

3/20/97 Referred to W. & Mason

703

MAR 19 1997

HOUSE FILE
BY COMMITTEE ON LOCAL
GOVERNMENT

Place On Calendar

(SUCCESSOR TO HSB 228)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to local government budget practices and property
2 tax statements, and including an applicability date provision.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HT 703

1 Section 1. Section 24.9, unnumbered paragraph 1, Code
2 1997, is amended to read as follows:

3 Each municipality shall file with the secretary or clerk
4 thereof the estimates required to be made in sections 24.3 to
5 24.8, at least twenty days before the date fixed by law for
6 certifying the same to the levying board and shall forthwith
7 fix a date for a hearing thereon, and shall publish such
8 estimates and any annual levies previously authorized as
9 provided in section 76.2, with a notice of the time when and
10 the place where such hearing shall be held ~~at-least~~ not less
11 than ten nor more than twenty days before the hearing.

12 Provided that in municipalities of less than two hundred
13 population such estimates and the notice of hearing thereon
14 shall be posted in three public places in the district in lieu
15 of publication.

16 Sec. 2. Section 24.9, Code 1997, is amended by adding the
17 following new unnumbered paragraph:

18 NEW UNNUMBERED PARAGRAPH. The department of management
19 shall prescribe the form for public hearing notices for use by
20 municipalities.

21 Sec. 3. Section 24.17, Code 1997, is amended to read as
22 follows:

23 24.17 BUDGETS CERTIFIED.

24 The local budgets of the various political subdivisions
25 shall be certified by the chairperson of the certifying board
26 or levying board, as the case may be, in duplicate to the
27 county auditor not later than March 15 of each year on blanks
28 forms, and pursuant to instructions, prescribed by the state
29 ~~board, and according to the rules and instruction which shall~~
30 ~~be furnished all certifying and levying boards in printed form~~
31 ~~by the state board or city finance committee in the case of~~
32 cities department of management. ~~However, if a city or county~~
33 ~~holds a special levy election, the certification shall be not~~
34 ~~later than fourteen days following the special levy election,~~
35 ~~and if the political subdivision is a school district, as~~

1 ~~defined in section 257.27, its budget shall be certified not~~
2 ~~later than April 15 of each year.~~

3 One copy of the budget shall be retained on file in the
4 office by the county auditor and the other shall be certified
5 by the county auditor to the state board. The department of
6 management shall certify the local budgets back to the county
7 auditor by June 15.

8 Sec. 4. Section 24.27, Code 1997, is amended to read as
9 follows:

10 24.27 PROTEST TO BUDGET.

11 Not later than March 25 ~~or April 25 if the municipality is~~
12 ~~a school district~~, a number of persons in any municipality
13 equal to one-fourth of one percent of those voting for the
14 office of governor, at the last general election in the
15 municipality, but the number shall not be less than ten, and
16 the number need not be more than one hundred persons, who are
17 affected by any proposed budget, expenditure or tax levy, or
18 by any item thereof, may appeal from any decision of the
19 certifying board or the levying board by filing with the
20 county auditor of the county in which the municipal
21 corporation is located, a written protest setting forth their
22 objections to the budget, expenditure or tax levy, or to one
23 or more items thereof, and the grounds for their objections.
24 If a budget is certified after March 15 ~~or April 15 in the~~
25 ~~case of a school district~~, all appeal time limits shall be
26 extended to correspond to allowances for a timely filing.
27 Upon the filing of a protest, the county auditor shall
28 immediately prepare a true and complete copy of the written
29 protest, together with the budget, proposed tax levy or
30 expenditure to which objections are made, and shall transmit
31 them forthwith to the state board, and shall also send a copy
32 of the protest to the certifying board or to the levying
33 board, as the case may be.

34 Sec. 5. Section 76.2, unnumbered paragraph 2, Code 1997,
35 is amended to read as follows:

1 If the resolution is filed prior to April 1 ~~or May 17~~, if
2 ~~the political subdivision is a school district~~, the annual
3 levy shall begin with the tax levy for collection commencing
4 July 1 of that year. If the resolution is filed after April 1
5 ~~or May 17~~, ~~in the case of a school district~~, the annual levy
6 shall begin with the tax levy for collection in the next
7 succeeding fiscal year. However, the governing authority of a
8 political subdivision may adjust a levy of taxes made under
9 this section for the purpose of adjusting the annual levies
10 and collections for property severed from the political
11 subdivision, subject to the approval of the director of the
12 department of management.

