

Senate Study Bill 3066

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
ECONOMIC GROWTH BILL BY
CO=CHAIRPERSON BRUNKHORST)

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

A BILL FOR

1 An Act relating to property taxation and local budgets by
2 modifying the school foundation formula and making related
3 property tax credit changes, abolishing county compensation
4 boards, changing the number of signatures necessary to protest
5 an adopted county budget, requiring a separate vote by a city
6 council or county board of supervisors to raise property tax
7 revenues, eliminating the assessment limitation for
8 residential and agricultural property, limiting taxable value
9 of residential property, and including effective and
10 retroactive and other applicability date provisions.
11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
12 TLSB 5202XK 81
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1 1 Section 1. Section 257.1, subsection 2, unnumbered
1 2 paragraph 2, Code 2005, is amended to read as follows:
1 3 For the budget year commencing July 1, ~~1999~~ 2006, and for
1 4 each succeeding budget year the regular program foundation
1 5 base per pupil is ~~eighty-seven and five-tenths~~ one hundred
1 6 percent of the regular program state cost per pupil. For the
1 7 budget year commencing July 1, ~~1991~~ 2006, and for each
1 8 succeeding budget year the special education support services
1 9 foundation base is ~~seventy-nine~~ one hundred percent of the
1 10 special education support services state cost per pupil. The
1 11 combined foundation base is the sum of the regular program
1 12 foundation base and the special education support services
1 13 foundation base.
1 14 Sec. 2. Section 257.3, subsection 1, unnumbered paragraph
1 15 1, Code 2005, is amended to read as follows:
1 16 Except as provided in subsections 1A, 2, and 3, a school
1 17 district shall cause to be levied each year, for the school
1 18 general fund, a foundation property tax equal to ~~five eight~~
1 19 dollars and ~~forty eighty-six~~ cents per thousand dollars of
1 20 assessed valuation on all taxable property in the district.
1 21 The county auditor shall spread the foundation levy over all
1 22 taxable property in the district.
1 23 Sec. 3. Section 257.3, Code 2005, is amended by adding the
1 24 following new subsection:
1 25 NEW SUBSECTION. 1A. For the school budget year beginning
1 26 July 1, 2006, and succeeding budget years, there shall be a
1 27 credit on all taxable property of ten cents per thousand
1 28 dollars of assessed valuation applicable against the
1 29 foundation property tax levy rate specified in subsection 1 or
1 30 2, as applicable.
1 31 Sec. 4. Section 257.3, subsection 2, paragraphs a and b,
1 32 Code 2005, are amended to read as follows:
1 33 a. Notwithstanding subsection 1, a reorganized school
1 34 district shall cause a foundation property tax of ~~four seven~~
1 35 dollars and ~~forty eighty-six~~ cents per thousand dollars of
2 1 assessed valuation to be levied on all taxable property which,
2 2 in the year preceding a reorganization, was within a school
2 3 district affected by the reorganization as defined in section
2 4 275.1, or in the year preceding a dissolution was a part of a
2 5 school district that dissolved if the dissolution proposal has
2 6 been approved by the director of the department of education
2 7 pursuant to section 275.55.
2 8 b. In succeeding school years, the foundation property tax

2 9 levy on that portion shall be increased to the rate of four
2 10 eight dollars and ~~ninety thirty=six~~ cents per thousand dollars
2 11 of assessed valuation the first succeeding year, five eight
2 12 dollars and ~~fifteen sixty=one~~ cents per thousand dollars of
2 13 assessed valuation the second succeeding year, and five eight
2 14 dollars and ~~forty eighty=six~~ cents per thousand dollars of
2 15 assessed valuation the third succeeding year and each year
2 16 thereafter.

2 17 Sec. 5. Section 257.16, subsection 1, Code 2005, is
2 18 amended to read as follows:

2 19 1. There is appropriated each year from the general fund
2 20 of the state an amount necessary to pay the foundation aid,
2 21 ~~supplementary aid under subsection 5 of this section,~~ and
2 22 supplementary aid under section 257.4, subsection 2.

