

**NINETY-FIRST GENERAL ASSEMBLY
2026 REGULAR SESSION
DAILY
HOUSE CLIP SHEET**

April 16, 2026

Clip Sheet Summary

Displays all amendments, fiscal notes, and conference committee reports for previous day.

Bill	Amendment	Action	Sponsor
HF 990	H-8378	Filed	RECEIVED FROM THE SENATE
HF 2305	H-8377	Filed	RECEIVED FROM THE SENATE
HF 2502	H-8376	Filed	RECEIVED FROM THE SENATE
HF 2745	H-8374	Filed	NORDMAN of Dallas
HF 2754	H-8372	Filed	GUSTOFF of Polk
HF 2754	H-8373	Filed	ZABNER of Johnson
HF 2766	H-8379	Filed	LUNDGREN of Dubuque
HF 2780	H-8375	Filed	COLLINS of Des Moines

Fiscal Notes

[SF 2472](#) — [Property Taxation](#) (LSB5195SV)

[HF 2766](#) — [Captive Insurance Companies](#) (LSB5452HV)

SENATE AMENDMENT TO
HOUSE FILE 990

H-8378

- 1 Amend House File 990, as amended, passed, and reprinted by
2 the House, as follows:
- 3 1. Page 1, before line 1 by inserting:
4 <Section 1. Section 124E.4, subsection 1, paragraph b, Code
5 2026, is amended by striking the paragraph.
6 Sec. _____. Section 124E.4, subsection 1, paragraph d,
7 subparagraph (1), Code 2026, is amended to read as follows:
8 (1) The patient's full name, ~~Iowa~~ residence address, date
9 of birth, and telephone number.
- 10 Sec. _____. Section 124E.4, subsection 2, paragraph a, Code
11 2026, is amended to read as follows:
12 a. The patient's full name, ~~Iowa~~ residence address, and date
13 of birth.>
- 14 2. Page 1, line 2, by striking <2025> and inserting <2026>
15 3. Page 1, line 11, by striking <2025> and inserting <2026>
16 4. Title page, line 1, before <licensure> by inserting
17 <issuance of medical cannabidiol registration cards and>
18 5. By renumbering as necessary.

H-8378 FILED APRIL 16, 2026

SENATE AMENDMENT TO
HOUSE FILE 2305

H-8377

1 Amend House File 2305, as amended, passed, and reprinted by
2 the House, as follows:

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

5 <Section 1. Section 135J.1, Code 2026, is amended to read
6 as follows:

7 **135J.1 Definitions.**

8 For the purposes of this chapter unless otherwise defined:

9 1. "Attending physician provider" means a physician licensed
10 ~~pursuant to chapter 148 or a physician assistant licensed~~
11 ~~pursuant to chapter 148C, physician assistant, or an advanced~~
12 registered nurse practitioner who is licensed in this state.

13 2. "Attorney in fact" means the same as defined in section
14 144B.1.

15 ~~2.~~ 3. "Core services" means physician services, nursing
16 services, medical social services, counseling services,
17 and ~~volunteer services provided by volunteers.~~ These core
18 services, as well as others deemed necessary by the hospice
19 in delivering safe and appropriate care to ~~its case load~~ the
20 hospice's hospice patients, can be provided through either
21 direct or indirect arrangement by the hospice.

22 ~~3.~~ 4. "Department" means the department of inspections,
23 appeals, and licensing.

24 5. "Guardian" means the same as defined in section 633.3.

25 ~~4.~~ 6. "Hospice patient" or "patient" means a diagnosed
26 ~~terminally ill person~~ an individual with an anticipated life
27 expectancy of six months or less, as certified by the attending
28 physician provider, who, ~~alone or in conjunction with a unit~~
29 ~~of care as defined in subsection 9,~~ has voluntarily requested
30 and received admission into the a hospice program. If the
31 ~~patient is unable to request admission, a family member the~~
32 ~~may voluntarily request and receive admission on the patient's~~
33 ~~behalf.~~ An individual may make this request in conjunction
34 with a unit of care, the individual's attorney in fact,
35 the individual's guardian, or the majority of the guardians

1 if the individual has more than one guardian with equal
2 responsibilities appointed.

3 ~~5-~~ 7. "*Hospice patient's family*" means the immediate kin of
4 ~~the~~ a hospice patient, including a spouse, parent, stepparent,
5 brother, sister, stepbrother, stepsister, child, or stepchild.
6 Additional relatives or individuals with significant personal
7 ties to the hospice patient may be included in the hospice
8 patient's family.

9 ~~6-~~ 8. "*Hospice program*" means a centrally coordinated
10 program of home and inpatient care provided directly or through
11 an agreement under the direction of an identifiable hospice
12 administration providing ~~palliative care~~ directed at symptom
13 management and supportive medical and other health services
14 to ~~terminally ill~~ hospice patients and their families. A
15 licensed hospice program shall utilize a medically directed
16 interdisciplinary team and provide care to meet the physical,
17 emotional, social, spiritual, and other special needs which
18 are experienced during the final stages of illness, dying, and
19 bereavement. Hospice care shall be available twenty-four hours
20 a day, seven days a week.

21 ~~7-~~ 9. "*Interdisciplinary team*" means the hospice patient
22 and the hospice patient's family, the attending ~~physician~~
23 provider, and all of the following individuals trained to serve
24 with a licensed hospice program:

- 25 a. A licensed physician pursuant to chapter 148.
- 26 b. A licensed registered nurse pursuant to chapter 152.
- 27 c. An individual with at least a baccalaureate degree in the
28 field of social work providing medical-social services.
- 29 d. ~~Trained hospice volunteers~~ Volunteers.
- 30 e. As deemed appropriate by the hospice, physician
31 assistants, providers of special services including but not
32 limited to a spiritual counselor, ~~a pharmacist~~ pharmacists, or
33 professionals in the fields of mental health may be included
34 on the interdisciplinary team.

35 ~~8-~~ 10. "*Palliative care*" means specialized medical care

1 ~~directed at managing symptoms experienced by the hospice~~
2 ~~provided to a patient, as well as addressing related needs~~
3 ~~of the patient and family as they experience the stress of~~
4 ~~the dying process~~ who has been diagnosed by the patient's
5 attending provider with a serious illness. Palliative care is
6 stress and symptom management care, based on the needs of the
7 patient rather than the patient's diagnosis, provided by an
8 interdisciplinary team. The intent of palliative care is to
9 enhance the quality of life for the hospice patient and family
10 unit, ~~and is not treatment directed at cure of the terminal~~
11 ~~illness.~~ Palliative care may be provided at any stage of a
12 patient's serious illness, regardless of the patient's age, and
13 may be provided in conjunction with curative treatment for the
14 serious illness.

15 11. "Serious illness" means a health condition that
16 carries a high risk of mortality and either negatively impacts
17 an individual's daily functioning or quality of life, or
18 excessively strains the individual's caregivers.

19 12. "Terminal condition" means the same as defined in
20 section 144A.2.

21 ~~9.~~ 13. "Unit of care" means the a hospice patient and the a
22 hospice patient's family within a hospice program.

23 ~~10.~~ 14. "Volunteer services" "Volunteer" means the services
24 provided by individuals an individual who have has successfully
25 completed a training program developed by a licensed hospice
26 program and who provides services.

27 Sec. 2. Section 135J.3, Code 2026, is amended to read as
28 follows:

29 **135J.3 Basic requirements.**

30 A licensed hospice program shall include:

31 1. A planned program of hospice care, the medical components
32 of which shall be under the direction of an attending physician
33 provider.

34 2. Centrally administered, coordinated hospice core
35 services provided in home, outpatient, or institutional

1 settings.

2 3. A mechanism that assures the rights of ~~the patient and~~
3 family a unit of care.

4 4. ~~Palliative care~~ Symptom management provided to a hospice
5 ~~patient and family~~ unit of care under the direction of an
6 attending physician provider.

7 5. An interdisciplinary team which develops, implements,
8 and evaluates the hospice plan of care for ~~the patient and~~
9 family a unit of care.

10 6. Bereavement services.

11 7. Accessible hospice care twenty-four hours a day, seven
12 days a week in all settings.

13 8. An ongoing system of quality assurance and utilization
14 review.

15 Sec. 3. NEW SECTION. 135J.3A **Patient incapable of making a**
16 **treatment decision.**

17 1. a. A request for admission and placement in a hospice
18 program for a patient who has a terminal condition, and
19 who is comatose, incompetent, or otherwise physically or
20 mentally incapable of communication, and who has not expressed
21 their desire for palliative care or a hospice program, may
22 be made by the patient's attorney in fact or the patient's
23 guardian. If the patient has more than one guardian with
24 equal responsibilities appointed, the decision agreed to by a
25 majority of guardians. If a majority consensus is not achieved
26 by the guardians, a court order shall be required.

27 b. If a patient does not have an attorney in fact or a
28 guardian, the request may be made by an individual, in the same
29 order of priority prescribed in section 144A.7, subsection 1,
30 paragraph "b", who shall be guided by the express or implied
31 intentions of the patient and who is reasonably available,
32 willing, and competent to make a request.

33 2. This section shall not apply to a guardian appointed
34 under chapter 232D.

35 Sec. 4. Section 144A.2, Code 2026, is amended to read as

1 follows:

2 **144A.2 Definitions.**

3 Except as otherwise provided, as used in this chapter:

4 1. "*Adult*" means an individual eighteen years of age or
5 older.

6 2. "*Advanced registered nurse practitioner*" means the same as
7 defined in section 152.1.

8 ~~2. 3. "*Attending physician provider*" means the physician~~
9 ~~selected by, or assigned to, the patient who has primary~~
10 ~~responsibility for the treatment and care of the patient same~~
11 ~~as defined in section 135J.1.~~

12 ~~3. 4. "*Attending physician assistant*" means the physician~~
13 ~~assistant selected by, or assigned to, the patient who has~~
14 ~~primary responsibility for the treatment and care of the~~
15 ~~patient "*Attorney in fact*" means the same as defined in section~~
16 ~~144B.1.~~

17 5. "*Close adult friend*" means a friend of a patient to whom
18 all of the following apply:

19 a. The individual is at least eighteen years of age.

20 b. The individual has shown special care and concern for the
21 patient.

22 c. The individual maintains regular contact with the patient
23 and is familiar with the patient's health, activities, and
24 beliefs.

25 d. The individual has provided an affidavit to the patient's
26 attending provider that states that the individual is willing
27 and able to be involved in the patient's care.

28 ~~4. 6. "*Declaration*" means a document executed in accordance~~
29 ~~with the requirements of section 144A.3.~~

30 ~~5. 7. "*Department*" means the department of health and human~~
31 ~~services.~~

32 ~~6. 8. "*Emergency medical care provider*" means emergency~~
33 ~~medical care provider as defined in section 147A.1.~~

34 ~~7. 9. "*Health care provider*" means a person, including an~~
35 ~~emergency medical care provider, who is licensed, certified, or~~

1 otherwise authorized or permitted by the law of this state to
2 administer health care in the ordinary course of business or in
3 the practice of a profession.

4 ~~8.~~ 10. "*Hospital*" means hospital as defined in section
5 135B.1.

6 ~~9.~~ 11. *a.* "*Life-sustaining procedure*" means any medical
7 procedure, treatment, or intervention, including resuscitation,
8 which meets both of the following requirements:

9 (1) Utilizes mechanical or artificial means to sustain,
10 restore, or supplant a spontaneous vital function.

11 (2) When applied to a patient in a terminal condition, would
12 serve only to prolong the dying process.

13 *b.* "*Life-sustaining procedure*" does not include the
14 provision of nutrition or hydration except when required
15 to be provided parenterally or through intubation, or the
16 administration of medication or performance of any medical
17 procedure deemed necessary to provide comfort care or to
18 alleviate pain.

19 ~~10.~~ 12. "*Out-of-hospital do-not-resuscitate order*" means
20 a written order signed by a ~~physician~~ an attending provider,
21 executed in accordance with the requirements of section
22 144A.7A and issued consistent with this chapter, that directs
23 the withholding or withdrawal of resuscitation when an adult
24 patient in a terminal condition is outside the hospital.

25 ~~11.~~ 13. "*Physician*" means a person licensed to practice
26 medicine and surgery or osteopathic medicine and surgery in
27 this state.

28 ~~12.~~ 14. "*Physician assistant*" means a person licensed to
29 practice as a physician assistant in this state.

30 ~~13.~~ 15. "*Qualified patient*" means a patient who has
31 executed a declaration or an out-of-hospital do-not-resuscitate
32 order in accordance with this chapter and who has been
33 determined by the patient's attending physician provider to be
34 in a terminal condition.

35 ~~14.~~ 16. "*Resuscitation*" means any medical intervention that

1 utilizes mechanical or artificial means to sustain, restore,
2 or supplant a spontaneous vital function, including but not
3 limited to chest compression, defibrillation, intubation, and
4 emergency drugs intended to alter cardiac function or otherwise
5 to sustain life.

6 ~~15.~~ 17. "*Terminal condition*" means an incurable or
7 irreversible condition that, without the administration
8 of life-sustaining procedures, will, in the opinion of
9 the attending ~~physician~~ provider, result in death within
10 a relatively short period of time or a state of permanent
11 unconsciousness from which, to a reasonable degree of medical
12 certainty, there can be no recovery.

13 Sec. 5. Section 144A.3, subsections 3 and 5, Code 2026, are
14 amended to read as follows:

15 3. It is the responsibility of the declarant to provide
16 the declarant's attending ~~physician or health care~~ provider
17 with the declaration. An attending ~~physician or health care~~
18 provider may presume, in the absence of actual notice to the
19 contrary, that the declaration complies with this chapter and
20 is valid.

21 5. A declaration executed pursuant to this chapter may, but
22 need not, be in the following form:

23 DECLARATION

24 If I should have an incurable or irreversible condition that
25 will result either in death within a relatively short period
26 of time or a state of permanent unconsciousness from which,
27 to a reasonable degree of medical certainty, there can be no
28 recovery, it is my desire that my life not be prolonged by
29 the administration of life-sustaining procedures. If I am
30 unable to participate in my health care decisions, I direct
31 my attending ~~physician~~ provider to withhold or withdraw
32 life-sustaining procedures that merely prolong the dying
33 process and are not necessary to my comfort or freedom from
34 pain.

35 Sec. 6. Section 144A.4, Code 2026, is amended to read as

1 follows:

2 **144A.4 Revocation of declaration.**

3 1. A declaration may be revoked at any time and in any
4 manner by which the declarant is able to communicate the
5 declarant's intent to revoke, without regard to mental or
6 physical condition. A revocation is only effective as to the
7 attending ~~physician or attending physician assistant~~ provider
8 upon communication to such ~~physician or physician assistant~~
9 attending provider by the declarant or by another to whom the
10 revocation was communicated.

11 2. The attending ~~physician or attending physician assistant~~
12 provider shall make the revocation a part of the declarant's
13 medical record.

14 Sec. 7. Section 144A.5, Code 2026, is amended to read as
15 follows:

16 **144A.5 Determination of terminal condition.**

17 When an attending ~~physician~~ provider who has been provided
18 with a declaration determines that the declarant is in a
19 terminal condition, this decision must be confirmed by another
20 physician, advanced registered nurse practitioner, or physician
21 assistant. The attending ~~physician~~ provider must record ~~that~~
22 the determination in the declarant's medical record.

23 Sec. 8. Section 144A.6, subsection 2, Code 2026, is amended
24 to read as follows:

25 2. The declaration of a qualified patient known to the
26 attending ~~physician~~ provider to be pregnant shall not be in
27 effect as long as the fetus could develop to the point of live
28 birth with continued application of life-sustaining procedures.
29 However, the provisions of this subsection do not impair any
30 existing rights or responsibilities that any person may have
31 in regard to the withholding or withdrawal of life-sustaining
32 procedures.

33 Sec. 9. Section 144A.7, subsections 1 and 2, Code 2026, are
34 amended to read as follows:

35 1. a. Life-sustaining procedures may be withheld or

1 withdrawn from a patient who is in a terminal condition and who
2 is comatose, incompetent, or otherwise physically or mentally
3 incapable of communication, and who has not made a declaration
4 in accordance with ~~this chapter~~ section 144A.3 if there is
5 consultation and written agreement for the withholding or the
6 withdrawal of life-sustaining procedures between the attending
7 physician provider, another physician, advanced registered
8 nurse practitioner, or physician assistant, and the patient's
9 attorney in fact, the patient's guardian appointed pursuant to
10 chapter 633, or the patient's guardian who has obtained court
11 approval in accordance with section 232D.401, subsection 4,
12 paragraph "a". If the patient has more than one guardian with
13 equal responsibilities appointed, the decision agreed to by
14 a majority of the guardians. If a majority consensus is not
15 achieved by the guardians, a court order shall be required.

16 b. If a patient does not have an attorney in fact, a
17 guardian appointed pursuant to chapter 633, or a guardian
18 who has obtained court approval in accordance with section
19 232D.401, subsection 4, paragraph "a", the decision may be
20 made by any of the following individuals, who shall be guided
21 by the express or implied intentions of the patient, in the
22 following order of priority if no individual in a ~~prior class~~
23 the previous priority is reasonably available, willing, and
24 competent to ~~act~~ make the decision:

25 ~~a. The attorney in fact designated to make treatment~~
26 ~~decisions for the patient should such person be diagnosed as~~
27 ~~suffering from a terminal condition, if the designation is in~~
28 ~~writing and complies with chapter 144B.~~

29 ~~b. The guardian of the person of the patient if one has been~~
30 ~~appointed, provided court approval is obtained in accordance~~
31 ~~with section 232D.401, subsection 4, paragraph "a", or section~~
32 ~~633.635, subsection 3, paragraph "b", subparagraph (1). This~~
33 ~~paragraph does not require the appointment of a guardian in~~
34 ~~order for a treatment decision to be made under this section.~~

35 ~~c.~~ (1) The patient's spouse.

