, a political subdivision shall
7 not hold an election on the question of issuing bonds or other
8 indebtedness on two consecutive election dates authorized under
9 this paragraph.

10 DIVISION XIII

11 EMERGENCY MEDICAL SERVICES LEVY

12 Sec. 85. Section 422D.1, subsection 1, paragraph a,
13 subparagraph (2), Code 2026, is amended to read as follows:

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

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

29 DIVISION XIV

30 SCHOOL DISTRICT UNSPENT BALANCES — ON-TIME FUNDING AND
31 MODIFIED SUPPLEMENTAL AMOUNTS

32 Sec. 86. Section 257.7, Code 2026, is amended by adding the
33 following new subsection:

34 NEW SUBSECTION. 3. *Unspent balances.* For school budget
35 years beginning on or after July 1, 2026, a school district's

1 actual unspent balance from the preceding year used to
2 calculate the authorized budget under subsection 1 shall
3 not exceed an amount equal to thirty-five percent of the
4 school district's authorized expenditures for the budget year
5 immediately preceding the base year unless a greater amount
6 is authorized by the school budget review committee based on
7 one or more grounds authorized for the approval of a modified
8 supplemental amount under section 257.31.

9 Sec. 87. Section 257.13, Code 2026, is amended to read as
10 follows:

11 **257.13 On-time ~~funding~~ budget adjustment.**

12 1. a. For the school budget year beginning July 1, 2001,
13 and succeeding budget years beginning before July 1, 2026, if a
14 district's actual enrollment for the budget year, determined
15 under section 257.6, is greater than its budget enrollment for
16 the budget year, the district shall be eligible to receive an
17 on-time ~~funding~~ budget adjustment. The adjustment shall be in
18 an amount equal to the difference between the actual enrollment
19 for the budget year and the budget enrollment for the budget
20 year, multiplied by the district cost per pupil.

21 ~~2.~~ b. The board of directors of a school district that
22 wishes to receive an on-time ~~funding~~ budget adjustment under
23 this subsection shall adopt a resolution to receive the
24 adjustment and notify the school budget review committee
25 annually, but not earlier than November 1, as determined by the
26 department of education. The school budget review committee
27 shall establish a modified supplemental amount pursuant to
28 subsection 1 paragraph "a".

29 2. a. For the school budget years beginning on or after
30 July 1, 2026, if a district's actual enrollment for the budget
31 year, determined under section 257.6, is greater than its
32 budget enrollment for the budget year, the district may request
33 an on-time budget adjustment. The adjustment shall not exceed
34 an amount equal to the difference between the actual enrollment
35 for the budget year and the budget enrollment for the budget

1 year, multiplied by the district cost per pupil.

2 b. To request an on-time budget adjustment under this
3 subsection, the board of directors of a school district shall
4 adopt a resolution to receive the adjustment and notify the
5 school budget review committee on or before a date established
6 by the committee. The school budget review committee may
7 establish a modified supplemental amount pursuant to paragraph
8 "a".

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

15 Sec. 88. NEW SECTION. 279.63A Unspent balance — policy.

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

30 2. Targeted ranges and maximum amounts defined in the policy
31 under subsection 1 shall be reviewed annually by the board of
32 directors and such review shall be entered in the minutes of
33 the board and approved revisions shall be made to the policy.

34 Sec. 89. EFFECTIVE DATE. This division of this Act, being
35 deemed of immediate importance, takes effect upon enactment.

1 DIVISION XV

2 HOMESTEAD CREDITS AND EXEMPTIONS

3 Sec. 90. Section 10A.518, subsection 2, paragraph b, Code
4 2026, is amended to read as follows:

5 b. The rules shall require the installation of smoke
6 detectors in existing single-family rental units and
7 multiple-unit residential buildings. Existing single-family
8 dwelling units shall be equipped with approved smoke detectors.
9 A person who files for a homestead credit or exemption
10 pursuant to chapter 425, subchapter I, shall certify that the
11 single-family dwelling unit for which the credit or exemption
12 is filed has a smoke detector installed in compliance with this
13 section, or that one will be installed within thirty days of
14 the date the filing for the credit or exemption is made. The
15 director shall adopt rules and establish appropriate procedures
16 to administer this subsection.