2 23 Sec. 6. Section 257.16, Code 2005, is amended by adding
2 24 the following new subsection:

2 25 NEW SUBSECTION. 5. a. For the school budget year
2 26 beginning July 1, 2006, the department of management shall
2 27 calculate for each district the difference between the sum of
2 28 the revenues generated by the foundation property tax and the
2 29 additional property tax in the district calculated at the
2 30 rates applicable for the budget year beginning July 1, 2006,
2 31 and the revenues that would have been generated by the
2 32 foundation property tax and the additional property tax in
2 33 that district at the rates applicable for the budget year
2 34 beginning July 1, 2005. If the property tax revenues for a
2 35 district calculated at the rates applicable for the budget
3 1 year beginning July 1, 2006, exceed the property tax revenues
3 2 for that district which would have been generated calculated
3 3 at the rates applicable for the budget year beginning July 1,
3 4 2005, the department of management shall reduce the revenues
3 5 raised by the foundation property tax and the additional
3 6 property tax levy in that district by that difference and the
3 7 department of education shall pay property tax adjustment aid
3 8 to the district equal to that difference from moneys
3 9 appropriated for property tax adjustment aid.

3 10 b. For the budget year beginning July 1, 2007, and
3 11 succeeding budget years, the department of education shall pay
3 12 property tax adjustment aid to a school district equal to the
3 13 amount paid to the district for the base year. The department
3 14 of management shall adjust the rate of the foundation property
3 15 tax and the additional property tax accordingly and notify the
3 16 department of education of the amount of aid to be paid to
3 17 each district from moneys appropriated for property tax
3 18 adjustment aid.

3 19 c. Property tax adjustment aid shall be paid to school
3 20 districts in the manner provided in this section.

3 21 d. For purposes of this subsection, "the rates applicable"
3 22 means the rates specified in section 257.3, subsection 1 or 2,
3 23 and section 257.4.

3 24 Sec. 7. Section 331.212, subsection 2, Code 2005, is
3 25 amended by adding the following new paragraph:

3 26 NEW PARAGRAPH. i. Setting the compensation schedule of
3 27 the elected county officers.

3 28 Sec. 8. Section 331.321, subsection 1, paragraph 1, Code
3 29 2005, is amended by striking the paragraph.

3 30 Sec. 9. Section 331.322, subsection 6, Code 2005, is
3 31 amended to read as follows:

3 32 6. ~~Review Annually review and prepare the final~~
3 33 ~~compensation schedule of the county compensation board and~~
3 34 ~~determine the final compensation schedule~~ in accordance with
3 35 section 331.907.

4 1 Sec. 10. Section 331.322, subsection 7, Code 2005, is
4 2 amended by striking the subsection.

4 3 Sec. 11. Section 331.323, subsection 1, unnumbered
4 4 paragraph 5, Code 2005, is amended to read as follows:

4 5 ~~When~~ If the duties of an officer or employee are assigned
4 6 to one or more elected officers, the board shall set ~~the an~~
4 7 initial salary for each elected officer. ~~Thereafter, the~~
4 8 ~~salary and, thereafter, shall be determined~~ determine the
4 9 ~~salary~~ as provided in section 331.907.

4 10 Sec. 12. NEW SECTION. 331.422A LIMITATION ON TAX DOLLARS
4 11 CERTIFIED.

4 12 1. Effective for the fiscal year beginning July 1, 2007,
4 13 and all subsequent fiscal years, the maximum amount of
4 14 property tax dollars that may be certified by the county board
4 15 of supervisors shall not exceed the amount certified in the
4 16 previous fiscal year, unless the board adopts a resolution
4 17 pursuant to subsection 2.