1 ~~d.~~ (2) An adult child of the patient or, if the patient
2 has more than one adult child, the decision agreed to by a
3 majority of the adult children who are reasonably available for
4 consultation with the patient's attending provider.

5 ~~e.~~ (3) A parent of the patient, or parents if the patient
6 has more than one parent, the decision agreed to by both
7 parents if both are reasonably available for consultation with
8 the patient's attending provider.

9 ~~f.~~ (4) An adult sibling of the patient or, if the patient
10 has more than one adult sibling, the decision agreed to by a
11 majority of the adult siblings who are reasonably available for
12 consultation with the patient's attending provider.

13 (5) The decision agreed to by a majority of the patient's
14 adult relatives, including but not limited to grandchildren,
15 grandparents, aunts, uncles, nieces, nephews, stepchildren,
16 stepparents, and stepsiblings who are reasonably available for
17 consultation with the patient's attending provider.

18 (6) A close adult friend.

19 2. When a decision is made pursuant to this section to
20 withhold or withdraw life-sustaining procedures, there shall
21 be a witness present at the time of the consultation with the
22 patient's attending provider when ~~that~~ the decision is made.

23 Sec. 10. Section 144A.7A, subsections 1 and 3, Code 2026,
24 are amended to read as follows:

25 1. If an attending ~~physician or attending physician~~
26 ~~assistant~~ provider issues an out-of-hospital do-not-resuscitate
27 order for an adult patient under this section, the ~~physician~~
28 attending provider shall use the form prescribed pursuant to
29 subsection 2, include a copy of the order in the patient's
30 medical record, and provide a copy to the patient or an
31 individual authorized to act on the patient's behalf.

32 3. The out-of-hospital do-not-resuscitate order form shall
33 include all of the following:

34 a. The patient's name.

35 b. The patient's date of birth.

1 *c.* The name of the individual authorized to act on the
2 patient's behalf, if applicable.

3 *d.* A statement that the patient is in a terminal condition.

4 *e.* The ~~physician's or physician assistant's~~ attending
5 provider's signature.

6 *f.* The date the form is signed.

7 *g.* A concise statement of the nature and scope of the order.

8 *h.* Any other information necessary to provide clear and
9 reliable instructions to a health care provider.

10 Sec. 11. NEW SECTION. **144A.7B Procedure in absence of**
11 **out-of-hospital do-not-resuscitate order.**

12 1. *a.* Resuscitation may be withheld or withdrawn from a
13 patient who has a terminal condition, and who is comatose,
14 incompetent, or otherwise physically or mentally incapable of
15 communication, and who has not executed an out-of-hospital
16 do-not-resuscitate order, if there is consultation and
17 written agreement for the withholding or the withdrawal of
18 resuscitation between the attending provider and another
19 physician, advanced registered nurse practitioner, or physician
20 assistant, and the patient's attorney in fact, the patient's
21 guardian appointed pursuant to chapter 633, or the patient's
22 guardian who has obtained court approval in accordance
23 with section 232D.401, subsection 4, paragraph "a". If the
24 patient has more than one guardian appointed with equal
25 responsibilities, the decision agreed to by a majority of the
26 guardians. If a majority consensus is not achieved by the
27 guardians, a court order shall be required.

28 *b.* If a patient does not have an attorney in fact, a
29 guardian appointed pursuant to chapter 633, or a guardian
30 who has obtained a court approval in accordance with section
31 232D.401, subsection 4, paragraph "a", the decision may be made
32 by an individual, in the same order of priority prescribed in
33 section 144A.7, subsection 1, paragraph "b", who shall be guided
34 by the express or implied intentions of the patient and who
35 is reasonably available, willing, and competent to make the

1 decision.

2 2. When a decision is made pursuant to this section to
3 withhold or withdraw resuscitation, a witness shall be present
4 at the time of the consultation with the patient's attending
5 provider when the decision is made.

6 3. This section shall only apply to a patient located in a
7 health care facility as that term is defined in section 135C.1,
8 a health facility as that term is defined in section 135P.1, or
9 a hospice facility certified by the centers for Medicare and
10 Medicaid services of the United States department of health and
11 human services.

12 Sec. 12. Section 144A.8, subsection 1, Code 2026, is amended
13 to read as follows:

14 1. An attending ~~physician~~ provider who is unwilling to
15 comply with the requirements of section 144A.5, or who is
16 unwilling to comply with the declaration of a qualified
17 patient in accordance with section 144A.6 or an out-of-hospital
18 do-not-resuscitate order pursuant to section 144A.7A, or who is
19 unwilling to comply with the provisions of section 144A.7 or
20 144A.7A shall take all reasonable steps to effect the transfer
21 of the patient to another ~~physician~~ provider.

22 Sec. 13. Section 144B.1, Code 2026, is amended to read as
23 follows:

24 **144B.1 Definitions.**

25 For purposes of this chapter, unless the context otherwise
26 requires:

27 1. "Attending provider" means the same as defined in section
28 135J.1.

29 ~~1-~~ 2. "Attorney in fact" means an individual who is
30 designated by a durable power of attorney for health care as an
31 agent to make health care decisions on behalf of a principal
32 and has consented to act in that capacity.

33 ~~2-~~ 3. "Designee" means a person named in a declaration
34 under chapter 144C.

35 ~~3-~~ 4. "Durable power of attorney for health care" means a

1 document authorizing an attorney in fact to make health care
2 decisions for the principal if the principal is unable, in the
3 judgment of the attending ~~physician or attending physician~~
4 ~~assistant~~ provider, to make health care decisions.

5 ~~4.~~ 5. "Health care" means any care, treatment, service,
6 or procedure to maintain, diagnose, or treat an individual's
7 physical or mental condition. "Health care" does not include
8 the provision of nutrition or hydration except when they are
9 required to be provided parenterally or through intubation.

10 ~~5.~~ 6. "Health care decision" means the consent, refusal of
11 consent, or withdrawal of consent to health care.

12 ~~6.~~ 7. "Health care provider" means a person who is
13 licensed, certified, or otherwise authorized or permitted by
14 the ~~law~~ laws of this state to administer health care in the
15 ordinary course of business or in the practice of a profession.

16 ~~7.~~ 8. "Principal" means a person age eighteen or older who
17 has executed a durable power of attorney for health care.

18 Sec. 14. Section 144B.5, subsection 1, Code 2026, is amended
19 to read as follows:

20 1. A durable power of attorney for health care executed
21 pursuant to this chapter may, but need not, be in the following
22 form:

23 I hereby designate as my attorney in fact (my
24 agent) and give to my agent the power to make health care
25 decisions for me. This power exists only when I am unable, in
26 the judgment of my attending ~~physician or attending physician~~
27 ~~assistant~~ provider, to make those health care decisions. The
28 attorney in fact must act consistently with my desires as
29 stated in this document or otherwise made known.

30 Except as otherwise specified in this document, this document
31 gives my agent the power, where otherwise consistent with the
32 ~~law~~ laws of this state, to consent to my ~~physician or physician~~
33 ~~assistant~~ attending provider not giving health care or stopping
34 health care which is necessary to keep me alive.

35 This document gives my agent power to make health care

1 decisions on my behalf, including to consent, to refuse to
2 consent, or to withdraw consent to the provision of any care,
3 treatment, service, or procedure to maintain, diagnose, or
4 treat a physical or mental condition. This power is subject
5 to any statement of my desires and any limitations included in
6 this document.

7 My agent has the right to examine my medical records and to
8 consent to disclosure of such records.

9 Sec. 15. Section 144B.6, subsection 1, Code 2026, is amended
10 to read as follows:

11 1. Unless the district court sitting in equity specifically
12 finds that the attorney in fact is acting in a manner contrary
13 to the wishes of the principal or the durable power of attorney
14 for health care provides otherwise, an attorney in fact who
15 is known to the health care provider to be available and
16 willing to make health care decisions has priority over any
17 other person, including a guardian appointed pursuant to
18 chapter 633, to act for the principal in all matters of health
19 care decisions. The attorney in fact has authority to make
20 a particular health care decision only if the principal is
21 unable, in the judgment of the attending ~~physician or attending~~
22 ~~physician assistant~~ provider, to make the health care decision.
23 If the principal objects to a decision to withhold or withdraw
24 health care, the principal shall be presumed to be able to make
25 a decision.

26 Sec. 16. Section 144C.2, subsection 16, Code 2026, is
27 amended to read as follows:

28 16. "*Licensed hospice program*" means a licensed hospice
29 program as ~~defined~~ described in section 135J.1.

30 Sec. 17. Section 633.635, Code 2026, is amended by adding
31 the following new subsection:

32 NEW SUBSECTION. 6. Notwithstanding subsections 2 and 3, a
33 guardian may make a decision for a protected person pursuant to
34 sections 135J.3A, 144A.7, and 144A.7B without court approval.

35 Sec. 18. Section 633.669, subsection 1, paragraph b, Code

1 2026, is amended by adding the following new subparagraphs:

2 NEW SUBPARAGRAPH. (11) The protected person's wishes
3 related to withholding or withdrawal of life-sustaining
4 procedures pursuant to chapter 144A or 144D.

5 NEW SUBPARAGRAPH. (12) The protected person's wishes
6 related to placement in a hospice program in the event of a
7 terminal condition.

8 Sec. 19. Section 633.669, subsection 1, paragraph c, Code
9 2026, is amended by adding the following new subparagraphs:

10 NEW SUBPARAGRAPH. (9) The protected person's wishes
11 related to withholding or withdrawal of life-sustaining
12 procedures pursuant to chapter 144A or 144D.

13 NEW SUBPARAGRAPH. (10) The protected person's wishes
14 related to placement in a hospice program in the event of a
15 terminal condition.>

16 2. Title page, line 3, by striking <and>

17 3. Title page, line 4, by striking <care> and inserting
18 <care, and probate court guardianship reports>

SENATE AMENDMENT TO
HOUSE FILE 2502

H-8376

- 1 Amend House File 2502, as passed by the House, as follows:
- 2 1. Page 1, after line 8 by inserting:
- 3 <Sec. ____ . EFFECTIVE DATE. This Act, being deemed of
- 4 immediate importance, takes effect upon enactment.>
- 5 2. Title page, line 1, after <employees> by inserting <, and
- 6 including effective date provisions>
- 7 3. By renumbering as necessary.

H-8376 FILED APRIL 16, 2026

H-8374

1 Amend House File 2745 as follows:

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

4 <DIVISION I

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

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

9 **11.11 Scope of audits.**

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

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

30 **24.34 Unliquidated obligations.**

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

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

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

9 1. For purposes of this section:

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

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

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

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

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

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

35 b. If the governmental entity's budget does not comply with

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

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

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

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

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

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

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

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

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

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

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

3 *c. "Governmental entity"* means any unit of government
4 or other public body or public corporation, including any
5 intergovernmental entity or special purpose district, that
6 has the power to impose or certify a property tax levy.

7 *"Governmental entity"* does not include a school district.

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

13 (1) New construction.

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

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

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

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

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

1 amount of property tax dollars certified for levy by the
2 governmental entity among all property tax levies imposed by
3 the governmental entity for the current fiscal year.

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

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

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

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

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

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

8 1. For purposes of this section:

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

20 b. "*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.

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

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

34

DIVISION II

35 COMMERCIAL AND INDUSTRIAL PROPERTY — TAXPAYER RELIEF FUND

1 APPROPRIATION

2 Sec. 8. Section 8.57E, Code 2026, is amended by adding the
3 following new subsection:

4 NEW SUBSECTION. 1A. For each fiscal year beginning on or
5 after July 1, 2027, there is appropriated from the general fund
6 of the state to the taxpayer relief fund the sum of one hundred
7 twenty-five million dollars.

8 Sec. 9. Section 441.21, subsection 5, paragraph e,
9 subparagraphs (1), (2), and (3), Code 2026, are amended to read
10 as follows:

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

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

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

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

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

17 DIVISION III

18 SCHOOL TAXES

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

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

28 (2) Except as provided in subsections 2 and 3, a school
29 district shall cause to be levied for the budget year beginning
30 July 1, 2027, and each succeeding budget year, for the school
31 general fund, a foundation property tax equal to four dollars
32 and ninety cents per thousand dollars of assessed valuation
33 on all taxable property in the district. The county auditor
34 shall spread the foundation levy over all taxable property in
35 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 after
5 July 1, 2027, shall cause a foundation property tax of ~~four~~
6 three dollars and ~~forty~~ ninety cents per thousand dollars of
7 assessed valuation to be levied on all taxable property which,
8 in the year preceding a reorganization, was within a school
9 district affected by the reorganization as defined in section
10 275.1, or in the year preceding a dissolution was a part of a
11 school 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~~ forty cents per thousand dollars of assessed valuation
19 the first succeeding year, ~~five~~ four dollars and ~~fifteen~~
20 sixty-five cents per thousand dollars of assessed valuation the
21 second succeeding year, and ~~five~~ four dollars and ~~forty~~ ninety
22 cents per thousand dollars of assessed valuation the third
23 succeeding year and each year thereafter under subsection 1,
24 paragraph "a".

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

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

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

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

12 **425A.5 Computation by county auditor.**

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

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

33 **426.3 Where credit given.**

34 The agricultural land credit fund shall be apportioned each
35 year in the manner hereinafter provided so as to give a credit

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

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

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

35 Sec. 17. ADJUSTMENT OF CALCULATIONS. For property tax

1 credits under chapters 425A and 426 for property taxes due and
2 payable in the fiscal year beginning July 1, 2027, the tax rate
3 determined for the general fund of the school district in the
4 manner prescribed in section 444.3 for the previous year shall
5 be determined using the appropriate property tax levy rate
6 under section 257.3, as amended in this division of this Act.

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

10

DIVISION IV

11 SECURE AN ADVANCED VISION FOR EDUCATION FUND — EQUITY TRANSFER

12

PERCENTAGE — FUTURE REPEAL

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

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

17 Sec. 20. Section 423.2A, subsection 2, paragraph c, Code
18 2026, is amended to read as follows:

19 c. Transfer one-sixth of the remaining revenues to the
20 secure an advanced vision for education fund created in section
21 423F.2. This paragraph "c" is repealed January 1, ~~2051~~ 2071.

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

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

26 Sec. 22. Section 423.43, subsection 1, paragraph b, Code
27 2026, is amended to read as follows:

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

34 Sec. 23. Section 423F.2, subsection 3, paragraph b,
35 subparagraph (2), subparagraph division (b), Code 2026, is

1 amended to read as follows:

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

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

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

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

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

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

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

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

31 **423F.6 Repeal.**

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

33 Sec. 26. SCHOOL DISTRICT FUNDING RECONCILIATION.

34 For amounts allocated under section 423F.2 for fiscal
35 years beginning on or after July 1, 2026, the department of

1 management shall adjust or reconcile actual amounts to be
2 received by school districts in the fiscal year immediately
3 following the fiscal year during which the revenues were
4 collected.

5 DIVISION V

6 PROPERTY PARCEL INFORMATION

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

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

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

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

28 DIVISION VI

29 URBAN RENEWAL

30 Sec. 28. Section 15A.1, subsection 1, paragraph b, Code
31 2026, is amended to read as follows:

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

1 provision of workforce housing.

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

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

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

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

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

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

1 one hundred years or more.

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

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

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

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

15 Sec. 35. Section 403.19, subsection 2, paragraph a, Code
16 2026, is amended to read as follows:

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

1 1, 2027; taxes for emergency medical services imposed pursuant
2 to chapter 357F, 357G, or 422D; and taxes imposed under section
3 346.27, subsection 22, related to joint county-city buildings
4 shall be collected against all taxable property within the
5 taxing district without limitation by the provisions of this
6 subsection.

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

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

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

34 NEW SUBSECTION. 3A. An ordinance providing for a division
35 of revenue under this section that is adopted on or after the

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

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

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

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

35 Sec. 40. EFFECTIVE DATE. This division of this Act, being

1 deemed of immediate importance, takes effect upon enactment.

2 Sec. 41. APPLICABILITY. The following applies to property
3 taxes due and payable in fiscal years beginning on or after
4 July 1, 2027:

5 The portion of the section of this division of this Act
6 excluding taxes for emergency medical services imposed pursuant
7 to chapter 357F, 357G, or 422D from divisions of revenue by
8 amending section 403.19, subsection 2, paragraph "a".

9 Sec. 42. APPLICABILITY. The following applies to property
10 taxes due and payable in fiscal years beginning on or after
11 July 1, 2028:

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

15 Sec. 43. APPLICABILITY. The following applies to urban
16 renewal areas in existence on or established on or after the
17 effective date of this division of this Act:

18 The section of this division of this Act repealing section
19 403.22.

20 DIVISION VII

21 ASSESSMENT PROCEDURES

22 Sec. 44. Section 441.21, subsection 3, Code 2026, is amended
23 to read as follows:

24 3. a. *"Actual value", "taxable value", or "assessed*
25 *value"* as used in other sections of the Code in relation to
26 assessment of property for taxation shall mean the valuations
27 as determined by this section; however, other provisions of
28 the Code providing special methods or formulas for assessing
29 or valuing specified property shall remain in effect, but this
30 section shall be applicable to the extent consistent with such
31 provisions. The assessor and department of revenue shall
32 disclose at the written request of the taxpayer all information
33 in any formula or method used to determine the actual value of
34 the taxpayer's property. In addition, for assessment years
35 beginning on or after January 1, 2027, if the taxpayer's

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

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

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

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

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

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

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

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

35

DIVISION IX

1 FIRSTHOME IOWA ACCOUNTS

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

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

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

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

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

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

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

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

1 has not owned or purchased, either individually or jointly, a
2 single-family or multifamily residence for a period of three
3 years prior to the date of the qualified purchase for which the
4 eligible home costs are paid or reimbursed from an account.