17 Sec. 91. Section 10A.518, subsection 3, paragraph b, Code
18 2026, is amended to read as follows:

19 b. The rules shall require the installation of carbon
20 monoxide alarms in existing single-family rental units and
21 multiple-unit residential buildings that have a fuel-fired
22 heater or appliance, a fireplace, or an attached garage.
23 Existing single-family dwellings that have a fuel-fired heater
24 or appliance, a fireplace, or an attached garage shall be
25 equipped with approved carbon monoxide alarms. For purposes
26 of this paragraph, "*approved carbon monoxide alarm*" means a
27 carbon monoxide alarm that meets the standards established by
28 the underwriters' laboratories or is approved by the director
29 as established by rule under subsection 5. A person who files
30 for a homestead credit or exemption pursuant to chapter 425,
31 subchapter I, shall certify that the single-family dwelling
32 for which the credit or exemption is filed and that has a
33 fuel-fired heater or appliance, a fireplace, or an attached
34 garage, has carbon monoxide alarms installed in compliance with
35 this section, or that such alarms will be installed within

1 thirty days of the date the filing for the credit or exemption
2 is made. The director shall adopt rules and establish
3 appropriate procedures to administer this subsection.

4 Sec. 92. Section 25B.7, subsection 2, paragraph a, Code
5 2026, is amended to read as follows:

6 a. Homestead tax credit pursuant to section 425.1,
7 and sections 425.2 through 425.13, ~~and section 425.15~~.

8 Sec. 93. Section 103.22, subsection 7, Code 2026, is amended
9 to read as follows:

10 7. Prohibit an owner of property from performing work on the
11 owner's principal residence, if such residence is an existing
12 dwelling rather than new construction and is not an apartment
13 that is attached to any other apartment or building, as those
14 terms are defined in section 499B.2, and is not larger than a
15 single-family dwelling, or require such owner to be licensed
16 under this chapter. In order to qualify for inapplicability
17 pursuant to this subsection, a residence shall qualify for the
18 homestead tax credit or exemption.

19 Sec. 94. Section 105.11, subsection 3, Code 2026, is amended
20 to read as follows:

21 3. Prohibit an owner of property from performing work on the
22 owner's principal residence, if such residence is an existing
23 dwelling rather than new construction and is not larger than a
24 single-family dwelling, or farm property, excluding commercial
25 or industrial installations or installations in public use
26 buildings or facilities, or require such owner to be licensed
27 under this chapter. In order to qualify for inapplicability
28 pursuant to this subsection, a residence shall qualify for the
29 homestead tax credit or exemption.

30 Sec. 95. Section 216.12, subsection 1, paragraph e, Code
31 2026, is amended to read as follows:

32 e. The rental or leasing of a housing accommodation in a
33 building which contains housing accommodations for not more
34 than four families living independently of each other, if the
35 owner resides in one of the housing accommodations for which

1 the owner qualifies for the homestead tax credit or exemption
2 under ~~section 425.1~~ chapter 425, subchapter I.

3 Sec. 96. Section 321.1, subsection 6C, Code 2026, is amended
4 to read as follows:

5 6C. "*Bona fide residence*" or "*bona fide address*" means the
6 current street or highway address of an individual's residence.
7 The bona fide residence of a person with more than one dwelling
8 is the dwelling for which the person claims a homestead
9 tax credit or exemption under chapter 425, subchapter I, if
10 applicable. The bona fide residence of a homeless person is a
11 primary nighttime residence meeting one of the criteria listed
12 in [section 48A.2, subsection 3](#).

13 Sec. 97. Section 331.401, subsection 1, paragraphs e and f,
14 Code 2026, are amended to read as follows:

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

19 f. Examine and allow or disallow claims for homestead
20 tax exemption and credit in accordance with ~~section 425.3~~
21 chapter 425, subchapter I, and claims for military service
22 tax exemption in accordance with [chapter 426A](#). The board,
23 by a single resolution, may allow or disallow the exemptions
24 recommended by the assessor.

25 Sec. 98. Section 331.512, subsection 3, Code 2026, is
26 amended to read as follows:

27 3. Carry out duties relating to the homestead tax exemption
28 and credit as provided in chapter 425, subchapter I, and
29 agricultural land tax credit as provided in ~~chapters 425 and~~
30 chapter 426.

31 Sec. 99. Section 331.559, subsection 11, Code 2026, is
32 amended to read as follows:

33 11. Carry out duties relating to the administration of
34 the homestead tax exemption and credit and other credits as
35 provided in ~~sections 425.4, 425.5, 425.7, 425.9, 425.10, and~~

1 ~~425.25~~ chapter 425.