4 18 2. Not less than thirty=five days before the certification
4 19 date of the budget for the following fiscal year, the board

4 20 may adopt a resolution declaring that for such budget the
4 21 board intends to increase the amount of taxes from the current
4 22 fiscal year. The board shall schedule a hearing on the
4 23 resolution and publish notice of the hearing in a newspaper of
4 24 general circulation in the county not less than four nor more
4 25 than ten days before the hearing. The notice shall contain a
4 26 copy of the resolution. After the public hearing, the board
4 27 may abandon the declaration contained in the resolution or the
4 28 board may proceed with the declaration contained in the
4 29 resolution.

4 30 Sec. 13. Section 331.436, Code 2005, is amended to read as
4 31 follows:

4 32 331.436 PROTEST.

4 33 Protests to the adopted budget must be made in accordance
4 34 with sections 24.27 through 24.32 as if the county were the
4 35 municipality under those sections ~~except that.~~ However, the
5 1 number of people necessary to file a protest under this
5 2 section in a county with a population of twenty-five thousand
5 3 or more shall not be less than one hundred, and the number of
5 4 people necessary to file a protest under this section in a
5 5 county with a population of less than twenty-five thousand
5 6 shall not be less than fifty.

5 7 Sec. 14. Section 331.907, subsections 1 and 2, Code
5 8 Supplement 2005, are amended to read as follows:

5 9 1. The annual compensation of the auditor, treasurer,
5 10 recorder, sheriff, county attorney, and supervisors shall be
5 11 determined as provided in this section. ~~The county~~
5 12 ~~compensation board of supervisors~~ annually shall review the
5 13 compensation paid to comparable officers in other counties of
5 14 this state, other states, private enterprise, and the federal
5 15 government. In setting the salary of the county sheriff, the
5 16 ~~county compensation board~~ shall consider setting the sheriff's
5 17 salary so that it is comparable to salaries paid to
5 18 professional law enforcement administrators and command
5 19 officers of the state patrol, the division of criminal
5 20 investigation of the department of public safety, and city
5 21 police agencies in this state. ~~The county compensation board~~
5 22 shall prepare a compensation schedule for the elective county
5 23 officers for the succeeding fiscal year. ~~A recommended~~
5 24 Approval of a compensation schedule requires a majority vote
5 25 of the membership of the ~~county compensation board~~.

5 26 2. At the public hearing held on the county budget as
5 27 provided in section 331.434, the ~~county compensation board~~
5 28 shall submit its ~~recommended~~ compensation schedule for the
5 29 next fiscal year ~~to the board of supervisors~~ for inclusion in
5 30 the county budget. ~~The board of supervisors shall review the~~
5 31 ~~recommended compensation schedule for the elected county~~
5 32 ~~officers and determine the final compensation schedule which~~
5 33 ~~shall not exceed the compensation schedule recommended by the~~
5 34 ~~county compensation board. In determining the final~~
5 35 ~~compensation schedule if the board of supervisors wishes to~~
6 1 ~~reduce the amount of the recommended compensation schedule,~~
6 2 ~~the amount of salary increase proposed for each elected county~~
6 3 ~~officer shall be reduced an equal percentage. A copy of the~~
6 4 ~~final compensation schedule shall be filed with the county~~
6 5 ~~budget at the office of the director of the department of~~
6 6 ~~management. The final compensation schedule takes effect on~~
6 7 ~~July 1 following its adoption by the board of supervisors.~~

6 8 Sec. 15. NEW SECTION. 384.1A LIMITATION ON TAX DOLLARS
6 9 CERTIFIED.

6 10 1. Effective for the fiscal year beginning July 1, 2007,
6 11 and all subsequent fiscal years, the maximum amount of
6 12 property tax dollars that may be certified by the city council
6 13 shall not exceed the amount certified in the previous fiscal
6 14 year, unless the city council adopts a resolution pursuant to
6 15 subsection 2.