13 Sec. 6. Section 257.19, unnumbered paragraph 2, Code 1997,
14 is amended to read as follows:

15 Certification of a board's intent to participate for a
16 budget year, the method of funding, and the amount to be
17 raised shall be made to the department of management not later
18 than ~~April~~ March 15 of the base year. Funding for the
19 instructional support program shall be obtained from
20 instructional support state aid and from local funding using
21 either an instructional support property tax or a combination
22 of an instructional support property tax and an instructional
23 support income surtax.

24 Sec. 7. Section 257.29, unnumbered paragraph 2, Code 1997,
25 is amended to read as follows:

26 The educational improvement program shall provide
27 additional revenues each fiscal year equal to a specified
28 percent of the regular program district cost of the district,
29 as determined by the board but not more than the maximum
30 percent authorized by the electors if an election has been
31 held. Certification of a district's participation for a
32 budget year, the method of funding, and the amount to be
33 raised shall be made to the department of management not later
34 than ~~April~~ March 15 of the base year.

35 Sec. 8.. Section 275.29, Code 1997, is amended to read as

1 follows:

2 275.29 DIVISION OF ASSETS AND LIABILITIES AFTER
3 REORGANIZATION.

4 Between July 1 and July 20, the board of directors of the
5 newly formed school district shall meet with the boards of the
6 school districts affected by the organization of the new
7 school corporation, including the boards of districts
8 receiving territory of the school districts affected, for the
9 purpose of reaching joint agreement on an equitable division
10 of the assets of the several school corporations or parts of
11 school corporations and an equitable distribution of the
12 liabilities of the affected corporations or parts of
13 corporations. In addition, if outstanding bonds are in
14 existence in any district, the initial board of directors of
15 the newly formed school district shall meet with the boards of
16 all school districts affected prior to ~~April~~ March 15 prior to
17 the school year the reorganization is effective to determine
18 the distribution of the bonded indebtedness between the
19 districts so that the newly formed district may certify its
20 budget under the procedures specified in chapter 24. The
21 boards shall consider the mandatory levy required in section
22 76.2 and shall assure the satisfaction of outstanding
23 obligations of each affected school corporation. If the
24 petition includes plans for the distribution of the bonded
25 indebtedness, the exclusion of territory from the reorganized
26 district does not require action pursuant to this section.

27 Sec. 9. Section 279.54, unnumbered paragraph 1, Code 1997,
28 is amended to read as follows:

29 If a majority of those voting in an election approves
30 raising the additional enrichment amount for an asbestos
31 project under section 279.53 and this section, not later than
32 ~~April~~ March 15 of the previous school year the board shall
33 certify to the department of management that the required
34 procedures have been carried out, the method of funding the
35 amount to be raised, and the department of management shall

1 establish the amount of additional enrichment property tax to
2 be levied or the amount of the combination of the enrichment
3 property tax and the amount of enrichment income surtax to be
4 imposed for each school year for which the additional
5 enrichment amount for an asbestos project is authorized. The
6 enrichment property tax and income surtax, if an income surtax
7 is imposed, shall be levied and imposed, collected, and paid
8 to the school district in the manner provided for the
9 instructional support program in sections 257.21 through
10 257.26.

11 Sec. 10. Section 298.2, subsection 2, Code 1997, is
12 amended to read as follows:

13 2. The board of directors of a school district may certify
14 for levy by ~~April~~ March 15 of a school year a tax on all
15 taxable property in the school district for the regular
16 physical plant and equipment levy.

