

# House File 2483 - Introduced

HOUSE FILE \_\_\_\_\_  
BY STRUYK, WINDSCHITL, WATTS,  
and FORRISTALL

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 property taxes in  
2 certain fiscal years and providing for the Act's  
3 applicability.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 5629YH 82  
6 sc/rj/8

PAG LIN

1 1 Section 1. Section 24.9, Code 2007, is amended to read as  
1 2 follows:  
1 3 24.9 FILING ESTIMATES == NOTICE OF HEARING == AMENDMENTS.  
1 4 1. Each municipality shall file with the secretary or  
1 5 clerk thereof the estimates required to be made in sections  
1 6 24.3 to 24.8, at least twenty days before the date fixed by  
1 7 law for certifying the same to the levying board and shall  
1 8 forthwith fix a date for a hearing thereon, and shall publish  
1 9 such estimates and any annual levies previously authorized as  
1 10 provided in section 76.2, with a notice of the time when and  
1 11 the place where such hearing shall be held not less than ten  
1 12 nor more than twenty days before the hearing. Provided that  
1 13 in municipalities of less than two hundred population such  
1 14 estimates and the notice of hearing thereon shall be posted in  
1 15 three public places in the district in lieu of publication.  
1 16 ~~For any other municipality such publication shall be in a~~  
1 17 ~~newspaper published in the municipality, if any, if not, then~~  
1 18 ~~in a newspaper of general circulation the municipality. The~~  
1 19 ~~department of management shall prescribe the form for public~~  
1 20 ~~hearing notices for use by municipalities.~~  
1 21 ~~For any other municipality such publication shall be in a~~  
1 22 ~~newspaper published therein, if any, if not, then in a~~  
1 23 ~~newspaper of general circulation therein.~~  
1 24 ~~The department of management shall prescribe the form for~~  
1 25 ~~public hearing notices for use by municipalities.~~  
1 26 2. ~~Notwithstanding any provision to the contrary, if the~~  
1 27 ~~equalization order issued by the department of revenue to an~~  
1 28 ~~assessing jurisdiction that is a county provides, in the~~  
1 29 ~~aggregate for all classes of property, a percentage increase~~  
1 30 ~~in assessed values for the assessing jurisdiction, the maximum~~  
1 31 ~~amount of property tax dollars that may be certified by the~~  
1 32 ~~certifying board of any municipality located in that county in~~  
1 33 ~~the fiscal year beginning July 1 of the even-numbered year~~  
1 34 ~~following issuance of the equalization order shall not exceed~~  
1 35 ~~the amount certified in the previous fiscal year, unless the~~  
2 1 ~~certifying board of the municipality adopts a resolution~~  
2 2 ~~declaring that for such budget the certifying board does not~~  
2 3 ~~intend to reduce its tax levy rates from the current fiscal~~  
2 4 ~~year in order to compensate for the increase in property~~  
2 5 ~~valuations due to the equalization orders issued by the~~  
2 6 ~~department of revenue. The resolution shall be filed in the~~  
2 7 ~~same manner and at the same time as the estimates in~~  
2 8 ~~subsection 1. The resolution shall be published along with~~  
2 9 ~~the estimates and the notice of public hearing required in~~  
2 10 ~~subsection 1. After the public hearing, the certifying board~~  
2 11 ~~may abandon the declaration contained in the resolution or the~~  
2 12 ~~certifying board may proceed with the declaration contained in~~  
2 13 ~~the resolution.~~  
2 14 3. Budget estimates adopted and certified in accordance  
2 15 with this chapter may be amended and increased as the need  
2 16 arises to permit appropriation and expenditure during the  
2 17 fiscal year covered by the budget of unexpended cash balances  
2 18 on hand at the close of the preceding fiscal year and which

2 19 cash balances had not been estimated and appropriated for  
2 20 expenditure during the fiscal year of the budget sought to be  
2 21 amended, and also to permit appropriation and expenditure  
2 22 during the fiscal year covered by the budget of amounts of  
2 23 cash anticipated to be available during the year from sources  
2 24 other than taxation and which had not been estimated and  
2 25 appropriated for expenditure during the fiscal year of the  
2 26 budget sought to be amended. Such amendments to budget  
2 27 estimates may be considered and adopted at any time during the  
2 28 fiscal year covered by the budget sought to be amended, by  
2 29 filing the amendments and upon publishing them and giving  
2 30 notice of the public hearing in the manner required in this  
2 31 section. Within ten days of the decision or order of the  
2 32 certifying or levying board, the proposed amendment of the  
2 33 budget is subject to protest, hearing on the protest, appeal  
2 34 to the state appeal board and review by that body, all in  
2 35 accordance with sections 24.27 to 24.32, so far as applicable.