2 Sec. 100. Section 404.3, subsection 1, Code 2026, is amended
3 to read as follows:

4 1. All qualified real estate assessed as residential
5 property is eligible to receive an exemption from taxation
6 based on the actual value added by the improvements. The
7 exemption is for a period of ten years. The amount of the
8 exemption is equal to a percent of the actual value added by
9 the improvements, determined as follows: One hundred fifteen
10 percent of the value added by the improvements. However, the
11 amount of the actual value added by the improvements which
12 shall be used to compute the exemption shall not exceed twenty
13 thousand dollars and the granting of the exemption shall not
14 result in the actual value of the qualified real estate being
15 reduced below the actual value on which the homestead ~~credit~~
16 exemption is computed under section ~~425.1~~ 425.1A, subsection
17 1A.

18 Sec. 101. Section 425.1, subsection 2, Code 2026, is amended
19 by striking the subsection and inserting in lieu thereof the
20 following:

21 2. a. The homestead credit fund shall be apportioned each
22 year so as to give a credit against the tax on each eligible
23 homestead in the state equal to the amounts specified pursuant
24 to paragraph "b" or "c", as applicable.

25 b. (1) If the owner of a homestead allowed a credit under
26 this subchapter is any of the following, the homestead credit
27 allowed on the homestead shall be the entire amount of tax
28 levied on the homestead:

29 (a) A veteran of any of the military forces of the United
30 States who acquired the homestead under 38 U.S.C. §21.801,
31 21.802 prior to August 6, 1991, or under 38 U.S.C. §2101, 2102.

32 (b) A veteran as defined in section 35.1 with a permanent
33 service-connected disability rating of one hundred percent, as
34 certified by the United States department of veterans affairs,
35 or a permanent and total disability rating based on individual

1 unemployability that is compensated at the one hundred percent
2 disability rate, as certified by the United States department
3 of veterans affairs.

4 (c) A former member of the national guard of any state
5 who otherwise meets the service requirements of section 35.1,
6 subsection 2, paragraph "b", subparagraph (2) or (7), with a
7 permanent service-connected disability rating of one hundred
8 percent, as certified by the United States department of
9 veterans affairs, or a permanent and total disability rating
10 based on individual unemployability that is compensated at the
11 one hundred percent disability rate, as certified by the United
12 States department of veterans affairs.

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

17 (2) (a) For an owner described in subparagraph (1),
18 subparagraph division (a), (b), or (c), the credit allowed
19 shall be continued to the estate of an owner who is deceased
20 or the surviving spouse and any child, as defined in section
21 234.1, who are the beneficiaries of a deceased owner, so long
22 as the surviving spouse remains unmarried.

23 (b) An individual described in subparagraph (1),
24 subparagraph division (d), is no longer eligible for the credit
25 upon termination of dependency and indemnity compensation under
26 38 U.S.C. §1301 et seq.

27 (3) An owner or a beneficiary of an owner who elects to
28 secure the credit provided in this paragraph is not eligible
29 for the credit provided in paragraph "c" or any other real
30 property tax credit or exemption provided by law for veterans
31 of military service.

32 (4) If an owner acquires a different homestead, the
33 credit allowed under this paragraph may be claimed on the new
34 homestead unless the owner fails to meet the other requirements
35 of this paragraph.

1 (5) (a) Except as provided in subparagraph division (b),
2 the list of the names and addresses of individuals allowed
3 a credit under this paragraph and maintained by the county
4 recorder, county treasurer, county assessor, city assessor, or
5 other government body is confidential information and shall
6 not be disseminated to any person unless otherwise ordered by
7 a court or released by the lawful custodian of the records
8 pursuant to state or federal law. The county recorder, county
9 treasurer, county assessor, city assessor, or other government
10 body responsible for maintaining the names and addresses
11 of individuals allowed a credit under this paragraph may
12 display such credit on individual paper records and individual
13 electronic records, including display on an internet site.

14 (b) Upon request, a county recorder, county assessor, city
15 assessor, or other entity may share information as described in
16 subparagraph division (a) to a county veterans service officer
17 for purposes of providing information on benefits and services
18 available to veterans and their families.

19 (6) (a) For an owner who makes an application to secure
20 the credit provided in this paragraph before July 1, 2026,
21 and for the beneficiary of such an owner, "homestead" shall
22 mean the same as defined in section 425.11 for each succeeding
23 assessment year.

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

29 (7) For purposes of this paragraph, "*permanent and total*
30 *disability rating based on individual unemployability*" means
31 a condition under which a person has either a permanent
32 service-connected disability rating of sixty percent or two or
33 more permanent service-connected disability conditions in which
34 one of the conditions has at least a forty percent rating and
35 the combined rating for all the conditions is at least seventy

1 percent, and the person has an administrative adjustment added
2 to the service-connected disability rating, due to individual
3 unemployability, such that the United States department of
4 veterans affairs rates the veteran permanently and totally
5 disabled for purposes of disability compensation.