17 Sec. 11. Section 298.2, subsection 3, unnumbered paragraph
18 2, Code 1997, is amended to read as follows:

19 If a combination of a property tax and income surtax is
20 used, by ~~April~~ March 15 of the previous school year, the board
21 shall certify the percent of the income surtax to be imposed
22 and the amount to be raised to the department of management
23 and the department of management shall establish the rate of
24 the property tax and income surtax for the school year. The
25 physical plant and equipment property tax and income surtax
26 shall be levied or imposed, collected, and paid to the school
27 district in the manner provided for the instructional support
28 program in sections 257.21 through 257.26.

29 Sec. 12. Section 298.4, unnumbered paragraph 1, Code 1997,
30 is amended to read as follows:

31 The board of directors of a school district may certify for
32 levy by ~~April~~ March 15 of a school year, a tax on all taxable
33 property in the school district for a district management
34 levy. The revenue from the tax levied in this section shall
35 be placed in the district management levy fund of the school

1 district. The district management levy shall be expended only
2 for the following purposes:

3 Sec. 13. Section 298.10, Code 1997, is amended to read as
4 follows:

5 298.10 LEVY FOR CASH RESERVE.

6 The board of directors of a school district may certify for
7 levy by ~~April~~ March 15 of a school year, a tax on all taxable
8 property in the school district in order to raise an amount
9 for a necessary cash reserve for a school district's general
10 fund. The amount raised for a necessary cash reserve does not
11 increase a school district's authorized expenditures as
12 defined in section 257.7.

13 Sec. 14. Section 300.2, unnumbered paragraph 2, Code 1997,
14 is amended to read as follows:

15 If a majority of the votes cast upon the proposition is in
16 favor of the proposition, the board shall certify the amount
17 required for a fiscal year to the county board of supervisors
18 by ~~April~~ March 15 of the preceding fiscal year. The board of
19 supervisors shall levy the amount certified. The amount shall
20 be placed in the public education and recreation levy fund of
21 the district and shall be used only for the purposes specified
22 in this chapter.

23 Sec. 15. Section 331.403, subsection 1, Code 1997, is
24 amended to read as follows:

25 1. Not later than ~~October~~ December 1 of each year on forms
26 and pursuant to instructions prescribed by the department of
27 management, a county shall prepare an annual financial report
28 showing for each county fund the financial condition as of
29 June 30 and the results of operations for the year then ended.
30 Copies of the report shall be maintained as a public record at
31 the auditor's office and shall be ~~furnished-to~~ filed with the
32 director of the department of management and ~~to~~ with the
33 auditor of state by December 1. A summary of the report, in a
34 form prescribed by the director, shall be published by each
35 county not later than ~~October~~ December 1 of each year in one

1 or more newspapers which meet the requirements of section
2 618.14.

3 Sec. 16. Section 331.403, subsection 3, Code 1997, is
4 amended by striking the subsection and inserting in lieu
5 thereof the following:

6 3. A county that fails to meet the filing deadline imposed
7 by this section shall have withheld from payments to be made
8 to the county pursuant to chapter 405A an amount equal to five
9 cents per capita until the financial report is filed.

10 Sec. 17. Section 331.434, subsection 3, Code 1997, is
11 amended to read as follows:

12 3. The board shall set a time and place for a public
13 hearing on the budget before the final certification date and
14 shall publish notice of the hearing not less than ten nor more
15 than twenty days prior to the hearing in the county newspapers
16 selected under chapter 349. A summary of the proposed budget,
17 in the form prescribed by the director of the department of
18 management, shall be included in the notice. Proof of
19 publication shall be filed with and preserved by the auditor.
20 A levy is not valid unless and until the notice is published
21 and filed. The department of management shall prescribe the
22 form for the public hearing notice for use by counties.

23 Sec. 18. Section 331.434, Code 1997, is amended by adding
24 the following new subsection:

25 NEW SUBSECTION. 7. Taxes levied by a county whose budget
26 is certified after March 15 shall be limited to the prior
27 year's budget amount. However, this penalty may be waived by
28 the director of the department of management if the county
29 demonstrates that the March 15 deadline was missed because of
30 circumstances beyond the control of the county.

31 Sec. 19. Section 331.439, subsection 1, paragraph a, Code
32 1997, is amended to read as follows:

33 a. The county accurately reported by ~~October-15~~ December 1
34 the county's expenditures for mental health, mental
35 retardation, and developmental disabilities services for the

1 previous fiscal year on forms prescribed by the department of
2 human services.

