

HOUSE FILE \_\_\_\_\_  
BY STRUYK

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to a limitation on certain county and city  
2 property taxes in certain fiscal years and providing for the  
3 Act's applicability.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 1551YH 82  
6 sc/sh/8

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1 1 Section 1. NEW SECTION. 331.422A LIMITATION ON TAXES  
1 2 CERTIFIED == EQUALIZATION ORDERS.  
1 3 1. Notwithstanding any provision in this part to the  
1 4 contrary, if the equalization order issued by the department  
1 5 of revenue to an assessing jurisdiction that is a county,  
1 6 provides, in the aggregate for all classes of property, a  
1 7 percentage increase in assessed values for the assessing  
1 8 jurisdiction, the maximum amount of property tax dollars that  
1 9 may be certified by the county in the fiscal year beginning  
1 10 July 1 of the even-numbered year following issuance of the  
1 11 equalization order shall not exceed the amount certified in  
1 12 the previous fiscal year, unless the board adopts a resolution  
1 13 pursuant to subsection 2.

1 14 2. Not less than thirty-five days before the certification  
1 15 date of the budget for the fiscal year beginning July 1 of the  
1 16 even-numbered year following issuance of an equalization order  
1 17 described in subsection 1, the board may adopt a resolution  
1 18 declaring that for such budget the board does not intend to  
1 19 reduce its tax levy rates from the current fiscal year in  
1 20 order to compensate for the increase in property valuations  
1 21 due to the equalization orders issued by the department of  
1 22 revenue. The board shall publish notice of a hearing on the  
1 23 resolution in a newspaper of general circulation in the county  
1 24 not less than four nor more than ten days before the hearing.  
1 25 The notice shall contain a copy of the resolution. After the  
1 26 public hearing, the board may abandon the declaration  
1 27 contained in the resolution or the board may proceed with the  
1 28 declaration contained in the resolution.

1 29 Sec. 2. NEW SECTION. 384.1A LIMITATION ON TAXES  
1 30 CERTIFIED == EQUALIZATION ORDERS.  
1 31 1. Notwithstanding any provision in this division to the  
1 32 contrary, if the equalization order issued by the department  
1 33 of revenue to an assessing jurisdiction that is a city,  
1 34 provides, in the aggregate for all classes of property, a  
1 35 percentage increase in assessed values for the assessing  
2 1 jurisdiction, the maximum amount of property tax dollars that  
2 2 may be certified by the city in the fiscal year beginning July  
2 3 1 of the even-numbered year following issuance of the  
2 4 equalization order shall not exceed the amount certified in  
2 5 the previous fiscal year, unless the city council adopts a  
2 6 resolution pursuant to subsection 3.

2 7 2. Notwithstanding any provision in this division to the  
2 8 contrary, if the equalization order issued by the department  
2 9 of revenue to an assessing jurisdiction that is a county,  
2 10 provides, in the aggregate for all classes of property, a  
2 11 percentage increase in assessed values for the assessing  
2 12 jurisdiction, the maximum amount of property tax dollars that  
2 13 may be certified by any city located in that county in the  
2 14 fiscal year beginning July 1 of the even-numbered year  
2 15 following issuance of the equalization order shall not exceed  
2 16 the amount certified in the previous fiscal year, unless the  
2 17 city council adopts a resolution pursuant to subsection 3.

2 18 3. Not less than thirty-five days before the certification  
2 19 date of the budget for the fiscal year beginning July 1 of the

2 20 even-numbered year following issuance of an equalization order  
2 21 described in subsection 1, the city council may adopt a  
2 22 resolution declaring that for such budget the city council  
2 23 does not intend to reduce its tax levy rates from the current  
2 24 fiscal year in order to compensate for the increase in  
2 25 property valuations due to the equalization orders issued by  
2 26 the department of revenue. The city council shall publish  
2 27 notice of a hearing on the resolution in a newspaper of  
2 28 general circulation in the city not less than four nor more  
2 29 than ten days before the hearing. The notice shall contain a  
2 30 copy of the resolution. After the public hearing, the city  
2 31 council may abandon the declaration contained in the  
2 32 resolution or the city council may proceed with the  
2 33 declaration contained in the resolution.

2 34 Sec. 3. APPLICABILITY DATE. This Act applies to budgets  
2 35 certified for the fiscal year beginning July 1, 2008, and to  
3 1 subsequent fiscal years beginning July 1 of the even-numbered  
3 2 year.

3 3 EXPLANATION

3 4 This bill requires that if an equalization order issued to  
3 5 an assessing jurisdiction that is a city is, in the aggregate,  
3 6 a percentage increase in assessed values, then property taxes  
3 7 certified by the city for the fiscal year beginning July 1 of  
3 8 the even-numbered year following issuance of the equalization  
3 9 order are limited to the amount certified in the previous  
3 10 year, unless the city adopts a resolution declaring that it  
3 11 does not intend to reduce its levy rates to compensate for the  
3 12 increase in valuation due to the equalization orders. If the  
3 13 assessing jurisdiction is a county and the equalization order,  
3 14 in the aggregate, is a percentage increase in assessed values,  
3 15 then property taxes certified by the county and each city in  
3 16 the county for the fiscal year beginning July 1 of the even=  
3 17 numbered year following issuance of the equalization order are  
3 18 limited to the amount certified in the previous year, unless  
3 19 the county or the city, as applicable, adopts a resolution  
3 20 declaring that it does not intend to reduce its levy rates to  
3 21 compensate for the increase in valuation due to the  
3 22 equalization orders.

3 23 The bill provides that the board or city council adopting  
3 24 such a resolution shall hold a public hearing on the  
3 25 resolution. After the public hearing, the board or council  
3 26 may abandon the resolution or proceed with the resolution.

3 27 The bill applies to the fiscal year beginning July 1, 2008,  
3 28 and to subsequent fiscal years beginning July 1 of the even=  
3 29 numbered year.

3 30 LSB 1551YH 82

3 31 sc:rj/sh/8