SENATE FILE 2123
BY NUNN

A BILL FOR

1 An Act relating to the adjustments to state foundation aid paid
2 to a school district following an assessed value reduction
3 for certain property and including effective date and
4 applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 257.12, subsection 1, Code 2020, is amended to read as follows:

1. If a school district is required to repay property taxes paid for school taxes levied on property originally assessed at five million dollars or more because the assessment was subsequently reduced by the action of the board of review, property assessment appeal board, or judicial action, and the amount of the reduction in the assessment equals at least one hundred thousand dollars or two percent of the assessed value of all taxable property in the district prior to the reduction, whichever is less, the school district is eligible for an adjustment in state foundation aid. To receive the adjustment in state foundation aid, the school district shall apply to the department of management prior to the beginning of the budget year following the budget year in which the repayment of the property taxes occurred. The department of management shall determine the amount of adjustment in state foundation aid pursuant to subsection 2.

Sec. 2. Section 441.39, subsection 2, Code 2020, is amended to read as follows:

2. *a.* In addition to any other requirement for providing of notice, if a property owner or aggrieved taxpayer files a protest against the assessment of property valued by the assessor at five million dollars or more or files an appeal to the property assessment appeal board or the district court with regard to such property, the assessor shall provide notice to the school district in which such property is located within ten days of the filing of the protest or the appeal, as applicable.

b. If property originally assessed at five million dollars or more is reduced by the action of the board of review, property assessment appeal board, or judicial action, and the amount of the reduction in the assessment makes the school district eligible for an adjustment in state foundation aid under section 257.12, subsection 1, the assessor shall notify

1 the school district within ten days of the action.
2 Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate
3 importance, takes effect upon enactment.
4 Sec. 4. APPLICABILITY. This Act applies to actions of
5 a board of review, actions of the property assessment appeal
6 board, and judicial actions occurring on or after the effective
7 date of this Act.
8 EXPLANATION

9 **The inclusion of this explanation does not constitute agreement with**
10 **the explanation's substance by the members of the general assembly.**

11 Code section 257.12(1) provides that if a school district
12 is required to repay property taxes paid for school taxes
13 levied on property originally assessed at $5 million or more
14 because the assessment was subsequently reduced by the action
15 of the property assessment appeal board or judicial action and
16 the amount of the reduction in the assessment equals at least
17 $100,000 or 2 percent of the assessed value of all taxable
18 property in the district prior to the reduction, whichever is
19 less, the school district is eligible for an adjustment in
20 state foundation aid. This bill adds an assessment reduction
21 by the board of review to the provision.
22 The bill also amends Code section 441.39 to provide that if
23 a property originally assessed at $5 million or more is reduced
24 by the action of the board of review, property assessment
25 appeal board, or judicial action, and the amount of the
26 reduction in the assessment makes the school district eligible
27 for an adjustment in state foundation aid, the assessor shall
28 notify the school district within 10 days of the action.
29 The bill takes effect upon enactment and applies to actions
30 of a board of review, actions of the property assessment appeal
31 board, and judicial actions occurring on or after the effective
32 date of the bill.