3 Sec. 20. Section 384.16, subsection 3, Code 1997, is
4 amended to read as follows:

5 3. The council shall set a time and place for public
6 hearing on the budget before the final certification date and
7 shall publish notice of the hearing not less than ten nor more
8 than twenty days before the hearing ~~as provided in section~~
9 ~~362-3~~ in a newspaper published at least once weekly and having
10 general circulation in the city. However, if the city has a
11 population of two hundred or less, publication may be made by
12 posting in three public places in the city. A summary of the
13 proposed budget shall be included in the notice. Proof of
14 publication must be filed with the county auditor. The
15 department of management shall prescribe the form for the
16 public hearing notice for use by cities.

17 Sec. 21. Section 384.16, Code 1997, is amended by adding
18 the following new subsection:

19 NEW SUBSECTION. 6. Taxes levied by a city whose budget is
20 certified after March 15 shall be limited to the prior year's
21 budget amount. However, this penalty may be waived by the
22 director of the department of management if the city
23 demonstrates that the March 15 deadline was missed because of
24 circumstances beyond the control of the city.

25 Sec. 22. Section 445.5, Code 1997, is amended to read as
26 follows:

27 445.5 STATEMENT AND RECEIPT.

28 1. As soon as practicable after receiving the tax list
29 prescribed in chapter 443, the treasurer shall deliver to the
30 taxpayer a statement of taxes due and payable which shall
31 include the following information:

32 a. The year of tax.

33 b. A description of the parcel.

34 c. The assessed value of the parcel, itemized by the value
35 for land, dwellings, and buildings, for the current year and

1 the previous year as valued by the assessor after application
2 of any equalization orders.

3 d. The taxable value of the parcel, itemized by the value
4 for land, dwellings, and buildings, for the current year and
5 the previous year after application of any equalization
6 orders, assessment limitations, and itemized valuation
7 exemptions.

8 e. The complete name of all taxing authorities receiving a
9 tax distribution, the amount of the distribution, and the
10 percentage distribution for each named authority, listed from
11 the highest to the lowest distribution percentage.

12 f. The consolidated levy rate for one thousand dollars of
13 taxable valuation multiplied by the taxable valuation to
14 produce the gross taxes levied before application of credits
15 against levied taxes for the previous and current fiscal
16 years.

17 g. The itemized credits against levied taxes deducted from
18 the gross taxes levied in order to produce the net taxes owned
19 for the previous and current fiscal years.

20 h. The amount of property tax dollars reduced on each
21 parcel as a result of the moneys received from the property
22 tax relief fund pursuant to section 426B.2, subsections 1 and
23 3.

24 i. The total amount of taxes levied by each taxing
25 authority in the previous fiscal year and the current fiscal
26 year, the dollar amount difference between the two amounts,
27 and that same difference expressed as a percentage increase or
28 decrease.

29 If the person receiving the statement is not the
30 titleholder of record or contract holder of record of the
31 parcel, that person shall pay a fee at the rate of two dollars
32 per parcel for each year. The treasurer shall at the same
33 time deliver to the titleholder of record or contract holder
34 of record a copy of the statement.

35 2. The county treasurer shall deliver to the taxpayer a

1 receipt stating the year of tax, date of payment, a
2 description of the parcel, and the amount of taxes, interest,
3 fees, and costs paid except when payment of taxes is made by
4 check, then a receipt shall be issued only upon request. The
5 receipt shall be in full of the first half, second half, or
6 full year amounts unless a payment is made under section
7 445.36A or 435.24, subsection 6.

8 Sec. 23. TAX STATEMENT STUDY COMMITTEE.

9 1. There is established a tax statement study committee
10 comprised of the members of the county finance committee and
11 three county treasurers appointed by the governor in
12 consultation with the Iowa state treasurers association.

13 2. The committee shall study the following:

14 a. The fiscal impact of implementing redesigned property
15 tax statements as required in section 445.5.

16 b. Identification of the impediments involved in requiring
17 the tax statement in section 445.5.