3 1 A local budget shall be amended by May 31 of the current  
3 2 fiscal year to allow time for a protest hearing to be held and  
3 3 a decision rendered before June 30. An amendment of a budget  
3 4 after May 31 which is properly appealed but without adequate  
3 5 time for hearing and decision before June 30 is void.  
3 6 Amendments to budget estimates accepted or issued under this  
3 7 section are not within section 24.14.

3 8 Sec. 2. NEW SECTION. 331.422A LIMITATION ON TAXES  
3 9 CERTIFIED == EQUALIZATION ORDERS.

3 10 1. Notwithstanding any provision in this part to the  
3 11 contrary, if the equalization order issued by the department  
3 12 of revenue to an assessing jurisdiction that is a county  
3 13 provides, in the aggregate for all classes of property, a  
3 14 percentage increase in assessed values for the assessing  
3 15 jurisdiction, the maximum amount of property tax dollars that  
3 16 may be certified by the county in the fiscal year beginning  
3 17 July 1 of the even-numbered year following issuance of the  
3 18 equalization order shall not exceed the amount certified in  
3 19 the previous fiscal year, unless the board adopts a resolution  
3 20 pursuant to subsection 2.

3 21 2. Not less than thirty-five days before the certification  
3 22 date of the budget for the fiscal year beginning July 1 of the  
3 23 even-numbered year following issuance of an equalization order  
3 24 described in subsection 1, the board may adopt a resolution  
3 25 declaring that for such budget the board does not intend to  
3 26 reduce its tax levy rates from the current fiscal year in  
3 27 order to compensate for the increase in property valuations  
3 28 due to the equalization orders issued by the department of  
3 29 revenue. The board shall publish notice of a hearing on the  
3 30 resolution in a newspaper of general circulation in the county  
3 31 not less than four nor more than ten days before the hearing.  
3 32 The notice shall contain a copy of the resolution. After the  
3 33 public hearing, the board may abandon the declaration  
3 34 contained in the resolution or the board may proceed with the  
3 35 declaration contained in the resolution.

4 1 Sec. 3. NEW SECTION. 384.1A LIMITATION ON TAXES  
4 2 CERTIFIED == EQUALIZATION ORDERS.

4 3 1. Notwithstanding any provision in this division to the  
4 4 contrary, if the equalization order issued by the department  
4 5 of revenue to an assessing jurisdiction that is a city  
4 6 provides, in the aggregate for all classes of property, a  
4 7 percentage increase in assessed values for the assessing  
4 8 jurisdiction, the maximum amount of property tax dollars that  
4 9 may be certified by the city in the fiscal year beginning July  
4 10 1 of the even-numbered year following issuance of the  
4 11 equalization order shall not exceed the amount certified in  
4 12 the previous fiscal year, unless the city council adopts a  
4 13 resolution pursuant to subsection 3.

4 14 2. Notwithstanding any provision in this division to the  
4 15 contrary, if the equalization order issued by the department  
4 16 of revenue to an assessing jurisdiction that is a county  
4 17 provides, in the aggregate for all classes of property, a  
4 18 percentage increase in assessed values for the assessing  
4 19 jurisdiction, the maximum amount of property tax dollars that  
4 20 may be certified by any city located in that county in the  
4 21 fiscal year beginning July 1 of the even-numbered year  
4 22 following issuance of the equalization order shall not exceed  
4 23 the amount certified in the previous fiscal year, unless the  
4 24 city council adopts a resolution pursuant to subsection 3.

4 25 3. Not less than thirty-five days before the certification  
4 26 date of the budget for the fiscal year beginning July 1 of the  
4 27 even-numbered year following issuance of an equalization order  
4 28 described in subsection 1, the city council may adopt a  
4 29 resolution declaring that for such budget the city council

4 30 does not intend to reduce its tax levy rates from the current  
4 31 fiscal year in order to compensate for the increase in  
4 32 property valuations due to the equalization orders issued by  
4 33 the department of revenue. The city council shall publish  
4 34 notice of a hearing on the resolution in a newspaper of  
4 35 general circulation in the city not less than four nor more  
5 1 than ten days before the hearing. The notice shall contain a  
5 2 copy of the resolution. After the public hearing, the city  
5 3 council may abandon the declaration contained in the  
5 4 resolution or the city council may proceed with the  
5 5 declaration contained in the resolution.