6 16 2. Not less than thirty-five days before the certification
6 17 date of the budget for the following fiscal year, the city
6 18 council may adopt a resolution declaring that for such budget
6 19 the city council intends to increase the amount of taxes from
6 20 the current fiscal year. The city council shall schedule a
6 21 hearing on the resolution and publish notice of the hearing in
6 22 a newspaper of general circulation in the city not less than
6 23 four nor more than ten days before the hearing. The notice
6 24 shall contain a copy of the resolution. After the public
6 25 hearing, the city council may abandon the declaration
6 26 contained in the resolution or the city council may proceed
6 27 with the declaration contained in the resolution.

6 28 Sec. 16. Section 384.4, Code 2005, is amended by adding
6 29 the following new subsection:

6 30 NEW SUBSECTION. 5. Principal and interest on obligations

6 31 issued prior to July 1, 2006, for urban renewal project
6 32 activities under chapter 403, but only to the extent necessary
6 33 to make up any shortfall in the revenues allocated to the
6 34 special fund of the city pursuant to section 403.19,
6 35 subsection 2, which results from the increase in the regular
7 1 program foundation base pursuant to section 1 of this Act.
7 2 Notwithstanding section 384.18, a municipality may, before
7 3 June 1, 2006, amend its budget to provide for certification of
7 4 the portion of the debt service levy allowed under this
7 5 subsection. This subsection is repealed effective January 1,
7 6 2026.

7 7 Sec. 17. Section 403.19, subsection 2, Code 2005, is
7 8 amended to read as follows:

7 9 2. That portion of the taxes each year in excess of such
7 10 amount shall be allocated to and when collected be paid into a
7 11 special fund of the municipality to pay the principal of and
7 12 interest on loans, moneys advanced to, or indebtedness,
7 13 whether funded, refunded, assumed, or otherwise, including
7 14 bonds issued under the authority of section 403.9, subsection
7 15 1, incurred by the municipality to finance or refinance, in
7 16 whole or in part, an urban renewal project within the area,
7 17 and to provide assistance for low and moderate income family
7 18 housing as provided in section 403.22, ~~except that. However,~~
7 19 taxes for the regular and voter-approved physical plant and
7 20 equipment levy of a school district imposed pursuant to
7 21 section 298.2, ~~and taxes for the payment of bonds and interest~~
7 22 ~~of each taxing district must, and the foundation property tax~~
7 23 ~~imposed pursuant to section 257.3, subsection 1, but only as~~

7 24 ~~provided in subsection 8 of this section, shall be collected~~
7 25 against all taxable property within the taxing district
7 26 without limitation by the provisions of this subsection.
7 27 ~~However, In addition,~~ all or a portion of the taxes for the
7 28 physical plant and equipment levy shall be paid by the school
7 29 district to the municipality if the auditor certifies to the
7 30 school district by July 1 the amount of such levy that is
7 31 necessary to pay the principal and interest on bonds issued by
7 32 the municipality to finance an urban renewal project, which
7 33 bonds were issued before July 1, 2001. Indebtedness incurred
7 34 to refund bonds issued prior to July 1, 2001, shall not be
7 35 included in the certification. Such school district shall pay
8 1 over the amount certified by November 1 and May 1 of the
8 2 fiscal year following certification to the school district.
8 3 Unless and until the total assessed valuation of the taxable
8 4 property in an urban renewal area exceeds the total assessed
8 5 value of the taxable property in such area as shown by the
8 6 last equalized assessment roll referred to in subsection 1,
8 7 all of the taxes levied and collected upon the taxable
8 8 property in the urban renewal area shall be paid into the
8 9 funds for the respective taxing districts as taxes by or for
8 10 the taxing districts in the same manner as all other property
8 11 taxes. When such loans, advances, indebtedness, and bonds, if
8 12 any, and interest thereon, have been paid, all moneys
8 13 thereafter received from taxes upon the taxable property in
8 14 such urban renewal area shall be paid into the funds for the
8 15 respective taxing districts in the same manner as taxes on all
8 16 other property.