18 c. The technological impact of implementing the property
19 tax statement required in section 445.5.

20 d. The recommended design of the property tax statement
21 required in section 445.5.

22 e. A process by which counties and the state can achieve
23 the goal of providing a uniform tax statement design to be
24 used statewide.

25 3. The committee shall furnish a report of its study to
26 the general assembly in January 1998.

27 Sec. 24. APPLICABILITY DATES. Section 22 of this Act,
28 amending section 445.5, applies to tax statements issued for
29 the fiscal year beginning July 1, 2001. The remainder of this
30 Act applies to budgets prepared for fiscal years beginning on
31 or after July 1, 1998.

32 EXPLANATION

33 This bill makes numerous changes relating to property taxes
34 and local budget practices.

35 The bill moves the budget certification deadline for

1 schools from April 15 to March 15. The bill also provides
2 that cities and counties whose budget is certified after March
3 15 shall be limited to the prior year's certification amount.

4 The bill provides that the department of management shall
5 prescribe the forms for budgets certified to the county
6 auditor and for the public hearing notice on the budget for
7 use by cities and counties. The bill requires the department
8 of management to certify local budgets back to the county
9 auditor by June 15 of each year.

10 The publication deadline for the county annual financial
11 report is changed from October 1 to December 1. The bill also
12 provides that the department of management shall prescribe the
13 form for the annual financial report. The bill prescribes a
14 monetary withholding penalty for late filing of the report.

15 The bill also requires that a property tax statement be
16 delivered to the taxpayer. The bill specifies additional
17 comparative information that must be included on the property
18 tax statement.

19 The bill also establishes a tax statement study committee
20 comprised of members of the county finance committee and three
21 county treasurers appointed by the governor. The committee is
22 charged with studying various administrative and fiscal issues
23 involved with implementing use of the new tax statements. The
24 committee is to report to the general assembly in January
25 1998.

26 The section of the bill requiring that a tax statement be
27 prepared and mailed applies to tax statements issued for
28 fiscal year 2001-2002. The remainder of the bill applies to
29 budgets prepared for fiscal years beginning on or after July
30 1, 1998.

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**HOUSE FILE 703
FISCAL NOTE**

A fiscal note for House File 703 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 703 relates to local government budget practices and property tax statements. Much of the Bill relates to the Department of Management prescribing the forms used for the local budget certification process and the annual financial reports for local governments. The Bill also requires a property tax statement be provided to the affected taxpayer. Items to be included within the tax statement are specified.

ASSUMPTIONS

1. The date changes specified within the Bill do not have a fiscal impact upon local governments.
2. Programming changes necessary to conform with new reporting forms are one-time changes and costs affecting the entities from which most county governments receive computer services.
3. Counties will collect the required \$2 fee for the tax statement when the recipient is the taxpayer, and is not the titleholder or contract holder of record. The \$2 fee covers the cost of the copy of the tax statement.
4. The number of original tax statements issued will increase, but by a number not available, when comparing a county which issued only to the title holder or contract holder prior to FY 2002, and which beginning in FY 2002, will issue to the taxpayer of the record.

FISCAL IMPACT

There is no fiscal impact until FY 2002, when changes in the forms and the number of tax statements issued take effect. Several entities exist which provide the computer and programming services for 93 of the counties. One which provides services to 46 counties indicates an estimated cost of \$8,500, or approximately \$200 per county. Another which services 47 counties estimates between \$18,000 and \$150,000, or approximately \$400 to \$3,200 per county. Some of these costs may be included within the existing maintenance agreements but which may cause a delay of other necessary programming needs. Counties which perform their own programming indicate that the one-time costs would range from \$10,000 to \$500,000. On-going costs such as postage, duplicate tax statement forms, additional staff time for data entry and public inquiries, and disc storage is estimated to be \$7,600 per county for the first year (FY 2002) and \$5,700 per county for the second and succeeding years.