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

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

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

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

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

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

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

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

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

34 (3) Any United States veterans administration funding
35 fee incurred by, or charged or assigned to, a beneficiary in

1 connection with a veterans administration home loan guaranty
2 program.

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

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

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

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

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

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

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

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

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

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

- 1 participants to achieve their qualifying purchase objectives.
- 2 6. Participate in any federal, state, or local governmental
3 program for the benefit of the trust.
- 4 7. Procure insurance against any loss in connection with the
5 property, assets, or activities of the trust.
- 6 8. Enter into participation agreements with participants.
- 7 9. Make payments to or on behalf of beneficiaries for
8 qualified homebuyer expenses pursuant to participation
9 agreements.
- 10 10. Make refunds to participants upon the termination
11 of participation agreements, and partial nonqualified
12 distributions to participants, pursuant to the provisions,
13 limitations, and restrictions set forth in this chapter.
- 14 11. Invest moneys from the program fund in any investments
15 which are determined by the treasurer of state to be
16 appropriate.
- 17 12. Engage investment advisors, if necessary, to assist in
18 the investment of trust assets.
- 19 13. Contract for goods and services and engage personnel
20 as necessary, including consultants, actuaries, managers,
21 legal counsel, and auditors for the purpose of rendering
22 professional, managerial, and technical assistance and advice
23 to the treasurer of state regarding trust administration and
24 operation.
- 25 14. Establish, impose, and collect administrative fees
26 and charges in connection with transactions of the trust for
27 deposit in the administrative fund and provide for reasonable
28 service charges.
- 29 15. Administer the funds of the trust.
- 30 16. Adopt rules pursuant to chapter 17A for the
31 administration of the trust.
- 32 **Sec. 50. NEW SECTION. 12L.3 Participation agreements for**
33 **trust.**
- 34 The trust may enter into participation agreements with
35 participants on behalf of beneficiaries pursuant to the

1 following terms and agreements:

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

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

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

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

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

32 5. A participant may designate a successor in accordance
33 with rules adopted by the treasurer of state. The designated
34 successor shall succeed to the ownership of the account in
35 the event of the death of the participant. In the event a

1 participant dies and has not designated a successor to the
2 account, the following criteria shall apply:

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

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

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

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

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

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

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

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

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

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

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

1 1. *a.* A participant retains ownership of all payments
2 made under a participation agreement up to the date of
3 utilization for payment of qualified homebuyer expenses for the
4 beneficiary.

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

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

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

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

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

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

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

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

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

1 *a.* Any related studies or evaluations prepared in the
2 preceding year.

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

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

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

9 State income tax treatment of the FirstHome Iowa program
10 trust shall be as provided in section 422.7, subsections 46 and
11 47.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 NEW SUBSECTION. 6. *No new accounts.* New accounts shall not

1 be established under this chapter on or after July 1, 2026.

2 Sec. 61. Section 627.6, Code 2026, is amended by adding the
3 following new subsection:

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

9 Sec. 62. Section 633.108, subsection 2, Code 2026, is
10 amended by adding the following new paragraph:

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

13 Sec. 63. Section 633.555, subsection 1, Code 2026, is
14 amended by adding the following new paragraph:

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

18 Sec. 64. Section 633.678, subsection 1, Code 2026, is
19 amended by adding the following new paragraph:

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

23 Sec. 65. Section 633.681, subsection 1, Code 2026, is
24 amended by adding the following new paragraph:

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

28 Sec. 66. APPLICABILITY. The following applies to
29 contributions made under chapter 12L on or after July 1, 2026,
30 for tax years ending on or after that date:

31 The section of this division of this Act enacting section
32 422.7, subsections 46 and 47.

33 DIVISION X
34 VALUATIONS — ABNORMAL TRANSACTIONS — REAL ESTATE TRANSFER TAX
35 FORMS

1 Sec. 67. Section 428A.7, Code 2026, is amended to read as
2 follows:

3 **428A.7 Forms provided by director of revenue.**

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

19 Sec. 68. Section 441.21, subsection 1, paragraph b,
20 subparagraph (1), Code 2026, is amended to read as follows:

21 (1) The actual value of all property subject to assessment
22 and taxation shall be the fair and reasonable market value of
23 such property except as otherwise provided in this section.
24 "*Market value*" is defined as the fair and reasonable exchange
25 in the year in which the property is listed and valued between
26 a willing buyer and a willing seller, neither being under any
27 compulsion to buy or sell and each being familiar with all
28 the facts relating to the particular property. Sale prices
29 of the property or comparable property in normal transactions
30 reflecting market value, and the probable availability
31 or unavailability of persons interested in purchasing the
32 property, shall be taken into consideration in arriving at
33 its market value. In arriving at market value, sale prices
34 of property in abnormal transactions not reflecting market
35 value shall not be taken into account, or shall be adjusted to

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

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

11 DIVISION XI

12 LOCAL GOVERNMENT BUDGET STATEMENTS

13 Sec. 70. Section 24.2A, subsection 1, paragraph c, Code
14 2026, is amended by striking the paragraph.

15 Sec. 71. Section 24.2A, subsection 1, paragraph d, Code
16 2026, is amended to read as follows:

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

23 Sec. 72. Section 24.2A, subsection 2, paragraph a, Code
24 2026, is amended to read as follows:

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

1 Sec. 73. Section 24.2A, subsection 2, paragraph b, Code
2 2026, is amended by striking the paragraph and inserting in
3 lieu thereof the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 mailed or posted, as applicable, and public hearings held, as
2 provided in this chapter:

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

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

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

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

1 Sec. 80. Section 384.17, Code 2026, is amended to read as
2 follows:

3 **384.17 Levy by county.**

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

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

16 2. A budget amendment must be prepared and adopted in the
17 same manner as the original budget, as provided in section
18 384.16, excluding the requirement for ~~the mailing of individual~~
19 statements under section 24.2A, and is subject to protest as
20 provided in section 384.19, except that the committee may by
21 rule provide that amendments of certain types or up to certain
22 amounts may be made without public hearing and without being
23 subject to protest. A city budget shall be amended by May
24 31 of the current fiscal year to allow time for a protest
25 hearing to be held and a decision rendered before June 30. The
26 amendment of a budget after May 31, which is properly appealed
27 but without adequate time for hearing and decision before June
28 30 is void.

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

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

34
35

DIVISION XII
ELECTION DATES — BONDS

1 years beginning on or after July 1, 2026, a school district's
2 actual unspent balance from the preceding year used to
3 calculate the authorized budget under subsection 1 shall
4 not exceed an amount equal to thirty-five percent of the
5 school district's authorized expenditures for the budget year
6 immediately preceding the base year unless a greater amount
7 is authorized by the school budget review committee based on
8 one or more grounds authorized for the approval of a modified
9 supplemental amount under section 257.31.

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

12 **257.13 On-time ~~funding~~ budget adjustment.**

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

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

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

1 for the budget year and the budget enrollment for the budget
2 year, multiplied by the district cost per pupil.

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

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

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

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

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

35 Sec. 89. EFFECTIVE DATE. This division of this Act, being

1 deemed of immediate importance, takes effect upon enactment.

2 DIVISION XV

3 HOMESTEAD CREDITS AND EXEMPTIONS

4 Sec. 90. Section 10A.518, subsection 2, paragraph b, Code
5 2026, is amended to read as follows:

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

18 Sec. 91. Section 10A.518, subsection 3, paragraph b, Code
19 2026, is amended to read as follows:

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

1 this section, or that such alarms will be installed within
2 thirty days of the date the filing for the credit or exemption
3 is made. The director shall adopt rules and establish
4 appropriate procedures to administer this subsection.

5 Sec. 92. Section 25B.7, subsection 2, paragraph a, Code
6 2026, is amended to read as follows:

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

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

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

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

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

31 Sec. 95. Section 216.12, subsection 1, paragraph e, Code
32 2026, is amended to read as follows:

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

1 owner resides in one of the housing accommodations for which
2 the owner qualifies for the homestead tax credit or exemption
3 under ~~section 425.1~~ chapter 425, subchapter I.

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

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

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

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

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

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

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

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

34 11. Carry out duties relating to the administration of
35 the homestead tax exemption and credit and other credits as

1 provided in ~~sections 425.4, 425.5, 425.7, 425.9, 425.10, and~~
2 ~~425.25~~ chapter 425.

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

5 1. All qualified real estate assessed as residential
6 property is eligible to receive an exemption from taxation
7 based on the actual value added by the improvements. The
8 exemption is for a period of ten years. The amount of the
9 exemption is equal to a percent of the actual value added by
10 the improvements, determined as follows: One hundred fifteen
11 percent of the value added by the improvements. However, the
12 amount of the actual value added by the improvements which
13 shall be used to compute the exemption shall not exceed twenty
14 thousand dollars and the granting of the exemption shall not
15 result in the actual value of the qualified real estate being
16 reduced below the actual value on which the homestead ~~credit~~
17 exemption is computed under section ~~425.1~~ 425.1A, subsection
18 1A.

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

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

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

30 (a) A veteran of any of the military forces of the United
31 States who acquired the homestead under 38 U.S.C. §21.801,
32 21.802 prior to August 6, 1991, or under 38 U.S.C. §2101, 2102.

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

1 or a permanent and total disability rating based on individual
2 unemployability that is compensated at the one hundred percent
3 disability rate, as certified by the United States department
4 of veterans affairs.

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

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

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

24 (b) An individual described in subparagraph (1),
25 subparagraph division (d), is no longer eligible for the credit
26 upon termination of dependency and indemnity compensation under
27 38 U.S.C. §1301 et seq.

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

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

1 of this paragraph.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20 Sec. 114. IMPLEMENTATION. Homestead owners who have filed
21 for or that are receiving homestead credits or exemptions under
22 chapter 425, subchapter I, before the effective date of this
23 division of this Act shall continue to receive such credits and
24 exemptions for which the owner is eligible for assessment years
25 beginning on or after January 1, 2026, without refileing, and,
26 if the owner is eligible, shall receive the exemption under
27 section 425.1A, subsection 1A, as enacted in this division of
28 this Act, without filing for such exemption.

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

By NORDMAN of Dallas

[H-8374](#) FILED APRIL 16, 2026

HOUSE FILE 2754

H-8372

1 Amend the amendment, H-8371, to House File 2754, as follows:

2 1. Page 53, after line 13 by inserting:

3 <DIVISION ____

4 PRIVATE INSTRUCTION

5 Sec. ____ . Section 299.4, subsection 1, Code 2026, is amended
6 to read as follows:

7 1. The parent, guardian, or legal custodian of a child
8 who is of compulsory attendance age, who places the child
9 under competent private instruction under section 299A.2, not
10 in an accredited school or a home school assistance program
11 operated by a school district or accredited nonpublic school,
12 shall furnish a report in duplicate on forms provided by the
13 public school district, to the district by September 1 of the
14 school year in which the child will be under competent private
15 instruction. The secretary shall retain and file one copy
16 and forward the other copy to the district's area education
17 agency. The report shall state the name and age of the child,
18 the period of time during which the child ~~has been or will be~~
19 under competent private instruction for the year, an outline
20 of the course of study, or texts that will be used, and the
21 name and address of the instructor. The parent, guardian, or
22 legal custodian of a child, who is placing the child under
23 competent private instruction for the first time, shall also
24 provide the district with evidence that the child has had the
25 immunizations required under section 139A.8, and, if the child
26 is elementary school age, a blood lead test in accordance with
27 section 135.105D. The term "*outline of course of study*" shall
28 include subjects covered, lesson plans, and time spent on the
29 areas of study.

30 Sec. ____ . Section 299A.1, subsection 2, paragraph b, Code
31 2026, is amended to read as follows:

32 *b. "Independent private instruction" means private*
33 *instruction that meets the following criteria:*

34 (1) Is not accredited.

35 ~~(2) Enrolls not more than four unrelated students.~~

1 ~~(3) Does not charge tuition, fees, or other remuneration for~~
2 ~~instruction.~~

3 ~~(4)~~ (2) Provides private or religious-based instruction as
4 its primary purpose.

5 ~~(5)~~ (3) Provides enrolled students in all grade levels with
6 instruction in mathematics, reading and language arts, science,
7 and social studies.

8 ~~(6)~~ (4) Provides, upon written request from the
9 superintendent of the school district in which the independent
10 private instruction is provided, or from the director of the
11 department of education, a report identifying the primary
12 instructor, location, name of the authority responsible for the
13 independent private instruction, and the names of the students
14 enrolled receiving the instruction, who need not be related to
15 the primary instructor.

16 ~~(7)~~ (5) Is not a nonpublic school and does not provide
17 competent private instruction as defined in this subsection.

18 ~~(8)~~ (6) Is exempt from all state statutes and
19 administrative rules applicable to a school, a school board, or
20 a school district, except as otherwise provided in chapter 299
21 and this chapter.

22 Sec. ____ . NEW SECTION. 299A.13 Recognition of private
23 instruction diplomas, final transcripts, and other written
24 documentation.

25 1. A student who completes a program of secondary education
26 under competent private instruction or independent private
27 instruction in accordance with this chapter shall be deemed to
28 have completed a high school education.

29 2. The parent, guardian, legal custodian, or instructor
30 responsible for providing the program of secondary education
31 under competent private instruction or independent private
32 instruction in accordance with this chapter may issue a
33 diploma, final transcript, or other written documentation
34 evidencing academic achievements and the completion of the
35 program of secondary education.

1 3. A diploma, final transcript, or other written
2 documentation issued pursuant to subsection 2 shall be accepted
3 under the laws of this state in the same manner as a high school
4 diploma, final transcript, or other written documentation
5 issued by a school district or an accredited nonpublic school
6 for all purposes, including but not limited to all of the
7 following:

8 a. Admission to postsecondary education or training
9 programs.

10 b. Eligibility for employment.

11 c. Qualification for occupational licensure, certification,
12 or registrations.

13 d. Access to state and local programs, benefits, and
14 opportunities.

15 e. Any other purpose under the laws of this state in which a
16 high school diploma is a condition or a qualification.

17 4. The state, a political subdivision of the state, or any
18 other person shall not deny or restrict any right, privilege,
19 or benefit available to an individual solely because the
20 individual's diploma, final transcript, or other written
21 documentation was issued pursuant to subsection 2.

22 5. A student who completes a program of secondary education
23 under competent private instruction or independent private
24 instruction in accordance with this chapter shall not be
25 required to obtain a high school equivalency diploma or other
26 alternative credential.

27 Sec. ____ . NEW SECTION. **299A.14 Verification of enrollment.**

28 The parent, guardian, or legal custodian of a child of
29 compulsory attendance age shall have the authority to execute
30 any document required by law to verify any of the following:

31 1. The placement of a child under competent private
32 instruction or independent private instruction.

33 2. The child's full-time or part-time status in competent
34 private instruction or independent private instruction.

35 3. The grades the child has obtained in competent private

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1 instruction or independent private instruction.

2 4. Any other required educational information.

3 Sec. ____ . APPLICABILITY. The following applies to any
4 diplomas, final transcripts, or other written documentation
5 issued before, on, or after the effective date of the section
6 of this division of this Act enacting section 299A.13:

7 The section of this division of this Act enacting section
8 299A.13.>

9 2. Page 53, line 29, after <organizations,> by inserting
10 <private instruction,>

11 3. By renumbering as necessary.

By GUSTOFF of Polk

[H-8372](#) FILED APRIL 16, 2026

HOUSE FILE 2754

H-8373

1 Amend the amendment, H-8371, to House File 2754, as follows:

2 1. Page 40, after line 11 by inserting:

3 <Sec. ____ . Section 257.11B, subsection 1, paragraph a, Code
4 2026, is amended to read as follows:

5 a. *"Nonpublic school"* ~~means the same as defined in section~~
6 ~~285.16~~ all of the following:

7 (1) A nonpublic school that is accredited by the department
8 of education as provided in section 256.11 and that accepts
9 all applicants for admission in the same manner as a school
10 district.

11 (2) A nonpublic institution that complies with state board
12 of education standards for providing special education programs
13 and that accepts all applicants for admission in the same
14 manner as a school district.>

15 2. By renumbering as necessary.

By ZABNER of Johnson

H-8373 FILED APRIL 16, 2026

HOUSE FILE 2766

H-8379

1 Amend House File 2766 as follows:

2 1. Page 17, line 5, by striking <domesticates> and inserting
3 <redomesticates>

By LUNDGREN of Dubuque

H-8379 FILED APRIL 16, 2026

HOUSE FILE 2780

H-8375

1 Amend House File 2780 as follows:

2 1. Page 2, after line 3 by inserting:

3 <Sec. _____. Section 123.30, subsection 5, paragraph a, Code
4 2026, is amended by adding the following new subparagraph:

5 NEW SUBPARAGRAPH. (4) A social district, if the holder of
6 the retail alcohol license is a participating licensee within a
7 social district and in compliance with the ordinance adopted
8 under section 414.34.

9 Sec. _____. Section 123.46, subsection 2, Code 2026, is
10 amended to read as follows:

11 2. a. A person shall not use or consume alcoholic liquor,
12 wine, or beer upon the public streets or highways. A person
13 shall not use or consume alcoholic liquor in any public
14 place except premises covered by a retail alcohol license.

15 A person shall not possess or consume alcoholic liquors,
16 wine, or beer on public school property or while attending a
17 public or private school-related function. A person shall not
18 be intoxicated in a public place. A person violating this
19 subsection is guilty of a simple misdemeanor.

20 b. Notwithstanding paragraph "a", a person may possess
21 or consume alcoholic liquor, wine, or beer upon the public
22 streets, highways, or public places within a social district
23 if the possession or consumption complies with the ordinance
24 adopted under section 414.34.>

25 2. Page 6, after line 32 by inserting:

26 <Sec. _____. NEW SECTION. 414.34 **Social districts.**

27 1. As used in this section:

28 *a. "Marked container"* means a nonglass container that
29 identifies the retail alcohol licensee providing the alcoholic
30 liquor, beer, or wine in the container to the consumer within
31 the social district.