8 17 Sec. 18. Section 403.19, Code 2005, is amended by adding
8 18 the following new subsection:

8 19 NEW SUBSECTION. 8. a. For urban renewal plans adopted on
8 20 or after the effective date of this Act, taxes collected under
8 21 subsection 2 shall not include the foundation property tax
8 22 imposed pursuant to section 257.3, subsection 1.

8 23 b. For urban renewal plans adopted before the effective
8 24 date of this Act, taxes collected under subsection 2 shall not
8 25 include the foundation property tax imposed pursuant to
8 26 section 257.3, subsection 1, for fiscal years beginning on or
8 27 after July 1, 2026.

8 28 c. On or before January 1, 2007, a municipality shall
8 29 report to the department of management the status of any
8 30 loans, advances, indebtedness, or bonds issued or incurred
8 31 before the effective date of this Act for urban renewal
8 32 purposes and payable from the special fund in section 403.19,
8 33 subsection 2. The report shall include a schedule of payments
8 34 for such loans, advances, indebtedness, or bonds. Based on
8 35 the information in the reports, the governor shall recommend
9 1 to the general assembly legislation necessary to address tax
9 2 increment financing revenue shortfalls that may result from
9 3 exempting the foundation property tax levy from collection as
9 4 tax increment financing revenue.

9 5 Sec. 19. Section 425A.3, subsection 1, Code 2005, is
9 6 amended to read as follows:

9 7 1. The family farm tax credit fund shall be apportioned
9 8 each year in the manner provided in this chapter so as to give
9 9 a credit against the tax on each eligible tract of
9 10 agricultural land within the several school districts of the
9 11 state in which the levy for the general school fund exceeds
9 12 ~~five eight~~ dollars and ~~forty seventy=six~~ cents per thousand
9 13 dollars of assessed value. The amount of the credit on each
9 14 eligible tract of agricultural land shall be the amount the
9 15 tax levied for the general school fund exceeds the amount of
9 16 tax which would be levied on each eligible tract of
9 17 agricultural land were the levy for the general school fund
9 18 ~~five eight~~ dollars and ~~forty seventy=six~~ cents per thousand
9 19 dollars of assessed value for the previous year. However, in
9 20 the case of a deficiency in the family farm tax credit fund to
9 21 pay the credits in full, the credit on each eligible tract of
9 22 agricultural land in the state shall be proportionate and
9 23 applied as provided in this chapter.

9 24 Sec. 20. Section 425A.5, Code 2005, is amended to read as
9 25 follows:

9 26 425A.5 COMPUTATION BY COUNTY AUDITOR.

9 27 The family farm tax credit allowed each year shall be
9 28 computed as follows: On or before April 1, the county auditor
9 29 shall list by school districts all tracts of agricultural land
9 30 which are entitled to credit, the taxable value for the
9 31 previous year, the budget from each school district for the
9 32 previous year, and the tax rate determined for the general
9 33 fund of the school district in the manner prescribed in
9 34 section 444.3 for the previous year, and if the tax rate is in
9 35 excess of ~~five eight~~ dollars and ~~forty seventy=six~~ cents per
10 1 thousand dollars of assessed value, the auditor shall multiply
10 2 the tax levy which is in excess of ~~five eight~~ dollars and
10 3 ~~forty seventy=six~~ cents per thousand dollars of assessed value
10 4 by the total taxable value of the agricultural land entitled
10 5 to credit in the school district, and on or before April 1,
10 6 certify the total amount of credit and the total number of
10 7 acres entitled to the credit to the department of revenue.

10 8 Sec. 21. Section 426.3, Code 2005, is amended to read as
10 9 follows:

10 10 426.3 WHERE CREDIT GIVEN.