6 c. (1) For assessment years beginning prior to January
7 1, 2026, unless eligible under section 425.15, Code 2026, an
8 amount equal to the actual levy on the first four thousand
9 eight hundred fifty dollars of actual value for each homestead.

10 (2) For the assessment year beginning January 1, 2026,
11 and each assessment year thereafter, unless eligible under
12 paragraph "b", zero.

13 Sec. 102. Section 425.1A, subsection 1, Code 2026, is
14 amended to read as follows:

15 1. The following exemptions from taxation shall be allowed
16 ~~in addition to following application of the homestead credit~~
17 exemption under subsection 1A for an owner that has attained
18 the age of sixty-five years by January 1 of the assessment
19 year:

20 a. For the assessment year beginning January 1, 2023, the
21 eligible homestead, not to exceed three thousand two hundred
22 fifty dollars in taxable value.

23 b. For ~~the assessment year~~ years beginning on or after
24 January 1, 2024, ~~and each succeeding assessment year,~~ the
25 eligible homestead, not to exceed six thousand five hundred
26 dollars in taxable value.

27 Sec. 103. Section 425.1A, Code 2026, is amended by adding
28 the following new subsection:

29 NEW SUBSECTION. 1A. For the assessment year beginning
30 January 1, 2026, and each assessment year thereafter, an
31 exemption from taxation of fifteen thousand dollars in taxable
32 value shall be allowed on each eligible homestead.

33 Sec. 104. Section 425.1A, subsection 2, Code 2026, is
34 amended to read as follows:

35 2. Section 25B.7, subsection 1, shall not apply to the

1 property tax ~~exemption~~ exemptions provided in [this section](#).

2 Sec. 105. Section 425.2, subsections 1 and 2, Code 2026, are
3 amended to read as follows:

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

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

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

10 Sec. 106. Section 425.2, subsection 4, Code 2026, is amended
11 by striking the subsection.

12 Sec. 107. Section 425.2, subsections 5 and 6, Code 2026, are
13 amended to read as follows:

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

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

33 Sec. 108. Section 425.8, subsection 1, Code 2026, is amended
34 to read as follows:

35 1. The director of revenue shall prescribe the form

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

15 Sec. 109. Section 425.11, subsection 1, paragraph d,
16 subparagraph (1), unnumbered paragraph 1, Code 2026, is amended
17 to read as follows:

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

23 Sec. 110. Section 425.11, subsection 1, paragraph d,
24 subparagraph (3), Code 2026, is amended to read as follows:

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

31 Sec. 111. Section 425.11, subsection 1, paragraph e,
32 subparagraph (2), Code 2026, is amended to read as follows:

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

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

7 Sec. 112. Section 483A.24, subsection 20, Code 2026, is
8 amended to read as follows:

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

18 Sec. 113. REPEAL. Section 425.15, Code 2026, is repealed.

19 Sec. 114. 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. 115. RETROACTIVE APPLICABILITY. This division of this
29 Act applies retroactively to assessment years beginning on or
30 after January 1, 2026.

31 DIVISION XVI

32 AGRICULTURAL EXTENSION LEVY

33 Sec. 116. Section 176A.10, Code 2026, is amended to read as
34 follows:

35 **176A.10 County agricultural extension education tax.**

1 1. The extension council of each extension district shall,
2 at a meeting held before April 30, estimate the amount of money
3 required to be raised by taxation for financing the county
4 agricultural extension education program authorized in this
5 chapter. The annual tax levy and the amount of money to be
6 raised from the levy for the county agricultural extension
7 education fund shall not exceed the following amount levied
8 for the immediately preceding fiscal year plus any allowable
9 increase under section 444.25.