32 *b. "Retail alcohol licensee"* means the holder of a class "C"
33 or special class "C" license issued under section 123.30.

34 *c. "Social district"* means a defined area in which the
35 possession and consumption of alcoholic liquor, wine, and

1 beer is allowed on public streets, sidewalks, and other
2 public spaces within the boundaries of the district that are
3 consistent with this section.

4 2. A city may define an area by ordinance that designates a
5 social district for use by retail alcohol licensees.

6 3. An ordinance adopted pursuant to this section must
7 include all of the following:

8 a. A legal description or map of the district.

9 b. The days and hours the possession and consumption of
10 alcoholic liquor, wine, and beer are permitted on public
11 streets, sidewalks, and other public places within the
12 district.

13 c. Requirements for marked container use and identification.

14 d. Participation requirements for retail alcohol licensees
15 within the district.

16 e. Enforcement provisions and penalties for violations.

17 f. Procedures for the revocation or suspension of all of the
18 following:

19 (1) The participation of retail alcohol licensees for
20 violations.

21 (2) The social district itself for public safety concerns
22 or other matters.

23 4. An ordinance adopted by a city shall not be construed to
24 authorize any of the following:

25 a. Consumption of an alcoholic beverage in a motor vehicle
26 or on the public streets, sidewalks, and other public spaces
27 during the times when the ordinance is not in effect.

28 b. Possession or consumption of an alcoholic beverage in
29 a manner contrary to the provisions of chapter 123 except as
30 otherwise provided by an ordinance adopted pursuant to this
31 section.

32 c. A prohibition on any participating retail alcohol
33 licensee or other establishment located within the social
34 district from denying entry to the premises of the licensee or
35 establishment to persons who possess alcoholic beverages from

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1 other participating retail alcohol licensees.>

2 3. Title page, line 1, by striking <control, including> and
3 inserting <control by providing for>

4 4. Title page, line 3, after <manufacturers,> by inserting
5 <permitting cities to create social districts for the
6 consumption of alcoholic beverages,>

By COLLINS of Des Moines

[H-8375](#) FILED APRIL 16, 2026



Fiscal Note

Fiscal Services Division



[SF 2472](#) – Property Taxation (LSB5195SV.2)
Staff Contact: Michael Peters (515.281.6934) michael.peters@legis.iowa.gov
Fiscal Note Version – As amended and passed by the Senate (Revised)

Note on Fiscal Estimates

Due to the complexity and interdependence of the Bill's provisions, including multiple changes to the property tax base and levy structure, division-level estimates cannot be combined to produce a total fiscal impact. Therefore, the estimates below are provided independently and should not be summed to determine the overall fiscal impact, and each Division is modeled independently of the other Divisions.

The Department of Management (DOM) estimates the Information Technology (IT) costs to implement all Division changes to range between \$19,000 and \$40,000.

Note on Property Taxes

All property tax rates used in this document are reflected as rates that are applied per \$1,000 of taxed property value. Taxed property value is the value determined through the assessment process, adjusted (reduced) for any rollback for the property class, and after property tax exemptions have been applied.

Summary

[Senate File 2472](#) is composed of 24 Divisions that are related to property tax assessments, rates, credits, exemptions, budget processes, and other related programs that do the following:

- **Division I** modifies county general and rural services levy limitations by establishing a revenue-based growth cap tied to prior-year property tax dollars and the Consumer Price Index (CPI), with adjustments for new valuation and inflation beginning in FY 2027.
- **Division II** modifies city general fund levy limitations by establishing a revenue-based growth cap tied to prior-year property tax dollars and the CPI, with adjustments for new valuation and inflation beginning in FY 2027.
- **Division III** increases the State school foundation base to 100.0% of the regular program State cost per pupil, reduces the uniform levy rate, and eliminates various property tax replacement payments and related appropriations beginning in FY 2027.
- **Division IV** establishes a multiresidential property class; phases out the residential, multiresidential, commercial, and industrial assessment limitation; removes the agricultural-residential rollback tie; and modifies how agricultural buildings are assessed.
- **Division V** replaces the homestead credit with a phased-in homestead.
- **Division VI** increases the military property tax exemption.
- **Division VII** establishes revenue-based growth limitations for county hospital and emergency medical services (EMS) levies.
- **Division VIII** establishes revenue-based limitations for most rate-limited property tax levies, restricts the use of debt for general operations, and establishes a legislative study of future levy rate structures.
- **Division IX** authorizes local option sales and services taxes to be imposed at rates of up to 1.25%.

- **Division X** requires annual inflation-based adjustments to motor vehicle registration fees and fuel taxes.
- **Division XI** modifies the assessor levy by imposing revenue-based growth limitations and restrictions.
- **Division XII** reduces levy rate limits and establishes growth limitations for regional transit district and municipal transit system property tax levies.
- **Division XIII** modifies the duties of the Utility Replacement Tax Task Force.
- **Division XIV** makes changes to local government budget statements, notice requirements, and budget procedures.
- **Division XV** modifies provisions related to distorted market valuations and the equalization process.
- **Division XVI** modifies provisions related to the property tax treatment and exemption structure for data center and web search portal business property.
- **Division XVII** creates the FirstHome Iowa Program and a related fund to assist with first-time homeownership.
- **Division XVIII** modifies the Elderly and Disabled Property Tax Credit by eliminating the property tax freeze provision and increasing the maximum benefit.
- **Division XIX** eliminates the property tax exemption for impoundment structures and speculative shell buildings.
- **Division XX** establishes an unspent balance cap and allows schools to request budget adjustment.
- **Division XXI** requires county auditors to submit an annual report that includes parcel identification information.
- **Division XXII** excludes wind energy conversion property, the school district foundation levy, and EMS levies from urban renewal tax increment calculations.
- **Division XXIII** establishes a task force to study property tax deferral options for low-income elderly homestead owners and report to the Legislature.
- **Division XXIV** establishes a task force to study payments in lieu of property taxes and report recommendations to the Legislature.

Division I — County Property Taxes and Budgets

Description

Division I of the Bill makes the following changes related to county property taxes and budgets:

- Accelerates the county general services levy cap of \$3.50 and the county rural services levy cap of \$3.95 per \$1,000 in assessed value from FY 2028 to FY 2027.
- Beginning in FY 2028 and FY 2029, limits property tax revenue growth to the greater of:
 - 101.75% of prior-year revenue, plus revenue generated from new valuation; or
 - 100.5% of prior-year revenue.
- Beginning in FY 2030, limits property tax revenue growth to the greater of:
 - 102.0% of prior-year revenue, plus revenue generated from new valuation; or
 - 100.5% of prior-year revenue.
- Beginning in FY 2031, property tax revenue growth is limited to the greater of a Consumer Price Index for All Urban Consumers (CPI-U) indexed percentage of prior-year revenue plus new valuation, or 100.5% of prior-year revenue. For the purpose of property tax adjustments, the CPI-U change is measured by a percentage change between 20 months and 8 months prior to the beginning of the budget year. The budget adjustment factor is determined by a percentage change in the CPI-U as follows:
 - Less than 4.0% = 102.0%

- Greater than or equal to 4.0% and less than 6.0% = 103.0%
- Greater than or equal to 6.0% and less than 8.0% = 104.0%
- Greater than or equal to 8.0% = 105.0%
- Defines “new valuation” as the increase from the current fiscal year to the budget year in taxable valuation due to new construction, additions or improvements to existing structures, and net boundary adjustments.

Division I of the Bill takes effect January 1, 2027, and applies to property taxes and budgets for fiscal years beginning on or after July 1, 2027.

Background

Under current law, the general county services levy and rural county services levy rates are limited based on growth in county-taxed value, which falls into three categories established first under 2023 Iowa Acts, [House File 718](#) (Property Tax, Assessments, and Bond Elections Act), and then updated to four categories in 2024 Iowa Acts, [Senate File 2442](#) (Individual Income Tax Rate Act), as seen in **Figure 1**. The county authority for the general services levy is limited to a maximum of \$3.50, and the authority for the rural services levy is limited to a maximum of \$3.95 pursuant to Iowa Code section [331.423](#). Counties use the greater of last year’s levy rate or the default levy rate based on their growth.

Figure 1 — County Growth Mechanic

Tax Base Growth	Maximum Levy Rate Adjustment
Less than 2.75%	No adjustment
2.75% but less than 4.0%	-1.00%
4.0% but less than 6.0%	-2.00%
6.0% or greater	-3.00%

The [CPI-U](#) is a measure of inflation that tracks changes in the prices of goods and services purchased by urban households. It is published monthly by the U.S. Bureau of Labor Statistics and is widely used to adjust government programs and statutory limits for changes in the cost of living.

Assumptions

- The estimate projects county-level taxable valuation growth using a 12-year average of historical odd and even-year growth rates by property class, beginning with assessment year (AY) 2024 values, used to account for large shifts in odd years during equalization. To moderate volatility in growth across property classes, projected growth rates were bounded between the 15th and 80th percentiles to limit extreme fluctuations.
- In FY 2027, the general county services levy is capped at \$3.50 and the county rural services levy is capped at \$3.95.
- In FY 2028 and FY 2029, allowable growth in included property tax revenue is assumed to be 101.75% of prior-year revenue, plus revenue generated from new valuation.
- In FY 2030, allowable growth in included property tax revenue is assumed to be 102.0% of prior-year revenue, plus revenue generated from new valuation.
- In FY 2031 and all fiscal years thereafter, allowable growth is determined by a CPI-based formula calculated as the ratio of the CPI-U, not seasonally adjusted, for the period 20 months prior to the beginning of the budget year.
- Based on available CPI-U data, the CPI-based budget adjustment factor is estimated at approximately 102.7 and is assumed to remain constant for FY 2031 and all future years.

- New valuation is estimated by taking the district-level county data for AY 2024 and calculating the new valuation as a proportion of the county wide valuation. The estimated portion is applied by County to all future years, and the resulting taxable valuation is not subject to the growth restrictions of this Division. The valuation is reincorporated into the property tax base in the following fiscal year at which time it is subject to the CPI-based growth factor.
- Other county levies, including debt service, EMS, and other voter-approved levies, are not subject to the limitation in Division I and are assumed to remain constant for purposes of this estimate.

Fiscal Impact

The analysis of this Division models the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. **Figure 2** displays the estimated reduction in property tax revenue to counties.

Figure 2 — Property Tax Revenue Reduction (in Millions)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Current Law	\$1,635.2	\$1,682.2	\$1,737.0	\$1,786.8	\$1,845.0	\$1,898.0	\$1,959.8
SF 2472 Div I	1,609.6	1,644.7	1,682.0	1,724.7	1,780.4	1,837.0	1,895.4
Net Impact	\$ -25.6	\$ -37.5	\$ -54.9	\$ -62.1	\$ -64.6	\$ -61.0	\$ -64.4

Division II — City Property Taxes and Budgets

Description

Division II of the Bill makes the following changes related to city property taxes and budgets:

- Accelerates the city general fund levy cap of \$8.10 per \$1,000 in assessed value from FY 2028 to FY 2027.
- Beginning in FY 2028 and FY 2029, limits property tax revenue growth to the greater of:
 - 101.75% of prior-year revenue, plus revenue generated from new valuation; or
 - 100.5% of prior-year revenue.
- Beginning in FY 2030, limits property tax revenue growth to the greater of:
 - 102.0% of prior-year revenue, plus revenue generated from new valuation; or
 - 100.5% of prior-year revenue.
- Beginning in FY 2031, property tax revenue growth is limited to the greater of a CPI-U indexed percentage of prior-year revenue plus new valuation, or 100.5% of prior-year revenue. For the purposes of property tax adjustments, the CPI-U change is measured by a percentage change between 20 months and 8 months prior to the beginning of the budget year. The budget adjustment factor is determined by a percentage change in the CPI-U as follows:
 - Less than 4.0% = 102.0%
 - Greater than or equal to 4.0% and less than 6.0% = 103.0%
 - Greater than or equal to 6.0% and less than 8.0% = 104.0%
 - Greater than or equal to 8.0% = 105.0%

Division II of the Bill takes effect January 1, 2027, and applies to property taxes and budgets for fiscal years beginning on or after July 1, 2027.

Background

Under current law, the city general fund levy is limited to a maximum of \$8.10 per \$1,000 of assessed valuation under Iowa Code section [384.1](#), with certain levies allowed under Iowa

Code section [384.12](#) exempt from this cap. Similarly to the rates in Division I, city general fund levy rates are limited to property tax base growth using a tiered system based on taxable valuation growth categories first adopted under 2023 Iowa Acts, [House File 718](#) (Property Tax, Assessments, and Bond Elections Act), and then updated to four categories in 2024 Iowa Acts, [Senate File 2442](#) (Individual Income Tax Rate Act), as seen in **Figure 3**. Senate File 2442 removed the existing growth categories and replaced them with a levy growth limitation based on inflation-adjusted property tax revenue growth.

Figure 3 — City Growth Mechanic

Tax Base Growth	Maximum Levy Rate Adjustment
Less than 2.75%	No adjustment
2.75% but less than 4.0%	-1.00%
4.0% but less than 6.0%	-2.00%
6.0% or greater	-3.00%

The CPI-U is a measure of inflation that tracks changes in the prices of goods and services purchased by urban households. It is published monthly by the U.S. Bureau of Labor Statistics and is widely used to adjust government programs and statutory limits for changes in the cost of living.

Assumptions

- The estimate projects city-level taxable valuation growth using a 12-year average of historical odd and even-year growth rates by property class, beginning with assessment year (AY) 2024 values, used to account for large shifts in odd years during equalization. To moderate volatility in growth across property classes, projected growth rates were bounded between the 15th and 80th percentiles to limit extreme fluctuations.
- In FY 2027, the general county services levy is capped at \$3.50 and the rural services levy is capped at \$3.95.
- In FY 2028 and FY 2029, allowable growth in included property tax revenue is assumed to be 101.75% of the prior-year revenue, plus revenue generated from new valuation.
- In FY 2030, allowable growth in included property tax revenue is assumed to be 102.0% of the prior-year revenue, plus revenue generated from new valuation.
- Beginning in FY 2031, allowable growth is determined by a CPI-based formula calculated as the ratio of the CPI-U, not seasonally adjusted, for the period 20 months prior to the beginning of the budget year.
- Based on available CPI-U data, the CPI-based budget adjustment factor is estimated at approximately 102.7 and is assumed to remain constant for FY 2031 and all future years.
- New valuation is estimated by taking the district-level county data for AY 2024 and calculating the new valuation as a proportion of the county wide valuation. The estimated portion is applied by County to all future years, and the resulting taxable valuation is not subject to the growth restrictions of this Division. The valuation is reincorporated into the property tax base in the following fiscal year at which time it is subject to the CPI-based growth factor.
- Other city levies, including debt service and other voter-approved levies, are not subject to the limitation in Division II and are assumed to remain constant for purposes of this estimate.

Fiscal Impact

The analysis of this Division models the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. **Figure 4** displays the estimated reduction in property tax revenue to cities.

Figure 4 — Property Tax Revenue Limitations (in Millions)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Current Law	\$ 1,884.1	\$ 1,924.5	\$ 1,987.2	\$ 2,044.2	\$ 2,110.8	\$ 2,171.3	\$ 2,242.1
SF 2472 Div II	1,870.8	1,912.3	1,957.7	2,008.3	2,075.0	2,141.6	2,211.3
Net Impact	\$ -13.3	\$ -12.1	\$ -29.5	\$ -35.9	\$ -35.8	\$ -29.8	\$ -30.8

Division III — School Taxes and Budgets

Description

Division III of the Bill makes the following changes beginning in FY 2028:

- Increases the school foundation aid level from 88.4% to 100.0%.
- Increases the regular program foundation level used for calculating State aid for school districts from 88.4% to 100.0%.
- Increases the special education support services foundation base from 79.0% to 100.0% of the special education support services state cost per pupil.

Division III restricts additional property tax computations to budget years beginning before FY 2028.

Division III restricts property tax adjustment aid and the property tax adjustment aid appropriation to budget years beginning before FY 2028. Requires any moneys remaining in the appropriation for property tax adjustment aid to be transferred to the General Fund at the conclusion of FY 2027.

Division III restricts the appropriations to the DOM from the Property Tax Equity and Relief (PTER) Fund to fiscal years before FY 2028; restricts the appropriations to the Department of Education (DE) for property tax replacement payments (PTRP) to fiscal years before FY 2028; restricts the appropriation from the General Fund to the DOM from the Foundation Base Supplement (FBS) Fund to fiscal years before FY 2028; and requires any moneys remaining in the FBS Fund at the close of FY 2027 to be transferred to the Secure an Advanced Vision for Education (SAVE) Fund.

Division III requires school districts to report the balance and expenditures from the district's management levy fund to the School Budget Review Committee (SBRC), if specified conditions are met, by November 15, 2026. The SBRC must, after reviewing management fund activity, file a report with the General Assembly by February 1, 2027, with recommendations for management levy limitations and expenditure requirements for excess management levy funds.

Division III amends Iowa Code section [298.2\(1\)](#) to decrease the following:

- Physical plant and equipment levy (PPEL) from \$1.67 per \$1,000 of assessed valuation to \$1.18 per \$1,000 of assessed valuation.
- A regular PPEL from a maximum of \$0.33 per \$1,000 of assessed valuation to \$0.24 per \$1,000 of assessed valuation.
- A voter-approved PPEL from a maximum of \$1.34 per \$1,000 of assessed valuation to \$0.94 per \$1,000 of assessed valuation.