5 6 Sec. 4. Section 359.49, Code Supplement 2007, is amended  
5 7 by adding the following news subsection:

5 8 NEW SUBSECTION. 2A. a. Notwithstanding any provision to  
5 9 the contrary, if the equalization order issued by the  
5 10 department of revenue to an assessing jurisdiction that is a  
5 11 county provides, in the aggregate for all classes of property,  
5 12 a percentage increase in assessed values for the assessing  
5 13 jurisdiction, the maximum amount of property tax dollars that  
5 14 may be certified by the township board of trustees of any  
5 15 township located in that county in the fiscal year beginning  
5 16 July 1 of the even-numbered year following issuance of the  
5 17 equalization order shall not exceed the amount certified in  
5 18 the previous fiscal year, unless the township board of  
5 19 trustees adopts a resolution pursuant to paragraph "b".

5 20 b. Not less than twenty days before the date set for the  
5 21 regular meeting of the board of trustees at which objections  
5 22 and arguments on the budget will be heard, the board may adopt  
5 23 a resolution declaring that for such budget the board does not  
5 24 intend to reduce its tax levy rates from the current fiscal  
5 25 year in order to compensate for the increase in property  
5 26 valuations due to the equalization orders issued by the  
5 27 department of revenue. The resolution shall be forwarded to  
5 28 the county auditor for posting with the proposed budget  
5 29 pursuant to subsection 4. After the meeting, the board may  
5 30 abandon the declaration contained in the resolution or the  
5 31 board may proceed with the declaration contained in the  
5 32 resolution.

5 33 Sec. 5. APPLICABILITY DATE. This Act applies to budgets  
5 34 certified for the fiscal year beginning July 1, 2010, and to  
5 35 subsequent fiscal years beginning July 1 of the even-numbered  
6 1 year.

#### 6 2 EXPLANATION

6 3 This bill imposes a limitation on property taxes for  
6 4 certain counties and cities and for certain other  
6 5 tax-certifying entities.

6 6 The bill requires that if an equalization order issued to  
6 7 an assessing jurisdiction that is a city is, in the aggregate,  
6 8 a percentage increase in assessed values, then property taxes  
6 9 certified by the city for the fiscal year beginning July 1 of  
6 10 the even-numbered year following issuance of the equalization  
6 11 order are limited to the amount certified in the previous  
6 12 year, unless the city adopts a resolution declaring that it  
6 13 does not intend to reduce its levy rates to compensate for the  
6 14 increase in valuation due to the equalization orders. If the  
6 15 assessing jurisdiction is a county and the equalization order,  
6 16 in the aggregate, is a percentage increase in assessed values,  
6 17 then property taxes certified by the county and each city in  
6 18 the county for the fiscal year beginning July 1 of the even=  
6 19 numbered year following issuance of the equalization order are  
6 20 limited to the amount certified in the previous year, unless  
6 21 the county or the city, as applicable, adopts a resolution  
6 22 declaring that it does not intend to reduce its levy rates to  
6 23 compensate for the increase in valuation due to the  
6 24 equalization orders. The bill provides that the board or city  
6 25 council adopting such a resolution shall hold a public hearing  
6 26 on the resolution. After the public hearing, the board or  
6 27 council may abandon the resolution or proceed with the  
6 28 resolution.

6 29 The bill provides that all other tax certifying boards  
6 30 shall comply with this requirement, except that they are not  
6 31 required to hold an additional public hearing. Instead, they  
6 32 are required to publish notice of adoption of the resolution  
6 33 along with notice of the public hearing that is currently  
6 34 required for these budgets. Townships, however, are not  
6 35 required to hold a public hearing on their budgets, so the  
7 1 bill provides that the resolution shall be posted along with  
7 2 the proposed budget before the regular meeting on the proposed  
7 3 budget.

7 4 The bill applies to the fiscal year beginning July 1, 2010,  
7 5 and to subsequent fiscal years beginning July 1 of the even=

7 6 numbered year.  
7 7 LSB 5629YH 82  
7 8 sc/rj/8