10 ~~a. (1) Except as provided in subparagraph (2), for an~~
11 ~~extension district having a population of less than thirty~~
12 ~~thousand, an annual levy of twenty and one-fourth cents per~~
13 ~~thousand dollars of the assessed valuation of the taxable~~
14 ~~property in the district up to a maximum of seventy thousand~~
15 ~~dollars for the fiscal year commencing July 1, 1985, and~~
16 ~~seventy-five thousand dollars for each subsequent fiscal year.~~

17 ~~(2) For an extension district having a population of less~~
18 ~~than thirty thousand and as provided in [subsection 2](#), an annual~~
19 ~~levy of thirty cents per thousand dollars of the assessed~~
20 ~~valuation of the taxable property in the district up to a~~
21 ~~maximum of eighty-seven thousand dollars payable during the~~
22 ~~fiscal year commencing July 1, 1992, and an increase of six~~
23 ~~thousand dollars in the amount payable during each subsequent~~
24 ~~fiscal year.~~

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

33 ~~(2) For an extension district having a population of thirty~~
34 ~~thousand or more but less than fifty thousand and as provided~~
35 ~~in [subsection 2](#), an annual levy of twenty and one-fourth cents~~

1 ~~per thousand dollars of the assessed valuation of the taxable~~
2 ~~property in the district up to a maximum of one hundred four~~
3 ~~thousand dollars payable during the fiscal year commencing~~
4 ~~July 1, 1992, and an increase of seven thousand dollars in the~~
5 ~~amount payable during each subsequent fiscal year.~~

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

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

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

31 ~~(2) For an extension district having a population of~~
32 ~~ninety thousand or more but less than two hundred thousand and~~
33 ~~as provided in [subsection 2](#), an annual levy of thirteen and~~
34 ~~one-half cents per thousand dollars of the assessed valuation~~
35 ~~of the taxable property in the district up to a maximum of one~~

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

5 ~~e. For an extension district having a population of two~~
6 ~~hundred thousand or more and as provided in [subsection 2](#),~~
7 ~~an annual levy of five cents per thousand dollars of the~~
8 ~~assessed valuation of the taxable property in the district up~~
9 ~~to a maximum of two hundred thousand dollars payable during~~
10 ~~the fiscal year commencing July 1, 1992, and an increase of~~
11 ~~twenty-five thousand dollars in the amount payable during each~~
12 ~~subsequent fiscal year.~~

13 ~~2. An extension council of an extension district may~~
14 ~~choose to be subject to the levy and revenue limits specified~~
15 ~~in [subsection 1](#), paragraph "a", subparagraph (2), paragraph~~
16 ~~"b", subparagraph (2), paragraph "c", subparagraph (2), and~~
17 ~~paragraph "d", subparagraph (2), and [subsection 1](#), paragraph~~
18 ~~"e", for the purpose of the annual levy for the fiscal year~~
19 ~~commencing July 1, 1991, which levy is payable in the fiscal~~
20 ~~year beginning July 1, 1992. Before an extension district~~
21 ~~may be subject to the levy and revenue limits specified in~~
22 ~~[subsection 1](#), paragraph "a", subparagraph (2), paragraph~~
23 ~~"b", subparagraph (2), paragraph "c", subparagraph (2), and~~
24 ~~paragraph "d", subparagraph (2), and [subsection 1](#), paragraph~~
25 ~~"e", for fiscal years beginning on or after July 1, 1992, which~~
26 ~~levy is payable in fiscal years beginning on or after July 1,~~
27 ~~1993, the question of whether the district shall be subject to~~
28 ~~the levy and revenue limits as specified in such paragraphs~~
29 ~~must be submitted to the registered voters of the district.~~
30 ~~The question shall be submitted at the time of a general~~
31 ~~election. If the question is approved by a majority of those~~
32 ~~voting on the question the levy and revenue limits specified~~
33 ~~in [subsection 1](#), paragraph "a", subparagraph (2), paragraph~~
34 ~~"b", subparagraph (2), paragraph "c", subparagraph (2), and~~
35 ~~paragraph "d", subparagraph (2), and [subsection 1](#), paragraph~~

1 ~~"e", shall thereafter apply to the extension district. The~~
2 ~~question need only be approved at one general election. If~~
3 ~~a majority of those voting on the question vote against the~~
4 ~~question, the district may continue to submit the question at~~
5 ~~subsequent general elections until approved.~~

6 ~~3.~~ 2. The extension council in each extension district
7 shall comply with [chapter 24](#).

8 Sec. 117. APPLICABILITY. This division of this Act applies
9 to property taxes due and payable in fiscal years beginning on
10 or after July 1, 2027.>

11 2. Title page, by striking lines 1 through 5 and inserting
12 <An Act relating to state and local government taxes, budgets,
13 and authority, by modifying provisions relating to the
14 assessment and taxation of property, funding from the secure an
15 advanced vision for education fund, and urban renewal areas,
16 establishing a program for certain first-time homebuyers,
17 establishing a local government efficiency grant fund, making
18 appropriations, and including effective date, applicability and
19 retroactive applicability provisions.>