10 11 The agricultural land credit fund shall be apportioned each
10 12 year in the manner hereinafter provided so as to give a credit
10 13 against the tax on each tract of agricultural lands within the
10 14 several school districts of the state in which the levy for
10 15 the general school fund exceeds ~~five eight~~ dollars and ~~forty~~
10 16 ~~seventy=six~~ cents per thousand dollars of assessed value; the
10 17 amount of such credit on each tract of such lands shall be the
10 18 amount the tax levied for the general school fund exceeds the
10 19 amount of tax which would be levied on said tract of such
10 20 lands were the levy for the general school fund ~~five eight~~
10 21 dollars and ~~forty seventy=six~~ cents per thousand dollars of
10 22 assessed value for the previous year, except in the case of a
10 23 deficiency in the agricultural land credit fund to pay said
10 24 credits in full, in which case the credit on each eligible
10 25 tract of such lands in the state shall be proportionate and
10 26 shall be applied as hereinafter provided.

10 27 Sec. 22. Section 426.6, unnumbered paragraph 1, Code 2005,
10 28 is amended to read as follows:

10 29 The agricultural land tax credit allowed each year shall be
10 30 computed as follows: On or before April 1, the county auditor
10 31 shall list by school districts all tracts of agricultural
10 32 lands which are entitled to credit, together with the taxable
10 33 value for the previous year, together with the budget from
10 34 each school district for the previous year, and the tax rate
10 35 determined for the general fund of the district in the manner
11 1 prescribed in section 444.3 for the previous year, and if such
11 2 tax rate is in excess of ~~five eight~~ dollars and ~~forty seventy=
11 3 six~~ cents per thousand dollars of assessed value, the auditor
11 4 shall multiply the tax levy which is in excess of ~~five eight~~
11 5 dollars and ~~forty seventy=six~~ cents per thousand dollars of
11 6 assessed value by the total taxable value of the agricultural
11 7 lands entitled to credit in the district, and on or before
11 8 April 1, certify the amount to the department of revenue.

11 9 Sec. 23. Section 441.21, subsection 4, Code Supplement
11 10 2005, is amended by striking the subsection and inserting in
11 11 lieu thereof the following:

11 12 4. For valuations established for the assessment year
11 13 beginning January 1, 2006, and each year thereafter, the
11 14 percentage of actual value, as equalized by the director of
11 15 revenue as provided in section 441.49, at which residential
11 16 property shall be assessed shall be forty=five and nine
11 17 hundred ninety=six thousandths percent.

11 18 Sec. 24. Section 331.905, Code 2005, is repealed.
11 19 Sec. 25. EFFECTIVE DATE. This Act, being deemed of
11 20 immediate importance, takes effect upon enactment.

11 21 Sec. 26. APPLICABILITY DATES.

11 22 1. The sections of this Act increasing the regular program
11 23 foundation base and the special education support services
11 24 foundation base, increasing the foundation property tax, and
11 25 providing for property tax adjustment aid pursuant to section
11 26 257.16, subsection 5, apply to school budget years beginning
11 27 on or after July 1, 2006.

11 28 2. The sections of this Act amending provisions relating
11 29 to the family farm tax credit under chapter 425A and the
11 30 agricultural land tax credit under chapter 426 take effect
11 31 January 1, 2008, for taxes due and payable in fiscal years
11 32 beginning on or after July 1, 2008.

11 33 3. The section of this Act amending section 384.4 applies
11 34 to fiscal years beginning on or after July 1, 2006.

11 35 4. The section of this Act amending section 441.21 applies
12 1 retroactively to January 1, 2006, for assessment years
12 2 beginning on or after that date.

12 3 EXPLANATION

12 4 This bill makes various changes relating to property
12 5 taxation, the school foundation formula, city and county
12 6 budgets, and urban renewal incremental taxes.