SOURCES

Department of Management
Iowa State Association of Counties

(LSB 2709hv, SLL)

HSB 228

Vande Hoef chr
Klemme
Myer

LOCAL GOVERNMENT
Sub
SF/HF 723

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON LOCAL
GOVERNMENT BILL BY
CHAIRPERSON VANDE HOEF)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

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7 fix a date for a hearing thereon, and shall publish such
8 estimates and any annual levies previously authorized as
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10 the place where such hearing shall be held at-least not less
11 than ten nor more than twenty days before the hearing.

12 Provided that in municipalities of less than two hundred
13 population such estimates and the notice of hearing thereon
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35 ~~defined-in-section-257.2,--its-budget-shall-be-certified-not~~

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8 office of governor, at the last general election in the
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11 affected by any proposed budget, expenditure or tax levy, or
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14 county auditor of the county in which the municipal
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16 objections to the budget, expenditure or tax levy, or to one
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27 board, as the case may be.

28 Sec. 5. Section 76.2, unnumbered paragraph 2, Code 1997,
29 is amended to read as follows:

30 If the resolution is filed prior to April 1 ~~or May 17 if~~
31 ~~the political subdivision is a school district~~, the annual
32 levy shall begin with the tax levy for collection commencing
33 July 1 of that year. If the resolution is filed after April 1
34 ~~or May 17 in the case of a school district~~, the annual levy
35 shall begin with the tax levy for collection in the next

1 succeeding fiscal year. However, the governing authority of a
2 political subdivision may adjust a levy of taxes made under
3 this section for the purpose of adjusting the annual levies
4 and collections for property severed from the political
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4 of the assets of the several school corporations or parts of
5 school corporations and an equitable distribution of the
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7 corporations. In addition, if outstanding bonds are in
8 existence in any district, the initial board of directors of
9 the newly formed school district shall meet with the boards of
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11 the school year the reorganization is effective to determine
12 the distribution of the bonded indebtedness between the
13 districts so that the newly formed district may certify its
14 budget under the procedures specified in chapter 24. The
15 boards shall consider the mandatory levy required in section
16 76.2 and shall assure the satisfaction of outstanding
17 obligations of each affected school corporation. If the
18 petition includes plans for the distribution of the bonded
19 indebtedness, the exclusion of territory from the reorganized
20 district does not require action pursuant to this section.

21 Sec. 9. Section 279.54, unnumbered paragraph 1, Code 1997,
22 is amended to read as follows:

23 If a majority of those voting in an election approves
24 raising the additional enrichment amount for an asbestos
25 project under section 279.53 and this section, not later than
26 ~~April~~ March 15 of the previous school year the board shall
27 certify to the department of management that the required
28 procedures have been carried out, the method of funding the
29 amount to be raised, and the department of management shall
30 establish the amount of additional enrichment property tax to
31 be levied or the amount of the combination of the enrichment
32 property tax and the amount of enrichment income surtax to be
33 imposed for each school year for which the additional
34 enrichment amount for an asbestos project is authorized. The
35 enrichment property tax and income surtax, if an income surtax

1 is imposed, shall be levied and imposed, collected, and paid
2 to the school district in the manner provided for the
3 instructional support program in sections 257.21 through
4 257.26.

5 Sec. 10. Section 298.2, subsection 2, Code 1997, is
6 amended to read as follows:

7 2. The board of directors of a school district may certify
8 for levy by ~~April~~ March 15 of a school year a tax on all
9 taxable property in the school district for the regular
10 physical plant and equipment levy.

11 Sec. 11. Section 298.2, subsection 3, unnumbered paragraph
12 2, Code 1997, is amended to read as follows:

13 If a combination of a property tax and income surtax is
14 used, by ~~April~~ March 15 of the previous school year, the board
15 shall certify the percent of the income surtax to be imposed
16 and the amount to be raised to the department of management
17 and the department of management shall establish the rate of
18 the property tax and income surtax for the school year. The
19 physical plant and equipment property tax and income surtax
20 shall be levied or imposed, collected, and paid to the school
21 district in the manner provided for the instructional support
22 program in sections 257.21 through 257.26.