- The PPEL limit imposed on the amount a voter-approved PPEL, for a combination of a PPEL property tax levy and a PPEL income surtax from \$1.34 to \$0.94 property tax levy.
- Limits a voter-approved PPEL, approved prior to the effective date of Division III (School Taxes and Budgets) of the Bill, to 70.0% of the rate approved at the election.
- Restricts PPEL levy rates, beginning with FY 2028, to the rate imposed by the school district during the budget year in which a loan agreement was refunded or refinanced or 70.0% of the levy rate if the refunding or refinancing occurred in the budget year beginning with FY 2027.

Division III adds the additional restriction to the management levy as specified in Section 32 of Division III.

Division III prohibits a school district from certifying a management levy if the school district's unexpended balance exceeds the following percentages during the following fiscal years for the three fiscal years immediately preceding the base year:

- FY 2029 = 180.0%
- FY 2030 = 175.0%
- FY 2031 = 170.0%
- FY 2032 = 165.0%
- FY 2033 = 160.0%

For a school district that is not already limited in its management levy, Division III provides that the maximum amount that the school district may certify for a management levy is the amount equal to the remainder of the specified percentage of the average annual expenditures from the school district's management levy fund for the three consecutive fiscal years immediately preceding the base year minus the district's management levy fund's unexpended fund balance for the fiscal year preceding the base year.

Division III changes the levy that is estimated and certified to apply on principal for any one year from an amount of \$2.70 to \$1.89 per \$1,000 of assessed value, as approved by voters of the school district. The maximum levy is changed from an amount of \$4.05 to \$2.84 per \$1,000 of assessed value, as approved by the voters of the school district. Levy rates approved at an election before the effective date of this provision may not exceed a levy rate that is 70.0% of the rate approved at election. The levy rate limitations do not apply to the payment of general obligation bonds approved for issuance at an election held on or before November 4, 2025, that are sold on or before May 1, 2026. The payment of such bonds is subject to the levy rate limitations under Iowa Code section [298.18\(1\)\(d\)](#).

Division III requires SAVE funds to be credited to the General Fund prior to the distribution of moneys to school districts in an amount equal to the equity transfer for the fiscal year to be used for foundation aid resulting from the increase in regular program foundation base per pupil to 100.0%.

Division III repeals Iowa Code section [298.18A](#) related to levy adjustment for bond indebtedness.

Division III specifies that beginning FY 2028, specified tax credit calculations must be based on the new uniform levy rate established in new Iowa Code section 257.31. The Bill specifies that the effective date of Division III is January 1, 2027, except for section 26 related to the

management levy fund reports. Division III, except for section 26 related to the management levy fund reports, is applicable to fiscal years and school budget years beginning with FY 2028.

Background

For FY 1997 through FY 2022, the regular program foundation level has been set at 87.5% of the State cost per pupil and is comprised of a uniform levy of \$5.40 per \$1,000 of taxable valuation statewide and State aid from the General Fund. Since FY 2023, the regular program foundation level has been set at 88.4% of the State cost per pupil to offset the revenue from the elimination of the commercial and industrial property tax replacement backfill payments and is comprised of a uniform levy of \$5.40 per \$1,000 of taxable valuation statewide and State aid from the General Fund.

Assumptions

- Beginning in FY 2028, the regular program foundation level used for calculating State aid for school districts is increasing from 88.4% to 100.0%. This will increase the amount of State aid going to the foundation level and decrease the additional General Fund levy.
- Under current law, the State cost per pupil for FY 2027 and future fiscal years will remain at \$8,148.
- The foundation level will increase from \$7,203 per pupil in FY 2026 to \$8,148 per pupil in FY 2028.
- Under current law, the special education support services State cost per pupil for FY 2027 and future fiscal years will remain at \$355.75.
- Beginning in FY 2028, the special education support services foundation level used for calculating State aid for school districts is increasing from 79.0% to 100.0%. This will increase the amount of State aid going to the special education support services foundation level and decrease the additional General Fund levy.
- Since expenditures vary from year to year due to factors such as insurance and tort claims, it is not possible to determine the impact the Bill might have on management fund balances.
- A 0.00% State percent of growth (SPG) will be enacted each year.
- Property Tax Replacement Payments will be extended each year.
- The total Area Education Agency (AEA) reduction will be \$7.5 million each year, which is current law.
- School districts will have the same voted physical plant and equipment levy (VPPEL) they have in FY 2026.
- School districts will have the same board-approved PPEL rate they have in FY 2026.
- Debt service for each school district will remain the same.

Fiscal Impact

The analysis of this Division models the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. The fiscal impact to projected State General Fund appropriation amounts, when compared to estimates for current law, are shown in **Figure 5** below. These amounts are netted with the transfer of SAVE funds to the General Fund.

Division III of the Bill is projected to reduce property tax revenue compared to estimates for current law, and increase General Fund appropriations as shown in **Figure 5** below.

Figure 5 — School Finance Property Tax Reduction and General Fund Appropriation Increase (in Millions)

Fiscal Year	2028	2029	2030	2031
Property Tax Reduction				
Reduction in Additional Levy	\$ -489.2	\$ -481.7	\$ -488.3	\$ -479.8
Reduction in Levy for AEA Media and Education Services	-71.7	-71.8	-71.6	-71.4
VPPEL Cap	-76.4	-76.4	-76.4	-76.4
Regular PPEL Cap	-21.5	-21.5	-21.5	-21.5
VPPEL Surtax Cap	-4.6	-4.6	-4.6	-4.6
Total in Property Tax Reduction	\$ -663.4	\$ -656.0	\$ -662.4	\$ -653.7
Increase in General Fund (GF) Appropriation				
Reduction in Additional Levy paid by GF	\$ 489.2	\$ 481.7	\$ 488.3	\$ 479.8
Reduction in Levy for AEA Media and Education Services paid by GF	71.7	71.8	71.6	71.4
Eliminate GF Property Tax Adjustment Aid	-5.8	-5.5	-5.4	-5.2
Eliminate GF Property Tax Relief Payment (PTRP)	-145.9	-146.0	-145.9	-145.7
Eliminate GF Property Tax Equity Relief (PTER)	-54.2	-54.8	-54.8	-54.9
Eliminate Additional PTER	-5.6	-6.2	-6.7	-11.8
Secure and Advanced Vision for Education (SAVE) Fund transfer to GF	-52.7	-61.8	-71.7	-83.3
Eliminate Annual GF PTRP	-24.0	-24.0	-24.0	-24.0
Total Increase in GF Appropriation	\$ 272.7	\$ 255.2	\$ 251.4	\$ 226.3

Division IV — Property Classifications, Valuations, and Assessment Limitations

Description

- Reestablishes the multiresidential property classification for assessment years beginning on or after January 1, 2027 (assessment year (AY) 2027), which includes types of property that were classified as multiresidential property for assessment years beginning before AY 2022. All properties in both new categories continue to share the same exemptions and tax rates under this Division and are merged into the residential property class. For purposes of equalization, multiresidential property shall be considered residential property. The Bill provides requirements for the new multiresidential property class.
- Adjusts the inputs that calculate market value to include built-to-suit construction, sale-leaseback transactions, leased fee sales, and sales between related parties.

- Beginning in AY 2026, removes agricultural structures constructed on or after January 1, 2027, that are not agricultural dwellings from the productivity and net earning capacity model and are assessed based on replacement cost less depreciation and obsolescence. The assessed value is then multiplied by an agricultural factor to determine taxable value prior to rollback.
- Repeals the link between the assessment growth limitations for agricultural and residential property, also referred to as the agricultural tie.
- Removes current rollback calculations for residential property by limiting the taxable value to 55.0% of the actual value in AY 2026 and increasing it to 65.0% for assessment years beginning AY 2027.
- Introduces a rollback calculation for the new multiresidential property class by limiting the taxable value to 80.0% of actual value for assessment years beginning AY 2027.
- Increases the rollback for commercial and industrial property for AY 2026 to 98.0% in AY 2025 and 100.0% in AY 2027, thus eliminating the rollback for commercial and industrial property.
- Increases the rollback calculation for railroad property to 98.0% in AY 2025 and 100.0% in AY 2026.
- Eliminates the \$125.0 million General Fund standing limited appropriation for the Two-Tier Assessment Limitation (TTAL), previously referred to as the Business Property Tax Credit (BPTC), beginning FY 2027.
- Clarifies that Division IV does not affect assessment years prior to AY 2026 and budgets related to AY 2026.
- Disallows communications from Board of Review members prior to a property assessment protest.

Except as otherwise provided, Division IV of the bill applies retroactively to assessment years beginning on or after January 1, 2026 (AY 2026).

Division IV changes Iowa Code sections [386.8](#), [386.9](#), [386.10](#), [404.2\(2\)\(f\)](#), [404.3\(4\)\(a\)](#), [404.3A](#), [404.3D](#), [441.21\(2\)](#), [441.21\(8\)\(b\)](#), [441.21\(13\)](#), [441.21\(14\)](#), and [558.46](#) to apply to assessment years beginning on or after January 1, 2027 (AY 2027).

Background

Property tax assessment limitation, also commonly referred to as a “rollback,” is a method of reducing the market value of a property to the taxable value by multiplying a percentage of the value subject to tax. The assessment limitations are intended to slow the growth of property taxes by limiting the annual growth in property values subject to tax, which shifts more of the costs of the State’s school foundation aid formula to the General Fund. Assessment limitations are divided into several property classes with their own rollbacks and allowable growth, which includes residential, agricultural, multiresidential (AY 2015 through AY 2021), commercial, industrial, railroads, and utilities.

Assessment limitations limit the rate of property valuation growth to 3.0% by property class. If any individual class exceeds this cap, the values are rolled back to equal the limitation amount. Additional information on assessment limitations can be found [here](#).

Residential and agricultural assessment limitation rates are tied together by a shared growth limitation under Iowa Code section [441.21\(4\)](#). Under current law, if agricultural land value decreases, the allowable growth for residential property is zero. Residential value is additionally limited to the increase in agricultural value up to 3.0%.

The TTAL program began in FY 2024 with the passage of 2022 Iowa Acts, chapter [1061](#) (Department of Revenue Omnibus Act), which modified the assessment limitation applied to commercial and industrial property. Under the TTAL, commercial and industrial property classes are no longer subject to a single uniform rollback percentage, and instead a two-tier structure is applied to the assessed value of each parcel pursuant to Iowa Code section 441.21.

Under this system, the first \$150,000 of a commercial or industrial property's assessed value is subject to the lower residential rollback percentage, while the remaining value is subject to the commercial and industrial 90.0% rollback percentage. In practice, this results in a lower taxable value for a portion of each parcel. The rollback percentages are certified annually by the Department of Revenue (IDR) and are applied by local governments to determine taxable valuation for property tax purposes.

The TTAL system replaced the BPTC, which provided a State-funded credit on a portion of commercial and industrial property taxes, by instead reducing taxable value directly through the assessment limitation structure. Since the implementation of the TTAL, \$125.0 million has been appropriated annually from the General Fund each year to the IDR for payments to local governments to replace property taxes lost due to the rollback.

Assumptions

- For years in which multiresidential property was consolidated within the residential class (AY 2022 through 2024), multiresidential taxable valuation is estimated to have grown at a constant rate of 2.0% annually, as displayed in **Figure 6**.
- Beginning in AY 2025, estimated multiresidential taxable value is separated from the residential property class and modeled as its own property class.
- Estimated assessed values for the residential and multiresidential classes are derived by dividing projected taxable values by the AY 2024 rollback percentage applicable to each property class. Projected taxable values are based on historical growth using a 12-year odd/even average by property class.
- For projection years, multiresidential growth is assumed to match residential growth rates.
- New taxable values under this Division are calculated by applying the Bill's revised rollback (assessment limitation) schedule to projected assessed values for each future year, with residential and multiresidential property following the same rollback progression.
- Property tax dollars were calculated using the FY 2026 consolidated tax rate by property class as follows: residential (\$33.9129), multiresidential (\$33.9129), commercial (\$36.46166), and industrial (\$31.1360).
- Assessment limitations are assumed to change to 55.0% for residential property beginning in AY 2026 (increasing to 65.0% in AY 2027 and thereafter), 80.0% for multiresidential property beginning in AY 2027, 93.0% for commercial and industrial property beginning in AY 2026 (increasing to 100.0% in AY 2027), and 98.0% for railroad property beginning in AY 2026 (increasing to 100.0% in AY 2027).
- Beginning in FY 2027, the TTAL program is eliminated for commercial, industrial, and railway property by transitioning these classes to a single-tier system with 100.0% assessment. For purposes of this estimate, it is assumed the associated \$125.0 million General Fund appropriation is eliminated in future budget actions. Additionally, increased statewide taxable values resulting from modifications to the assessment limitation do not increase the \$5.40 school levy backfill and may reduce State costs as taxable valuations increase.

Figure 6 — Estimated Taxable Valuations (in Millions)

AY	Residential	Multiresidential	Commercial	Industrial	Railroad
2014	\$ 78,887.2	\$ 0.0	\$ 28,263.5	\$ 7,104.0	\$ 1,469.1
2015	82,546.1	4,062.5	29,920.7	7,624.3	1,669.6
2016	86,414.5	3,960.9	30,889.5	7,974.4	1,923.1
2017	90,359.0	4,308.9	33,404.1	8,467.3	1,876.3
2018	94,711.7	4,250.9	34,533.7	9,171.0	2,026.9
2019	98,983.0	4,501.5	36,742.4	9,811.9	2,255.5
2020	103,360.1	4,469.8	37,917.9	10,346.8	2,351.5
2021	108,001.1	4,895.8	39,664.6	11,017.7	2,460.6
2022	107,633.0	4,993.7	38,403.8	11,457.7	2,621.8
2023	113,105.9	5,093.6	43,657.2	14,099.8	2,784.1
2024	118,550.5	5,195.5	44,655.0	15,239.9	2,812.5

Fiscal Impact

The analysis of this Division models the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. Division IV is estimated to increase taxable values across the residential, multiresidential, commercial, industrial and railroad property classes, resulting in additional property tax revenues generated as shown in **Figure 7**. Additionally, the General Fund appropriations will be reduced by \$125.0 million per year after the elimination of the TTAL program in FY 2027.

Figure 7 — Local Property Tax Revenues Generated with Assessment Increases

Current Law Projected Statewide Property Taxes (in Millions)

FY	Residential	Multiresidential	Commercial	Industrial	Railroad
2027	\$ 4,194.1	\$ 183.8	\$ 1,683.5	\$ 498.3	\$ 83.2
2028	4,356.4	190.9	1,680.2	512.2	85.6
2029	4,544.6	199.2	1,739.4	537.9	89.9
2030	4,720.4	206.9	1,735.9	552.9	92.4
2031	4,924.3	215.8	1,797.2	580.6	97.0
2032	5,114.8	224.2	1,793.6	596.8	99.7
2033	5,335.8	233.8	1,856.8	626.7	104.7

Division IV Projected Statewide Property Taxes (in Millions)

FY	Residential	Multiresidential	Commercial	Industrial	Railroad
2027	\$ 4,278.8	\$ 187.5	\$ 1,683.5	\$ 498.3	\$ 90.6
2028	5,380.1	235.8	1,829.5	557.7	95.1
2029	6,633.0	357.8	1,932.7	597.7	99.8
2030	6,889.6	371.6	1,928.8	614.3	102.6
2031	7,187.3	387.7	1,996.9	645.1	107.8
2032	7,465.3	402.7	1,992.9	663.1	110.8
2033	7,787.9	420.1	2,063.1	696.4	116.3

Current Law vs Division IV Statewide Property Taxes (in Millions)

FY	Residential	Multiresidential	Commercial	Industrial	Railroad
2027	\$ 84.8	\$ 3.7	\$ 0.0	\$ 0.0	\$ 7.4
2028	1,023.7	44.9	149.3	45.5	9.5
2029	2,088.4	158.6	193.3	59.8	10.0
2030	2,169.2	164.7	192.9	61.4	10.3
2031	2,262.9	171.9	199.7	64.5	10.8
2032	2,350.5	178.5	199.3	66.3	11.1
2033	2,452.0	186.2	206.3	69.6	11.6

Division V — Disabled Veteran and Homestead Credits and Exemptions

Description

Division V of the Bill relates to disabled veteran and homestead credits and exemptions and makes the following changes:

- Amends the Disabled Veteran program for future claimants by eliminating appurtenances and properties that are more than one-half acre in size from the definition of “homestead,” beginning July 1, 2026.
- Limits the Homestead Property Tax Credit to \$4,850 for assessment years prior to AY 2026 and eliminates the credit beginning in AY 2026.
- Beginning in AY 2026, creates a homestead property tax exemption equal to 5.0% of taxable value, not less than \$4,850 and not greater than \$35,000.
- Beginning in AY 2027, increases the homestead property tax exemption to 15.0% of taxable value, not less than \$4,850 and not greater than \$150,000 of exempted taxable value.
- Beginning in AY 2027, an additional homestead property tax exemption for homeowners aged 60 or older, not to exceed \$350,000 of taxable value, with the exemption equal to:
 - Age 60 or older = 60.0%
 - Age 70 or older = 70.0%
 - Age 80 or older = 80.0%
 - Age 90 or older = 90.0%
 - Age 100 or older = 100.0%
- Beginning in AY 2028, indexes the homestead property tax exemption amounts annually using a cumulative adjustment factor based on the annual inflation factor specified in Iowa Code section [422.4](#).
- Alters the definition of “homestead” for the Elderly and Disabled Property Tax Credit or rent reimbursement to specify that a homestead does not exceed one-half acre.
- Makes Iowa Code section [25B.7\(1\)](#) on funding property tax credits and exemptions inapplicable to the exemptions in Division V.
- Division V applies retroactively to January 1, 2026 for assessment years beginning on or after that date.