12 7 The bill provides for an increase in the foundation
12 8 property tax imposed under the state school foundation program
12 9 pursuant to Code section 257.3, from the current level of
12 10 \$5.40 to \$8.86 per \$1,000 of assessed valuation on all taxable
12 11 property in a school district. The bill also provides for an
12 12 increase in the regular program foundation base and the
12 13 special education support services foundation base under the
12 14 state school foundation program from the current levels of
12 15 87.5 percent and 79 percent, respectively, to 100 percent.
12 16 The foundation base is the specified percentage of the state
12 17 cost per pupil calculation which is paid as state aid to
12 18 school districts above the foundation property tax. These
12 19 provisions of the bill apply to school budget years beginning
12 20 on or after July 1, 2006. The bill makes conforming changes
12 21 to provisions of the family farm tax credit and the
12 22 agricultural land tax credit contained in Code chapters 425A
12 23 and 426 relating to the increase in the level of the
12 24 foundation property tax. These conforming changes take effect
12 25 January 1, 2008, for taxes due and payable in fiscal years
12 26 beginning on or after July 1, 2008.

12 27 The bill additionally provides that if the property tax
12 28 revenues for a school district applicable for the budget year
12 29 beginning July 1, 2006, exceed those which would have been
12 30 generated pursuant to the provisions in effect for the budget
12 31 year beginning July 1, 2005, as calculated by the department
12 32 of management, then the department of management shall reduce
12 33 revenues generated in the district by that difference and the
12 34 department of education shall pay an amount to the district in
12 35 the form of property tax adjustment aid equal to the
13 1 difference. Further, the bill provides for a 10 cent credit
13 2 per \$1,000 of assessed valuation against the foundation
13 3 property tax levy rate. These provisions of the bill apply to
13 4 school budget years beginning on or after July 1, 2006.

13 5 The bill provides for the abolition of county compensation
13 6 boards and transfers to the board of supervisors the duty of
13 7 setting the compensation schedule for elective county
13 8 officials.

13 9 The bill enacts new Code sections 331.422A and 384.1A which
13 10 provide that, beginning with the fiscal year beginning July 1,
13 11 2007, a county or city shall not certify for levy an amount of
13 12 property taxes that exceeds the amount certified in the
13 13 previous fiscal year unless the board of supervisors or city
13 14 council, as applicable, adopts a resolution declaring its
13 15 intent to increase tax dollars and holds a public hearing on
13 16 the resolution. After the public hearing, the board or
13 17 council may abandon the resolution or proceed with the
13 18 resolution.

13 19 The bill changes the number of signatures necessary to
13 20 protest an adopted county budget in some counties. Current
13 21 law provides that the number of signatures shall not be less
13 22 than 100. The bill retains that amount for counties with a
13 23 population of 25,000 or more. For counties with a population
13 24 under 25,000, the number of signatures necessary shall not be
13 25 less than 50.

13 26 The bill allows a city to levy its debt service levy to pay
13 27 urban renewal debt issued before July 1, 2006, but only to the
13 28 extent necessary to make up for any shortfall in revenues due

13 29 to the increase in the regular program foundation base for
13 30 school funding. This provision applies to fiscal years
13 31 beginning on or after July 1, 2006. The provision is repealed
13 32 effective January 1, 2026.

13 33 The bill provides that the school foundation property tax
13 34 levy shall not be collected as incremental taxes for urban
13 35 renewal purposes for urban renewal plans adopted on or after
14 1 the effective date of the bill. The bill further provides
14 2 that the school foundation levy shall not be collected as
14 3 incremental taxes for urban renewal purposes for urban renewal
14 4 plans adopted before the effective date of the bill beginning
14 5 with the fiscal year beginning 2026.

14 6 The bill amends Code section 441.21 to eliminate the 4
14 7 percent assessment limitation for residential property and
14 8 agricultural property. The bill further provides that the
14 9 percentage of actual value at which residential property may
14 10 be assessed shall be 45.996 percent beginning with assessment
14 11 years beginning on or after January 1, 2006.

14 12 LSB 5202XK 81

14 13 sc:rj/gg/14