23 Sec. 12. Section 298.4, unnumbered paragraph 1, Code 1997,
24 is amended to read as follows:

25 The board of directors of a school district may certify for
26 levy by ~~April~~ March 15 of a school year, a tax on all taxable
27 property in the school district for a district management
28 levy. The revenue from the tax levied in this section shall
29 be placed in the district management levy fund of the school
30 district. The district management levy shall be expended only
31 for the following purposes:

32 Sec. 13. Section 298.10, Code 1997, is amended to read as
33 follows:

34 298.10 LEVY FOR CASH RESERVE.

35 The board of directors of a school district may certify for

1 levy by ~~April~~ March 15 of a school year, a tax on all taxable
2 property in the school district in order to raise an amount
3 for a necessary cash reserve for a school district's general
4 fund. The amount raised for a necessary cash reserve does not
5 increase a school district's authorized expenditures as
6 defined in section 257.7.

7 Sec. 14. Section 300.2, unnumbered paragraph 2, Code 1997,
8 is amended to read as follows:

9 If a majority of the votes cast upon the proposition is in
10 favor of the proposition, the board shall certify the amount
11 required for a fiscal year to the county board of supervisors
12 by ~~April~~ March 15 of the preceding fiscal year. The board of
13 supervisors shall levy the amount certified. The amount shall
14 be placed in the public education and recreation levy fund of
15 the district and shall be used only for the purposes specified
16 in this chapter.

17 Sec. 15. Section 331.403, subsection 1, Code 1997, is
18 amended to read as follows:

19 1. Not later than ~~October~~ December 1 of each year on forms
20 and pursuant to instructions prescribed by the department of
21 management, a county shall prepare an annual financial report
22 showing for each county fund the financial condition as of
23 June 30 and the results of operations for the year then ended.
24 Copies of the report shall be maintained as a public record at
25 the auditor's office and shall be ~~furnished to~~ filed with the
26 director of the department of management and ~~to~~ with the
27 auditor of state by December 1. A summary of the report, in a
28 form prescribed by the director, shall be published by each
29 county not later than ~~October~~ December 1 of each year in one
30 or more newspapers which meet the requirements of section
31 618.14.

32 Sec. 16. Section 331.403, subsection 3, Code 1997, is
33 amended by striking the subsection and inserting in lieu
34 thereof the following:

35 3. A county that fails to meet the filing deadline imposed

1 by this section shall have withheld from payments to be made
2 to the county pursuant to chapter 405A an amount equal to five
3 cents per capita until the financial report is filed.

4 Sec. 17. Section 331.434, subsection 3, Code 1997, is
5 amended to read as follows:

6 3. The board shall set a time and place for a public
7 hearing on the budget before the final certification date and
8 shall publish notice of the hearing not less than ten nor more
9 than twenty days prior to the hearing in the county newspapers
10 selected under chapter 349. A summary of the proposed budget,
11 in the form prescribed by the director of the department of
12 management, shall be included in the notice. Proof of
13 publication shall be filed with and preserved by the auditor.
14 A levy is not valid unless and until the notice is published
15 and filed. The department of management shall prescribe the
16 form for the public hearing notice for use by counties.

17 Sec. 18. Section 331.434, Code 1997, is amended by adding
18 the following new subsection:

19 NEW SUBSECTION. 7. Taxes levied by a county whose budget
20 is certified after March 15 shall be limited to the prior
21 year's budget amount. However, this penalty may be waived by
22 the director of the department of management if the county
23 demonstrates that the March 15 deadline was missed because of
24 circumstances beyond the control of the county.

25 Sec. 19. Section 331.439, subsection 1, paragraph a, Code
26 1997, is amended to read as follows: --

27 a. The county accurately reported by ~~October-15~~ December 1
28 the county's expenditures for mental health, mental
29 retardation, and developmental disabilities services for the
30 previous fiscal year on forms prescribed by the department of
31 human services.

32 Sec. 20. Section 384.16, subsection 3, Code 1997, is
33 amended to read as follows:

34 3. The council shall set a time and place for public
35 hearing on the budget before the final certification date and

1 shall publish notice of the hearing not less than ten nor more
2 than twenty days before the hearing ~~as provided in section~~
3 362.3 in a newspaper published at least once weekly and having
4 general circulation in the city. However, if the city has a
5 population of two hundred or less, publication may be made by
6 posting in three public places in the city. A summary of the
7 proposed budget shall be included in the notice. Proof of
8 publication must be filed with the county auditor. The
9 department of management shall prescribe the form for the
10 public hearing notice for use by cities.