Background

The Homestead Property Tax Credit was enacted in 1937 to provide property tax relief and is governed by Iowa Code section [425.1](#). The current credit is equal to the actual levy on the first \$4,850 of actual value of each homestead. The General Fund appropriated \$125.2 million in FY 2025, which generated an average yearly savings of \$167 per homeowner. To be eligible for the yearly credit, the taxpayer must own and occupy the property as a homestead on July 1 of each year, declare residency in Iowa for income tax purposes, and occupy the property for at least six months of each calendar year.

The Disabled Veteran Homestead Property Tax Credit is funded through a standing General Fund appropriation and provides a 100.0% property tax credit on a qualifying homestead for eligible disabled veterans, including those receiving federal assistance, those with qualifying service-connected disabilities, and certain surviving spouses or dependents receiving federal benefits. In FY 2025, the General Fund awarded \$30.7 million to 8,354 claimants.

Based on the 2024 American Community Survey 5-Year [Data](#) the estimated age of Iowa homeowners is displayed in **Figure 8** below.

Figure 8 — Estimated Homeowner Age in Iowa

Homeowner Age	Estimated Claimants	Percent Distribution
59 years or younger	414,270	55.7%
60 to 69 years	156,268	21.0%
70 to 79 years	110,119	14.8%
80 to 89 years	50,407	6.8%
90 to 99 years	11,455	1.5%
100 years or older	1,273	0.2%
Total	743,790	100.0%

Assumptions

- The new exemptions reduce taxable value but are not reimbursed by the State, including through the \$5.40 school levy, as Iowa Code section [25B.7](#) does not apply.
- In AY 2024, there were an estimated 743,790 homesteads in Iowa, and that number is assumed to remain constant for all future years. The applicable homesteads had a combined estimated assessed value of \$263.379 billion.
- Assessed valuations are assumed to grow at a rate of 2.0% year over year.
- The AY 2024 residential assessment limitation of 47.4316% is assumed to remain constant for all future years.
- The assessed value of the average homestead was derived using the 2025 first-quarter median home price [published](#) by the National Association of Realtors. The average consolidated tax rate of 32.42171 was adjusted to exclude the school district share of property taxes using a statewide average proportion of 40.13%, resulting in an effective non-school tax rate of 19.41088 for purposes of this exemption.
- In AY 2026, the homestead exemption is assumed to be 5.0% of taxable value, not less than \$4,850 and not greater than \$35,000.
- In AY 2027, the homestead exemption is assumed to be 15.0% of taxable value, not less than \$4,850 and not greater than \$150,000.
- In AY 2028, the annual inflation factor is assumed to be 2.0% for all years and is applied cumulatively to all future years.
- For purposes of this estimate, the standard homestead exemption is applied only to homeowners under age 60. Homeowners aged 60 or older are assumed to receive the age-based homestead exemption in lieu of the standard homestead exemption. The number of homeowners who received the enhanced exemption schedule is displayed above in **Figure 8**.
- The analysis does not incorporate the impact of reduced taxable values on the Elderly and Disabled Property Tax Credit, including the credit for claimants aged 70 and over. Any claimant crossover between these programs and the exemptions established in the Bill may reduce State General Fund expenditures for these programs.

- Division V of the bill preserves the Disabled Veteran Homestead Property Tax Credit. While the Bill modifies the definition of eligible property for new applicants, insufficient data exists to estimate the fiscal impact of these changes. Therefore, no change in State General Fund expenditures is assumed for this provision.
- The fiscal impact of this Division will begin in FY 2028. **Figure 9** below displays the average homestead property tax reduction for homeowners under 60 years of age using the above assumptions.

Figure 9 — Estimated Average Property Tax Reduction per Homestead Exemption

Age	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Under 60	\$ 90	\$ 290	\$ 290	\$ 300	\$ 300	\$ 310
60-69	1,120	1,140	1,160	1,190	1,210	1,230
70-79	1,300	1,330	1,360	1,390	1,410	1,440
80-89	1,490	1,520	1,550	1,580	1,610	1,650
90-99	1,680	1,710	1,750	1,780	1,820	1,850
100 and Over	1,870	1,900	1,940	1,980	2,020	2,060

Fiscal Impact

The analysis of this Division estimates the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. The elimination of the homestead credit beginning in AY 2026 is estimated to reduce General Fund appropriations by approximately \$125.2 million annually, based on the most recent FY 2025 appropriation level. **Figure 10** displays the estimated reduction in property tax revenue to local governments.

Figure 10 — Local Government Revenue Reductions (in Millions)

Age	Exemption	Population	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
60 and Under	5.0% — 15.0%	414,270	\$ 39.0	\$ 118.2	\$ 120.6	\$ 123.0	\$ 125.4	\$ 127.9
60-69	60.0%	156,268	174.7	178.4	182.0	185.6	189.3	192.9
70-79	70.0%	110,119	143.6	146.6	149.6	152.6	155.6	158.6
80-89	80.0%	50,407	75.2	76.7	78.3	79.8	81.4	83.1
90-99	90.0%	11,455	19.2	19.6	20.0	20.4	20.8	21.2
100 and Over	100.0%	1,273	2.4	2.4	2.5	2.5	2.6	2.6
		329,520	\$ 415.2	\$ 423.7	\$ 432.4	\$ 441.0	\$ 449.7	\$ 458.4

Division VI — Military Service Property Tax Exemption

Description

Division VI of the Bill updates the Military Service Property Tax Exemption not to exceed the lesser of 2.0% of the taxable value of the property or \$14,000, with a minimum of \$5,000.

Division VI applies retroactively to January 1, 2026, for assessment years beginning on or after that date.

Background

Under current law, the Military Service Property Tax Exemption is equal to \$4,000 of property value for qualified veterans. The exemption reduces the amount of property value subject to property tax. At \$4,000 of value and at the statewide FY 2026 average Military Service Property Tax Exemption tax rate of \$32.4217 per \$1,000 of taxable value, the average exemption reduces a veteran's annual property tax payment by about \$140. The number of taxpayers

claiming the Military Service Property Tax Exemption is estimated at 115,692 for FY 2026. The number of claimants is expected to decrease by 5,357 per year going forward.

Assumptions

- In FY 2024, 115,692 claimants qualified for the Military Service Tax Credit. Based on the average change in claimants from FY 2020 through FY 2024, this number is anticipated to decrease by 5,357 per year.
- The average assessed value of a homestead is assumed to be \$195,000 for AY 2024, and that average is assumed to increase 2.0% each assessment year.
- The AY 2024 assessment limitation factor (rollback) for residential property is 47.4316%, and that percentage is assumed to remain constant for this projection.
- The FY 2026 (AY 2024) Iowa average residential consolidated property tax rate equals \$33.9129 per \$1,000 of taxed value, and that tax rate is assumed to remain constant for this projection.
- Assumption projections are estimated in **Figure 11**.
- By action of the State school aid formula, property tax exemptions increase the State General Fund appropriation to schools by \$5.40 per \$1,000 of exempt value.

Figure 11 — Military Service Exemption Assumptions

Assessment Year	2026	2027	2028	2029	2030	2031
Fiscal Year	2028	2029	2030	2031	2032	2033
Average Homestead Assessed Value	\$202,878	\$206,936	\$211,074	\$215,296	\$219,602	\$223,994
Average Homestead Taxable Value	92,492	94,341	96,228	98,153	100,116	102,118
Military Exemption Amount (Current Law)	4,000	4,000	4,000	4,000	4,000	4,000
Military Exemption Amount (Under Bill)	5,000	5,000	5,000	5,000	5,000	5,000
Average Tax Savings (Current Law)	130	130	130	130	130	130
Average Tax Savings per Claimant (Under Bill)	162	162	162	162	162	162
Estimated Number of Claimants	99,622	94,265	88,908	83,551	78,194	72,838

Fiscal Impact

The analysis of this Division models the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. The increase in General Fund costs under the \$5.40 backfill and the associated reduction in local property tax revenues are shown in **Figure 12**.

Figure 12 — Military Exemption Impact (in Millions)

Assessment Year	2026	2027	2028	2029	2030	2031
Fiscal Year	2028	2029	2030	2031	2032	2033
Total Impact (Current Law)	\$ 12.9	\$ 12.2	\$ 11.5	\$ 10.8	\$ 10.1	\$ 9.4
Total Impact (Under Bill)	16.1	15.3	14.4	13.5	12.7	11.8
General Fund Impact \$5.4 (Current Law)	2.2	2.0	1.9	1.8	1.7	1.6
General Fund Impact \$5.4 (Under Bill)	2.7	2.5	2.4	2.3	2.1	2.0
Local Government Impact (Current Law)	10.8	10.2	9.6	9.0	8.5	7.9
Local Government Impact (Under Bill)	13.5	12.7	12.0	11.3	10.6	9.8
Total Impact (Net Change)	\$ -3.2	\$ -3.1	\$ -2.9	\$ -2.7	\$ -2.5	\$ -2.4
General Fund Impact \$5.4 (Net Change)	0.5	0.5	0.5	0.5	0.4	0.4
Local Government Impact (Net Change)	\$ -2.7	\$ -2.5	\$ -2.4	\$ -2.3	\$ -2.1	\$ -2.0

Division VII — Hospital and Emergency Medical Services Property Tax Levies

Description

Division VII modifies the hospital and EMS property tax levies to allow revenue growth of up to 101.75% of prior-year revenue plus revenue from new valuation in FY 2028. Beginning in FY 2029 and each year thereafter, the levies may increase by up to 105.00% of prior-year revenue, excluding revenue from new valuation.

The limitation applies to levies under the following Iowa Code chapters:

- County Hospitals, Iowa Code chapter [347](#).
- County Hospitals Payable from Revenue, Iowa Code chapter [347A](#).
- Emergency Medical Services Districts (county-level), Iowa Code chapter [357F](#).
- City Emergency Medical Services Districts, Iowa Code chapter [357G](#).
- Optional Taxes for Emergency Medical Services (voter-approved), Iowa Code chapter [422D](#).

Background

Under current law, counties and certain districts may levy property taxes for the support of hospitals and EMS, subject to statutory maximum rates per \$1,000 of assessed value. As of AY 2024, the State has 44 county hospitals utilizing a property tax levy, which generated \$159.6 million in property taxes, and four EMS levies generating \$250,000.

Assumptions

- Taxable dollars per assessor were estimated using FY 2026 values and projected into future years at an inflation rate of 2.0%.
- The FY 2026 levy rates were used as the baseline and assumed to remain constant in future years for the current law assessment.
- Due to the lack of aggregated data on new construction, this estimate does not isolate new valuation and instead assumes that all taxable valuation is subject to the allowable growth limits of 101.75% in FY 2028 and 105.0% in FY 2029 and each year thereafter.

Figure 13 displays the maximum allowable increase in total property tax revenue for Hospital and EMS authorities.

Figure 13 — Hospital and EMS Property Tax Revenue Impact (in Millions)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Current Law	\$ 163.1	\$ 166.3	\$ 169.7	\$ 173.1	\$ 176.5	\$ 180.1	\$ 183.7
SF 2472 Div VII	163.1	165.9	174.2	182.9	186.6	190.3	194.1
Net Impact	\$ 0.0	\$ -0.4	\$ 4.6	\$ 9.9	\$ 10.1	\$ 10.3	\$ 10.5

Fiscal Impact

The analysis of this Division models the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. Under Division VII, hospital and EMS revenue may increase. However, the number of authorities that may increase their revenues is unknown.

Division VIII — Property Tax Levy Rates

Description

Division VIII of the Bill changes property tax levy rates and includes the following:

- Eliminates additional levies from the county agricultural extension education program tax in Iowa Code section [176A.10\(2\)](#).

- Reduces the required matching county and rural contributions to the Secondary Road Fund (SRF) in Iowa Code sections [176.A](#) and [312.2](#) to receive the full State funding match. The Bill lowers the required matching threshold from 75.0% to 51.0% of the sum of the following:
 - From the general fund of the county, \$0.16875 per \$1,000 of assessed value under current law is decreased to \$0.118125 per \$1,000.
 - From the rural services fund of the county, \$3.375 per \$1,000 of assessed value under current law is decreased to \$2.102625 per \$1,000.
- Creates a temporary cap for rate-limited property tax levies. For FY 2028 and FY 2029, any rate-limited levy may only be imposed if a government previously imposed that levy in the prior fiscal year. Rates are capped at a rate of 101.75% of the prior year's actual property tax dollars, but not less than a rate that would generate 100.5%. For FY 2030, rates are capped at a rate of 102.0% of the prior year's actual property tax dollars, but not less than a rate that would generate 100.5%. Beginning in FY 2031, rate-limited levies may be imposed at rates set later by the General Assembly after reviewing recommendations from an interim study committee. The new rate limitations do not apply to the following levies:
 - School district foundation levy under Iowa Code section [257.3](#).
 - County general services and rural services levies under Iowa Code section [331.423](#)(1).
 - City general fund levy under Iowa Code section [384.1](#)(3).
 - Physical plant and equipment levies under Iowa Code section [298.2](#).
 - Levies under Iowa Code chapters [347](#), [347A](#), [357F](#), [357G](#), and [422D](#).
 - Regional Transit District Iowa Code chapter [28M](#).
 - Levy rates used in the calculation in Iowa Code section [312.2](#)(5)(a).
 - Assessor levies under Iowa Code section [441.16](#).
- Prohibits cities and counties from issuing bonds or other debts for general operations beginning in FY 2027.
- Establishes a property tax rate study committee during the 2026 and 2027 General Assembly interims to examine appropriate property tax rates. The committee is required to make recommendations in a report to the General Assembly no later than January 15, 2028.

Division VIII changes to Iowa Code sections [176A.10](#) and [312.2](#) to take effect January 1, 2027, and are applicable to fiscal years beginning on or after July 1, 2027.

Background

Iowa Code section [331.426](#) gives counties the authority to levy a maximum of \$3.50 for general county services and \$3.95 for rural county services. Iowa Code section [331.429](#) gives counties the authority to transfer \$0.16875 from the funds collected for general county services and \$3.00375 from the funds collected for rural county services to the SRF. Counties also receive 24.5% of the Road Use Tax Fund (RUTF) pursuant to Iowa Code section [312.2](#); however, counties are required to transfer at least 75.0% of their RUTF allocation from property taxes levied to their SRF.

If an individual county fails to transfer the minimum 75.0%, its RUTF distribution is reduced by the same amount it is short. In FY 2025, only one county failed to meet the 75.0% transfer threshold.

The Bill also makes changes to the County Agricultural Extension Education Tax in Iowa Code section [176A.10](#), which helps to fund a network of county-based educational programs led by Iowa State University Extension and Outreach.

Assumptions

- If all counties decrease the transfer amount of \$0.118125 from general county services and \$2.102625 from rural county services to meet the new threshold, the county SRF will potentially lose an estimated \$8.6 million from general county services and \$102.7 million from rural county services for a total loss of \$111.2 million.
- Levies and associated property tax revenues explicitly exempted under Division VIII are excluded from this estimate.
- The estimate projects district-level taxable valuation growth using a 12-year average of historical odd and even-year growth rates by property class, beginning with assessment year (AY) 2024 values, used to account for large shifts in odd years during equalization. To moderate volatility in growth across property classes, projected growth rates were bounded between the 15th and 80th percentiles to limit extreme fluctuations.
- Both current law and estimated revenues are based on assessment year (AY) 2024 taxable values, AY 2024 assessment limitations (rollback), and fiscal year (FY) 2026 tax rates. Assessment limitations and tax rates are assumed to remain constant over the projection period.
- For purposes of this estimate, all included property tax levies are assumed to grow at 101.75% of the prior year’s actual property tax revenue in FY 2028 and FY 2029 and 102.0% in FY 2030 and each year thereafter.
- The estimate does not account for potential changes to levy rate limitations beginning in FY 2031, which are subject to future legislative action following the required interim study.

Fiscal Impact

The analysis of this Division models the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill.

Division VIII will have no fiscal impact on the State RUTF. Local revenue deposited into the county SRF may decrease. However, the number of counties that may decrease the allocations to the SRF is unknown.

Additionally, **Figure 14** displays the estimated reduction in property tax revenue to local governments.

Figure 14 — Estimated Property Tax Reduction

	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Current Law	\$8,414.0	\$8,769.6	\$9,079.2	\$9,518.3	\$ 9,884.4	\$10,366.9
SF 2472 Div VIII	8,373.8	8,692.9	8,976.5	9,323.2	9,641.8	10,030.6
Net Impact	\$ -40.2	\$ -76.7	\$ -102.7	\$ -195.1	\$ -242.6	\$ -336.4

Division IX — Local Sales and Services Tax

Description

Division IX of the Bill allows a county to impose a local sales and services tax, also known as a local option sales tax (LOST), at a rate of 1.25% of the sales price of sales that are subject to the State sales tax.

Division IX takes effect upon enactment.

Background

Under current law, a county may impose a LOST of 1.0% of the sales price of sales that are subject to the State sales tax. Revenue collected from the LOST is distributed to counties and cities as provided in Iowa Code section [423B.7](#).

Assumptions

- In FY 2025, \$605.2 million in LOST revenue was collected and distributed to counties and cities.
- Based on the [March 2026](#) Revenue Estimating Conference (REC) sales and use tax estimate, LOST revenue is assumed to increase by 4.0% in FY 2026 and by 3.7% in FY 2027. For FY 2028 and subsequent fiscal years, LOST revenue is assumed to increase by 3.5%.
- Secure an Advanced Vision for Education refunds are 1.0% of taxable expenditures. Distributions for LOST under current law are estimated to be 0.95% of taxable expenditures.
- If all counties impose a LOST rate of 1.25%, local government revenue is estimated to increase by the following amounts:
 - FY 2027 = \$209.8 million
 - FY 2028 = \$217.1 million
 - FY 2029 = \$224.7 million
 - FY 2030 = \$232.6 million
 - FY 2031 = \$240.7 million
 - FY 2032 = \$249.2 million
 - FY 2033 = \$257.9 million

Fiscal Impact

The analysis of this Division models the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. Division IX of the Bill allows counties to impose a LOST rate of 1.25%, which may increase local government revenue. The number of counties that will choose to impose this rate is unknown; therefore, the fiscal impact of this Division is unknown.

Division X — Adjustments to Motor Vehicle Registration Fees and Fuel Taxes

Description

Division X requires the Department of Transportation (DOT) to adjust additional fees for electric motor vehicles, hybrid vehicles, and electric motorcycles and requires the IDR to adjust motor fuel taxes and special fuels beginning at the start of each fiscal year to account for increases in the CPI-U. The DOT and IDR must calculate the adjusted fees using a formula based on the change in CPI. The Bill establishes that the CPI increase can only go up to 3.0% and can only occur three years consecutively.

Division X requires that the DOT and the IDR submit to the General Assembly and the DOM reports on the adjusted fees and excise taxes by January 15 of each year.

Division X of the Bill requires the IDR to adopt administrative rules for the electric motor vehicle registration fee adjustments in Section 104 of the Bill.

Division X takes effect January 1, 2027.

Background

Under current law, when a person pays the annual registration fee for a motor vehicle, if that vehicle is a battery electric motor vehicle or a plug-in hybrid electric motor vehicle including a

motorcycle, that person must pay an additional electric motor vehicle registration fee each year. The additional fee for a battery electric motor vehicle is \$130, the additional fee for a plug-in hybrid electric motor vehicle is \$65, and the additional fee for an electric motorcycle is \$9.

Under current law, the excise tax on a gallon of motor fuel, other than ethanol blended gasoline classified as E-15 or higher, special fuel, ethanol blended gasoline, and biodiesel blended fuel classified as B-20 or higher, and each kilowatt-hour of electric fuel delivered or placed into a battery or storage device for an electric motor vehicle can range from \$0.50 to \$0.325. Article VII, section 8, of the Constitution of the State of Iowa requires all motor vehicle registration fees and excise taxes on motor vehicle fuel, other than the cost of administration, to be used exclusively for the construction, maintenance, and supervision of the public highways exclusively within Iowa, or for the payment of bonds issued for such purposes. Iowa Code section [312.2](#) provides the formula for distribution of the RUTF.

Assumptions

- According to Moody’s CPI-U forecast, the average CPI increase is estimated to increase an average of 2.2% after FY 2027.
- Refund rates for motor fuel are based on FY 2025 rates.
- Fuel consumption for future years is based on consumption in FY 2025.
- Additional revenue from electric motor vehicles, hybrids, and electric motorcycles is unknown.

Fiscal Impact

The analysis of this Division models the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. Division X will increase revenue to the RUTF. **Figure 15** shows the increase to the RUTF and the and the distribution to the various road funds. Annual registration fees will increase each year per the CPI forecast.

Figure 15 — Fuel Excise Tax Revenue (in Millions)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Applied CPI Adjustment	2.2%	2.2%	2.2%	0*	2.2%
Revenue Inc. vs Current Law	\$ 15.7	\$ 31.3	\$ 47.0	\$ 47.0	\$ 63.3

*Note: Senate File 2472 establishes that there will not be an adjustment if there was an adjustment for three consecutive years.

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Primary Road Fund	\$ 7.4	\$ 14.9	\$ 22.3	\$ 22.3	\$ 30.1
Secondary Road Fund	3.8	7.7	11.5	11.5	15.5
Farm-to-Market Fund	1.3	2.5	3.8	3.8	5.1
City Street Fund	3.1	6.3	9.4	9.4	12.7
Total	\$ 15.7	\$ 31.3	\$ 47.0	\$ 47.0	\$ 63.3

Division XI — Office of the Assessor — Budget and Levy

Description

Division XI of the Bill relates to assessments made for assessor expenses and makes the following changes:

- Restricts the ability of an assessor to use levies that pay for unemployment benefits (Iowa Code section [96.31](#)), Iowa Public Employees' Retirement System (IPERS) benefits (Iowa Code section [97B.9](#)), or workers' compensation (Iowa Code section [97C.10](#)).
- For fiscal years before FY 2028, the assessment expense levy may not exceed \$0.675.
- Beginning in FY 2028 and FY 2029, the use of levies for the maintenance of the assessor's office and other assessment procedures may not be greater than 101.75% of prior-year property tax revenue.
- In FY 2030, the levy cap may not grow by more than 102.0% of prior-year property tax revenue.

Division XI of the Bill takes effect January 1, 2027, and is applicable to property taxes due and payable in fiscal years beginning on or after July 1, 2027.

Background

County and city assessors are responsible for determining the assessed value of all taxable property within their jurisdiction in accordance with State law and applicable valuation methods. These assessments form the basis for calculating property taxes and are subject to equalization and review to ensure uniformity and compliance. The State of Iowa has 99 county assessor offices and seven city offices, including Ames, Cedar Rapids, Davenport, Dubuque, Iowa City, Mason City, and Sioux City. Assessor duties and responsibilities are governed under Iowa Code section [441.17](#). As of AY 2024, no city assessor office in the State utilizes the IPERS or workers' compensation levies. The counties affected by Division XI are outlined in **Figure 16**.

Figure 16 — Assessor's Utilizing Restricted Levies Utilized in FY 2026

Assessor's Office	Taxable Value	Assessment			Tort Liability	Total Rate	Total Levy
		Expense	FICA	IPERS			
Clarke County	\$ 500,069,091	0.6750	0.0154	0.0190	0.0000	0.7095	\$ 363,809
Decatur County	346,918,761	0.6750	0.0303	0.0360	0.0000	0.7413	262,022
Humboldt County	922,113,057	0.6750	0.0222	0.0267	0.0000	0.7239	692,815
Lucas County	437,850,478	0.6750	0.0331	0.0409	0.0026	0.7515	336,967
Monroe County	584,760,195	0.6750	0.0336	0.0413	0.0000	0.7499	445,141
Ringgold County	435,457,653	0.6750	0.0293	0.0361	0.0000	0.7404	327,692
Union County	606,197,824	0.6750	0.0209	0.0249	0.0000	0.7208	458,196

Assumptions

- Taxable dollars and tax rates by assessor were estimated using FY 2026 taxable values in **Figure 17** above and projected into future years at an inflation rate of 2.0%.
- The calculation for FY 2028 and FY 2029 assumes 101.75% growth compared to the prior fiscal year's property tax revenues.
- In FY 2029, the levy rate is assumed to grow at 102.0% compared to the prior fiscal year's property tax revenues.

Fiscal Impact

The analysis of this Division estimates the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. The fiscal impact of Division XI is displayed in **Figure 17**.

Figure 17 — Reduction in Assessor Property Tax Revenues

Assessor's Office	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Clarke County	\$ -900	\$ -1,800	\$ -1,900	\$ -1,900	\$ -2,000	\$ -2,000
Decatur County	-700	-1,300	-1,400	-1,400	-1,400	-1,400
Humboldt County	-1,700	-3,500	-3,500	-3,600	-3,700	-3,800
Lucas County	-800	-1,700	-1,700	-1,800	-1,800	-1,900
Monroe County	-1,100	-2,300	-2,300	-2,400	-2,400	-2,500
Ringgold County	-800	-1,700	-1,700	-1,700	-1,800	-1,800
Union County	-1,100	-2,300	-2,300	-2,400	-2,400	-2,500
Total	\$-7,100	\$-14,600	\$-14,800	\$-15,200	\$-15,500	\$-15,900

Division XII — Regional Transit District Levy

Description

Division XII of the Bill reduces the total that a regional transit district (RTD) may levy up to a combined maximum of \$0.88 per \$1,000 of assessed value. For FY 2028 and FY 2029, the total property tax dollars levied for the combined districts cannot exceed 101.75% of the property tax dollars received by the RTD from the prior fiscal year. For fiscal years beginning in FY 2030, the total property tax dollars levied for the combined districts cannot exceed 105.0% of the property tax dollars received by the RRD from the prior fiscal year.

Division XII takes effect January 1, 2027, and is applicable to property taxes due and payable in fiscal years beginning on or after July 1, 2027.

Background

Regional transit districts formed via intergovernmental agreements under Iowa Code chapter [28M](#) may impose a property tax levy to fund operations and maintenance, contingent on approval by participating counties and city councils. Under current law, cities also have separate authority under Iowa Code section [384.12](#) to levy an RTD for similar transit purposes. Under current law, a combined maximum levy of \$0.95 per \$1,000 of assessed value was allowed for Municipal Transit Districts and RTDs to fund operations and maintenance, and reserve funds when other revenues were insufficient.

In FY 2026, the RTDs are estimated to collect \$27.0 million in property tax dollars to cover the remaining operation and maintenance after other revenue sources were first exhausted. As of FY 2026, there were 48 RTDs being utilized across the State, and of these, 7 exceeded the new \$0.88 proposed cap and are displayed in **Figure 18**. Based on the Des Moines Area Regional Transit (DART) partnerships, property tax revenues between FY 2022 and FY 2026 grew, on average, 4.8% per year.

Figure 18 — Regional Transit Districts Above the Proposed \$0.80 Levy Cap

Participating Cities	Applicable Taxable Valuation	Tax Rate	Property Taxes
Des Moines	9,241,030,540	0.95000	8,778,979
West Des Moines	6,783,579,646	0.95000	6,444,401
Windsor Heights	264,422,826	0.95000	251,202
Holstein	63,338,905	0.95000	60,172
Iowa City	4,493,695,553	0.95000	4,269,011
Davenport	5,407,833,854	0.91000	4,921,129
Sioux City	3,531,173,087	0.95000	3,354,614

Assumptions

- Taxable dollars per assessor were estimated using FY 2026 values and projected into future years at an inflation rate of 2.0%.
- The FY 2026 levy rates were used as the baseline and assumed to remain constant in future years for the current law assessment.
- Starting in FY 2028, all tax rates above the imposed \$0.88 per \$1,000 of assessed value were reduced to this rate for all future years. RTDs with rates below this maximum rate are not included in this calculation as they are not impacted by these changes.
- RTD property tax revenues are assumed to grow at 101.75% of the prior fiscal year’s receipts for FY 2028 and FY 2029, and 105.0% for FY 2030 and each fiscal year thereafter.

Fiscal Impact

The analysis of this Division estimates the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. **Figure 19** displays the maximum fiscal impact of Division XII; however, the number of authorities that will impose the maximum rate is unknown.

Figure 19 — Property Tax Revenue Reduction to RTDs (in Millions)

	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Current Law	\$ 29.2	\$ 29.8	\$ 30.4	\$ 31.0	\$ 31.6	\$ 32.3
SF 2472 Div XII	29.1	29.7	31.1	32.7	34.3	36.0
Net Impact	\$ -0.1	\$ -0.1	\$ 0.7	\$ 1.7	\$ 2.7	\$ 3.8

Division XIII — Utility Replacement Tax Task Force

Description

Division XIII of the Bill requires the Utility Replacement Tax Task Force to modernize, simplify, study the accuracy of, and eliminate replacement taxes imposed under Iowa Code chapters [437A](#) and [437B](#).

Division XIII of the Bill takes effect upon enactment.

Fiscal Impact

Division XIII is not anticipated to have a fiscal impact.

Division XIV — Local Government Budget Statements

Description

Division XIV of the Bill allows the annual budget statements sent out by mail by the county assessor for school districts, counties, and cities to be posted and maintained on the political subdivision's website instead of regular mail.

Division XIV of the Bill is applicable to taxpayer statements under Iowa Code section [24.2A](#) for budgets beginning with fiscal years on or after July 1, 2027.

Fiscal Impact

Division XIV is not anticipated to have a fiscal impact.

Division XV — Real Estate Transfer Tax Forms

Description

The Division amends Iowa Code section [428A.7](#) governing real estate transfer tax forms for the declaration of value as determined by the IDR. The Bill modifies the list of examples of abnormal property transactions that are to be excluded from consideration or adjusted to eliminate distortions of market value when valuing property to include built-to-suit construction, sale-leaseback transactions, leased fee sales, and instead of sales to immediate family, sales between related parties.

Fiscal Impact

Division XV is not anticipated to have a fiscal impact.

Division XVI — Division of Revenue — Data Centers and Web Search Portal Businesses

Description

Division XVI of the Bill applies to data centers and web search portal businesses and includes the following:

- Excludes the school district foundation property tax from Tax Increment Financing (TIF) districts established for data centers and web search portal businesses.
- Defines a qualified data center as a data center, as defined by Iowa Code section [423.3\(95\)](#), for which site preparation activities begin on or after the effective date of Division XVI.
- Defines a qualified web search portal business to mean the same as defined in Iowa Code sections [423.3\(92\)](#) and [423.3\(93\)](#) when site preparation activities, as defined in Iowa Code section [423.3\(95\)](#), begin on or after the effective date of Division XVI of the Bill.
- Prohibits the foundation property tax from being divided and paid into a municipality's special fund for the payment of urban renewal indebtedness, and instead requires the tax to be levied, collected, and paid to a school district.

Division XVI takes effect upon enactment and applies to property taxes due and payable beginning in FY 2028.

Background

Under current law, pursuant to Iowa Code section [427.1](#), property used by a data center or web search portal business other than land, buildings, and other improvements is exempt from property tax.

In FY 2025, the counties of Dallas, Polk, Pottawattamie, and Warren had web/data centers with a total taxable valuation of \$1.650 billion.

Fiscal Impact

The fiscal impact of Division XVI is unknown.

Division XVII — FirstHome Iowa Accounts

Description

Division XVII of the Bill establishes the FirstHome Iowa Program under the Treasurer of State. The Program allows individuals to invest money in a public trust for future application to the payment of qualified homebuyer expenses. The maximum contribution to the Program that may be deducted from Iowa personal income tax is \$5,500 per beneficiary per year, adjusted annually to account for inflation. Interest and earnings received from contributions are deducted from Iowa personal income tax. The Treasurer of State may collect fees to administer the Program.

The Division also provides that no new Iowa First-Time Homebuyer Savings Accounts (FTHSAs) may be established on or after July 1, 2026.

Background

Iowa Code chapter [541B](#) allows individuals to open interest-bearing FTHSAs for the purpose of paying qualified homebuyer expenses. The maximum contribution to an FTHSA in tax year (TY) 2026 is \$4,744. Interest earned on FTHSAs is deducted from Iowa personal income tax. In TY 2024, FTHSA program participants claimed a statewide aggregate deduction amount of approximately \$200,000.

Assumptions

- Participation in the FirstHome Iowa Program will be comparable to participation in the FTHSA program.
- Interest and earnings on money in the FirstHome Iowa Program is assumed to be the same as interest and earnings on money in FTHSAs.
- There will be no contributions to FTHSAs on or after July 1, 2026.
- In FY 2024, the average contribution to an FTHSA was 64.2% of the maximum allowable contribution. It is assumed that the average contribution to the FirstHome Iowa Program will be 64.2% of the maximum allowable contribution.

Fiscal Impact

Division XVII of the Bill is estimated to decrease General Fund revenue by approximately \$1,200 each fiscal year beginning in FY 2027.

Division XVIII — Elderly and Disabled Property Tax Credit and Rent Reimbursement

Description

Division XVIII modifies the elderly and disabled property tax credit and rent reimbursement provisions by:

- Increasing the maximum amount of property taxes due or rent constituting property taxes paid that may be used in calculating the credit or reimbursement from \$1,000 to \$1,500
- Revising inflation adjustment language and modifying provisions applicable to claimants age 70 or older with household income below 250.0% of the federal poverty level.

- Eliminates the property tax limitation for claimants age 70 or older with household income below 250.0% of the federal poverty level by striking Iowa Code section [425.23\(1\)\(c\)](#). This change is applicable beginning in FY 2030 and is expected to increase local government property tax revenues.

Division XVIII of the Bill takes effect January 1, 2030, and is applicable for credits against property taxes due and payable in fiscal years beginning on or after July 1, 2030, and for reimbursement for rent constituting property taxes paid in base years beginning on or after January 1, 2029.

Background

Under current law, the Elderly and Disabled Property Tax Credit provides property tax relief to eligible homeowners aged 65 and older or individuals who are totally disabled. The credit is income-based and calculated using household income and property tax liability, with the amount of property taxes used in the calculation capped at \$1,000. In addition to the homestead tax credit, eligible claimants aged 65 and older qualify for a homestead tax exemption equal to \$3,250 of taxable value for assessment year 2023 and \$6,500 for assessment years beginning on or after January 1, 2024.

In FY 2025, the Elderly and Disabled Property Tax Credit program provided \$3.5 million in General Fund support to approximately 9,901 claimants, with an average credit of \$349 per claimant. Under current law, for both programs the maximum amount of property taxes used in calculating the credit is capped at \$1,000. The Elderly and Disabled Rent Reimbursement program received \$11.3 million in an FY 2025 General Fund appropriation for an estimated 18,301 claimants, with an average credit of \$647 per claimant.

In FY 2020, Senate File [619](#) (Taxation and Other Provisions Act) expanded eligibility for the property tax credit for claimants aged 70 and older. This expansion offset increases in property taxes above a base year amount beginning in FY 2022. The 70-and-over property tax freeze reduces local government property tax revenues without State reimbursement.