11 Sec. 21. Section 384.16, Code 1997, is amended by adding
12 the following new subsection:

13 NEW SUBSECTION. 6. Taxes levied by a city whose budget is
14 certified after March 15 shall be limited to the prior year's
15 budget amount. However, this penalty may be waived by the
16 director of the department of management if the city
17 demonstrates that the March 15 deadline was missed because of
18 circumstances beyond the control of the city.

19 Sec. 22. Section 445.5, Code 1997, is amended to read as
20 follows:

21 445.5 STATEMENT AND RECEIPT.

22 1. As soon as practicable after receiving the tax list
23 prescribed in chapter 443, the treasurer shall deliver to the
24 taxpayer a statement of taxes due and payable which shall
25 include the following information:

26 a. The year of tax.

27 b. A description of the parcel.

28 c. The assessed value of the parcel, itemized by the value
29 for land, dwellings, and buildings, for the current year and
30 the previous year as valued by the assessor after application
31 of any equalization orders.

32 d. The taxable value of the parcel, itemized by the value
33 for land, dwellings, and buildings, for the current year and
34 the previous year after application of any equalization
35 orders, assessment limitations, and itemized valuation

1 exemptions.

2 e. The complete name of all taxing authorities receiving a
3 tax distribution, the amount of the distribution, and the
4 percentage distribution for each named authority, listed from
5 the highest to the lowest distribution percentage.

6 f. The consolidated levy rate for one thousand dollars of
7 taxable valuation multiplied by the taxable valuation to
8 produce the gross taxes levied before application of credits
9 against levied taxes for the previous and current fiscal
10 years.

11 g. The itemized credits against levied taxes deducted from
12 the gross taxes levied in order to produce the net taxes owned
13 for the previous and current fiscal years.

14 h. The amount of property tax dollars reduced on each
15 parcel as a result of the moneys received from the property
16 tax relief fund pursuant to section 426B.2, subsections 1 and
17 3.

18 i. The total amount of taxes levied by each taxing
19 authority in the previous fiscal year and the current fiscal
20 year, the dollar amount difference between the two amounts,
21 and that same difference expressed as a percentage increase or
22 decrease.

23 If the person receiving the statement is not the
24 titleholder of record or contract holder of record of the
25 parcel, that person shall pay a fee at the rate of two dollars
26 per parcel for each year. The treasurer shall at the same
27 time deliver to the titleholder of record or contract holder
28 of record a copy of the statement.

29 2. The county treasurer shall deliver to the taxpayer a
30 receipt stating the year of tax, date of payment, a
31 description of the parcel, and the amount of taxes, interest,
32 fees, and costs paid except when payment of taxes is made by
33 check, then a receipt shall be issued only upon request. The
34 receipt shall be in full of the first half, second half, or
35 full year amounts unless a payment is made under section

1 445.36A or 435.24, subsection 6.

2 Sec. 23. APPLICABILITY DATE. This Act applies to budgets
3 prepared for fiscal years beginning on or after July 1, 1998.

4 EXPLANATION

5 This bill makes numerous changes relating to property taxes
6 and local budget practices.

7 The bill moves the budget certification deadline for
8 schools from April 15 to March 15. The bill also provides
9 that cities and counties whose budget is certified after March
10 15 shall be limited to the prior year's certification amount.

11 The bill provides that the department of management shall
12 prescribe the forms for budgets certified to the county
13 auditor and for the public hearing notice on the budget for
14 use by cities and counties.

15 The publication deadline for the county annual financial
16 report is changed from October 1 to December 1. The bill also
17 provides that the department of management shall prescribe the
18 form for the annual financial report. The bill prescribes a
19 monetary withholding penalty for late filing of the report.

20 The bill also requires that a property tax statement be
21 delivered to the taxpayer. The bill specifies additional
22 comparative information that must be included on the property
23 tax statement.

24 The bill applies to budgets prepared for fiscal years
25 beginning on or after July 1, 1998.

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