Assumptions

- The expansion of the Elderly and Disabled Property Tax Credit assumes that 7.5% of the 9,901 current claimants utilize the full \$1,000 maximum credit. For those claimants, the additional credit is assumed to average \$250 per claimant. No additional benefit is assumed for claimants below the current maximum credit.
- The expansion of the elderly and disabled rent reimbursement assumes that 7.5% of the 18,301 current claimants utilize the full \$1,000 maximum credit. For those claimants, the additional credit is assumed to average \$250 per claimant. No additional benefit is assumed for claimants below the current maximum credit.
- Based on ACS population and household income data, approximately 110,500 homesteads owned by individuals aged 70 or older are estimated to have household income below 250.0% of the federal poverty level (FPL). This number is assumed to remain constant in future years and the average tax savings under the limitation is assumed to increase by \$50 per year. For calendar year 2025, 250.0% of the FPL in the contiguous United States is \$39,125 for a single individual. Elimination of the limitation beginning in FY 2030 is assumed to return the estimated lost local government revenue to the tax base.
- The number of claimants for the income-based elderly and disabled property tax credit is assumed to decline by an average annual rate of 4.0% and a decline of 0.5% for the rent reimbursement program. The average refund is assumed constant for all future years.

Fiscal Impact

The analysis of this Division estimates the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. The expansion of the Elderly and Disabled Property Tax Credit and rent reimbursement program from \$1,000 to \$1,500 is estimated to increase annual General Fund appropriations and the removal of the 70-and-over homestead freeze is estimated to increase local government revenue which are both displayed in **Figure 20** below.

Figure 20 —Local Government Revenue Effects of Eliminating the 70+ Property Tax Limitation and General Fund Cost of Expanding the Elderly and Disabled Credit (in Millions)

Fiscal Year	Estimated Credit/Loss of Revenue to Local Government Under Current Law	Increased Revenue to Local Government	Increased General Fund Cost
2026	\$ -22.1	\$ 0.0	\$ 0.0
2027	-27.6	0.0	0.0
2028	-33.1	0.0	0.0
2029	-38.7	0.0	0.0
2030	0.0	44.2	0.5
2031	0.0	49.7	0.5
2032	0.0	55.2	0.5
2033	0.0	60.8	0.4

Division XIX — Property Tax Exemptions — Impoundment Structures and Speculative Shell Buildings

Description

Division XIX of the Bill eliminates property tax exemptions for impoundment structures and speculative shell buildings.

Division XIX of the Bill takes effect January 1, 2031, and applies to assessment years beginning on or after January 1, 2031.

Background

In AY 2024, approximately \$940,000 in industrial property was exempt under this provision. The State is estimated to contribute approximately \$5,100 from the General Fund to backfill the school foundation levy on this value; returning the valuation to the tax base would reduce this obligation beginning in FY 2033.

Assumptions

- The AY 2024 exempt valuation (\$940,000) is used as the base and is grown forward to AY 2031 using a 2.0% annual increase in taxable valuation.
- Property tax revenues generated from the returned valuation are allocated across levy authorities using the FY 2026 statewide consolidated tax of \$32.42171.
- As valuation is returned to the tax base, the State’s General Fund obligation for the \$5.40 school foundation levy backfill is reduced. The General Fund appropriations are estimated

by applying the proportion of the \$5.40 levy relative to the FY 2026 consolidated tax rate to the returned valuation.

Fiscal Impact

In FY 2033, Division XIX would decrease the General Fund appropriation by approximately \$5,800 and increase local government property tax revenues by an additional \$29,200.

Division XX — School District Unspent Balances — On-Time Funding and Modified Supplemental Amounts

Description

Division XX allows a school district to retain an unspent balance not to exceed 35.0% of the preceding year's budget unless a greater amount is approved by the [SBRC](#), allows for a school district to request an on-time budget adjustment, and requires a school board to establish defined policies that are to be annually reviewed and entered into the Board minutes.

Division XX of the Bill takes effect upon enactment.

Background

The SBRC is a nonpartisan body established to review budgets and to hold hearings on requests to modify budgetary limitations from school districts, AEAs, and community colleges. The SBRC is an independent agency separate from the DE and the DOM. According to Iowa Code section [257.31](#), the SBRC is required to review a school district's unspent balance prior to any decision to increase a modified supplemental amount (MSA).

A school district's unspent balance, or the unspent authorized budget (UAB), is the unused district general fund spending authority left over at the end of the fiscal year that is carried over into the next fiscal year. School boards can set goals or parameters around the UAB, and the UAB is separate from the school district's cash available. For FY 2025, the statewide UAB was 22.3%.

2026 Iowa Acts, [Senate File 2201](#) (Supplemental State Aid Act), modifies the methodology used to determine a school district's annual basic enrollment from a single October enrollment count to a count based on the average of a district's actual enrollment for the base year and the district's adjusted enrollment for the base year. The adjusted enrollment is required to be determined annually on January 15 or on the third Monday in January if January 15 falls on a Saturday or Sunday. This second enrollment count will be certified as the district's adjusted enrollment and submitted to the DE by February 15 of each year. The DE is required to promptly forward the adjusted enrollment to the DOM. This revised basic enrollment count will be used to calculate State aid and property taxes related to State aid. The new adjusted enrollment methodology will apply to school budget years beginning in FY 2028.

The SBRC has a [schedule for hearings](#) to review, approve, or deny a school district's request for an MSA. The SBRC can set a special hearing at any time. The hearing dates for FY 2027 are as follows:

- October 13, 2026, with requests due September 4, 2026.
- December 15, 2026, with requests due October 30, 2026.
- January 26, 2027, considered a special hearing.
- March 30, 2027, with requests due February 12, 2027.

Assumption

There is no additional administrative burden to the State for changes made in the Bill.

Fiscal Impact

Division XX is expected to have no fiscal impact.

Division XXI — Property Parcel Information

Description

Division XXI of the Bill requires local governments to annually report parcel-level property data by January 1 of each year to the DOM.

Fiscal Impact

The fiscal impact of Division XXI is unknown.

Division XXII — Urban Renewal

Description

Division XXII of the Bill places limits on urban renewal areas and includes the following:

- Establishes duration limits for existing tax increment financing (TIF) districts that currently lack such limits, setting the duration at the lesser of 20 years or until all outstanding debt is retired.
- Allows division of revenue ordinances in effect to continue until the urban renewal area is dissolved but disallows boundaries of the area to include new territory not previously subject to the ordinance before the effective date of Division XXII of the Bill.
- Creates a 20-year limit for divisions of revenue for urban renewal districts created after the effective date of Division XXII of the Bill, which does not apply to community colleges or rural improvement zones.
- Allows tax increment financing revenues from wind energy conversion property under Iowa Code section [427B.26](#), foundation property taxes for a school district under Iowa Code section [257.3](#), and taxes for EMS under Iowa Code chapter [357F](#), [357G](#), or [422D](#) to be separated and used in an urban renewal area without limitation established after the effective date of Division XXII.
- Disallows extra assistance from another municipality's urban renewal fund or use of urban renewal funds for the relocation of a commercial or industrial enterprise.
- Allows a school district to make foundation property tax revenues available from the school's general fund to the municipality's urban renewal special fund, beginning in FY 2028.
- Prohibits revenues levied for urban renewal to be used for salaries or benefits of permanent staff from a municipality or local or regional economic development entity.
- Creates an urban renewal task force convened by the IDR to study urban renewal and Iowa Code chapter [403](#). Requires a report to be prepared and submitted to the General Assembly outlining any recommended changes by January 1, 2027.

Division XXII of the Bill is effective upon enactment. Property taxes due and payable due to the Bill's changes to Iowa Code section 403.19(2)(a) are applicable for fiscal years on or after July 1, 2027.

Background

Tax increment financing is a financing mechanism used for urban renewal and involves dividing the property taxes paid from property within a designated area between the traditional taxing authorities (counties, cities, schools, etc.) and the taxing authority that created the TIF area. Local governments establish urban renewal areas and use TIF revenue to finance projects, including the repayment of debt associated with those projects. In FY 2025, TIF property tax

revenues totaled \$486.9 million. Local governments reported a total of \$4.681 billion in outstanding debt that they expect to repay with future TIF revenue.

Beginning in 1996, a 20-year duration limit was applied to certain economic development urban renewal areas, though not all areas were subject to this requirement. 2023 Iowa Acts, House File [718](#), required all new urban renewal areas to include a defined maximum duration, generally 20 years for economic development areas and up to 25 years for areas that include housing-related activities, thereby eliminating the creation of new areas without end dates.

The following statistics related to the TIF area designation are based on the TIF districts that submitted reports through the FY 2025 TIF annual report process. There were approximately 1,808 TIF districts that exceeded the Bill's proposed time limit in FY 2025. Tax increment financing districts received purpose designations in the following numbers:

- Slum, Blight, or both, but not Economic Development = 213
- Economic Development and Slum/Blight = 403
- Economic Development Only = 2,117
- No designated purpose provided = 1,531

Assumptions

- Urban renewal areas without defined duration limits are assumed to be subject to a maximum duration of 20 years and are modeled as phasing out at 5.0% per year over that period. Urban renewal areas with existing statutory duration limits, including 20-year and 23-year limitations, are assumed to continue under those timelines until debt is retired.
- For purposes of estimating TIF duration, districts designated for Economic Development, including those with combined Economic Development and Slum/Blight designations, are assumed to be subject to a 20-year duration limit. Districts designated as Slum/Blight are assumed to be subject to a 23-year duration. Districts with no designation provided are allocated proportionally based on the distribution of reported designations. Under these assumptions, approximately 92.2% of TIF Districts are modeled using a 20-year duration and 7.8% using a 23-year duration.
- Provisions allowing certain revenues, including wind energy conversion property, the school district foundation levy, and EMS levies, to be used without limitation are assumed to apply only to divisions of revenue established after the effective date of Division XXII.
- The estimated fiscal impact does not address or aggregate the impact to community colleges.
- As TIF revenues are returned to the taxable base, the State's General Fund obligation for the \$5.40 school foundation levy backfill is reduced. For purposes of this estimate, the General Fund reduction is calculated by applying the proportion of the \$5.40 levy relative to the FY 2026 consolidated tax rate (\$32.42171) to the amount of valuation returned to the tax base.

Fiscal Impact

The analysis of this Division estimates the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other divisions of the Bill. **Figure 21** shows the estimated phase-out of TIF revenue under the Bill based on statutory duration limits. All TIF revenue is assumed to be subject to the 60.0% retention and 40.0% return framework; however, urban renewal areas that naturally reach their defined duration will accelerate the shift of property tax dollars back to the tax base, reducing General Fund appropriations over time.

Figure 21 — Phased Out Tax Increment Financing (in Millions)

Fiscal Year	Expired Districts	TIF Revenue Returned to Tax Base	Reduction to General Fund Appropriation (\$5.40 Backfill)
2028	109	\$ 13,430,000	\$ -2,240,000
2029	225	27,530,000	-4,590,000
2030	347	42,000,000	-7,000,000
2031	476	56,940,000	-9,480,000
2032	613	72,530,000	-12,080,000
2033	757	90,130,000	-15,010,000

Division XXIII — Property Tax Deferral — Task Force

Description

Division XXIII of the Bill establishes a property tax deferral task force convened by the IDR to study the establishment of a program to allow low-income elderly homestead owners to apply to defer property taxes owed until the occurrence of a qualifying event. These events include but are not limited to the death of the owner, sale of the property, or transfer of the property to someone other than a surviving spouse. The IDR is required to prepare and submit a report, including recommended legislative actions, to the General Assembly by January 10, 2027.

Fiscal Impact

Division XXIII of the Bill is not anticipated to have a fiscal impact.

Division XXIV — Payments in Lieu of Property Taxes — Task Force

Description

Division XXIV of the Bill establishes a payments in lieu of property taxes task force convened by the IDR to study the potential for counties to implement a program for the collection of payments in lieu of property taxes from owners. The IDR is required to prepare and submit a report, including recommended legislative actions, to the General Assembly by January 10, 2027.

Fiscal Impact

Division XXIV of the Bill is not anticipated to have a fiscal impact.

Fiscal Impact Summary

The overall fiscal impact of the Bill is unknown. Due to the complexity and interdependence of the Bill's provisions, including multiple changes to the property tax base and levy structure, Division-level estimates cannot be combined to produce a total fiscal impact. Therefore, the estimates above are provided independently and should not be summed to determine the overall fiscal impact.

Sources

Legislative Services Agency calculations
Department of Health and Human Services
Department of Management
Department of Revenue Reports
Department of Transportation
FY 2025 Annual Urban Renewal Report
U.S. Bureau of Labor Statistics
Moody's Consumer Price Index Forecast
American Community Survey
Iowa County Engineers Association

/s/ Jennifer Acton

April 16, 2026

Doc ID 16044742

The Fiscal Note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this Fiscal Note is available from the Fiscal Services Division of the Legislative Services Agency upon request.



Fiscal Note

Fiscal Services Division



[HF 2766](#) – Captive Insurance Companies (LSB5452HV)
Staff Contact: Xavier Leonard (515.725.0509) xavier.leonard@legis.iowa.gov
Fiscal Note Version – New

Description

[House File 2766](#) relates to captive insurance companies and life captive reinsurance companies, includes civil penalties, and does the following:

- Creates new criminal offenses for any present or former officer or employee of the State to willfully or recklessly publish a tax return filed pursuant to Iowa Code sections [432.1](#) (Tax on Gross Premiums — Exclusions) and [432.1A](#) (Tax on Premiums — Captive Companies). The penalty for this offense is a serious misdemeanor and, in addition to any other penalty, the person is to be dismissed from State office or discharged from State employment.
- Removes the initial registration fee of \$300 for each captive insurance company, individual series of members of a limited liability company, and each protected cell.
- Establishes a temporary premium tax waiver that non-life captive reinsurance companies may claim if they redomesticate to the State. The premium tax waiver does not apply to tax years 2030 and beyond. Includes payback provisions if a company receives the tax waiver and surrenders its license or redomesticates to another jurisdiction within five years from the date of redomestication into Iowa.
- Establishes regulatory framework for life captive reinsurance companies, including licensure requirements. Includes a \$2,500 nonrefundable fee alongside a certificate of authority application by a life captive reinsurance company. Permits the Iowa Insurance Division (IID) Commissioner to retain legal, financial, and examination services from outside experts as necessary for review of the application, the reasonable cost of which may be charged to the applicant.
- Establishes a \$2,500 annual renewal registration fee for a life captive reinsurance company's certificate of authority.
- Requires the IID Commissioner to examine the affairs, transactions, accounts, records, and assets of each life captive reinsurance company every five years, at minimum. Requires the life captive reinsurance company to pay for the costs incurred by the Commissioner in the examination.
- Authorizes life captive reinsurance companies domiciled in the State to apply for a certificate of dormancy. Includes requirements the company must meet for the Commissioner to authorize the certification, including the payment of an annual \$1,000 dormancy tax.
- Authorizes the IID to adopt administrative rules to implement and administer subchapter II (Life Captive Reinsurance Companies) of Iowa Code chapter [521J](#).

Background

A serious misdemeanor is punishable by confinement of no more than one year and a fine of at least \$430 but not to exceed \$2,560.

According to the IID, there are three captive insurance companies currently domesticated in Iowa.

Registration fees, as well as other fees, assessments, fines, and administrative penalties collected under Iowa Code chapter 521J and all premium tax receipts collected from captive

companies, are paid into the Captive Insurance Regulatory and Supervision Fund (CIRSF). Created pursuant to Iowa Code section [521J.12](#), the CIRSF was established by 2023 Iowa Acts, chapter [107](#) (Taxation of Insurance Premiums and Captive Insurance Companies Act). The CIRSF has received a \$450,000 appropriation from the General Fund in fiscal years 2024, 2025, and 2026 in the annual Administration and Regulation Appropriations Act to examine and ensure compliance matters related to captive insurance. As of April 10, 2026, the balance of the CIRSF was \$723,000.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and practices.
- County jail data is unavailable. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- Conviction data reflects the total number of convictions in adult court, which may include multiple convictions per individual. Not all convictions lead to incarceration, and there may be a delay between conviction and prison admission, which can contribute to differences in totals.
- A six-month delay is assumed from the effective date of the Bill to the date the first offender will enter the correctional system.
- Offender-based convictions are a count of individuals convicted of the same offense. Each offender is counted only once per Iowa Code section, regardless of the number of individual convictions.
- Admissions are a count of individuals newly admitted to the Department of Corrections (DOC) for supervision during a selected time period, based on the most serious offense committed.
- Work associated with the licensing and approval processes can be completed with the use of current staff.
- The number of captive companies that will domicile or redomesticate is unknown.
- No captive companies will apply for a certificate of dormancy.

Correctional Impact

House File 2766 creates new offenses. The correctional impact cannot be determined because the number of new convictions under the Bill is unknown. **Figure 1** shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS in months under those supervisions; and supervision marginal costs per day for a serious misdemeanor.

Figure 1 — Sentencing Estimates and Length of Stay (LOS) in Months

Conviction Offense Class	Percent Ordered to State Prison	FY 2025 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 2025 Field Avg LOS on Probation	Avg Cost Per Day Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY 2025 Field Avg LOS on Parole	Marginal Cost Per Day Parole
Serious Misdemeanor	2.3%	7.3	\$23.07	44.8%	21.0	\$8.00	\$16.35	\$50.00	N/A	\$8.00

Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 12, 2026, for information related to the correctional system.

Minority Impact

House File 2766 creates new offenses and, as a result, existing data cannot be used to estimate the minority impact of the Bill. Refer to the LSA memo addressed to the General

Assembly, [Minority Impact Statements](#), dated January 12, 2026, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact for House File 2766 cannot be determined because the number of companies that will domicile or redomesticate to Iowa is unknown.

The number of convictions under the Bill for willfully or recklessly publishing a tax return by a State officer or employee is unknown. The average State cost per serious misdemeanor is between \$350 and \$6,200. This includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the DOC. The costs would be incurred across multiple fiscal years for prison and parole supervision.

Sources

Department of Corrections
Iowa Insurance Division (IID), Department of Insurance and Financial Services (DIFS)
Division of Data, Planning, and Improvement (DPI), Department of Management (DOM)

/s/ Jennifer Acton

April 16, 2026

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The Fiscal Note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this Fiscal Note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
