

Senate Study Bill 1124 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON DAWSON)

A BILL FOR

1 An Act relating to local government property taxes, financial
2 authority, and budgets, and including effective date and
3 applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

COUNTY PROPERTY TAXES AND BUDGETS

1
2
3 Section 1. Section 331.301, subsection 10, paragraph e,
4 subparagraph (1), Code 2023, is amended to read as follows:

5 (1) (a) The board must follow substantially the
6 authorization procedures of section 331.443 to authorize
7 a lease or lease-purchase contract for personal property
8 which is payable from the general fund. The board must
9 follow substantially the authorization procedures of section
10 331.443 to authorize a lease or lease-purchase contract for
11 real property which is payable from the general fund if the
12 principal amount of the lease-purchase contract does not exceed
13 the following limits:

14 (i) ~~Four~~ Two hundred eighty thousand dollars in a county
15 having a population of twenty-five thousand or less.

16 (ii) ~~Five~~ Three hundred fifty thousand dollars in a county
17 having a population of more than twenty-five thousand but not
18 more than fifty thousand.

19 (iii) ~~Six~~ Four hundred twenty thousand dollars in a county
20 having a population of more than fifty thousand but not more
21 than one hundred thousand.

22 (iv) ~~Eight~~ Five hundred sixty thousand dollars in a county
23 having a population of more than one hundred thousand but not
24 more than two hundred thousand.

25 (v) ~~One million~~ Seven hundred thousand dollars in a county
26 having a population of more than two hundred thousand.

27 (b) However, if the principal amount of a lease or
28 lease-purchase contract pursuant to this subparagraph (1) is
29 less than ~~twenty-five~~ seventeen thousand five hundred dollars,
30 the board may authorize the lease or lease-purchase contract
31 without following the authorization procedures of section
32 331.443.

33 Sec. 2. Section 331.402, subsection 3, paragraph d,
34 subparagraph (1), subparagraph divisions (a), (b), (c), (d),
35 and (e), Code 2023, are amended to read as follows:

1 (a) ~~Four~~ Two hundred eighty thousand dollars in a county
2 having a population of twenty-five thousand or less.

3 (b) ~~Five~~ Three hundred fifty thousand dollars in a county
4 having a population of more than twenty-five thousand but not
5 more than fifty thousand.

6 (c) ~~Six~~ Four hundred twenty thousand dollars in a county
7 having a population of more than fifty thousand but not more
8 than one hundred thousand.

9 (d) ~~Eight~~ Five hundred sixty thousand dollars in a county
10 having a population of more than one hundred thousand but not
11 more than two hundred thousand.

12 (e) ~~One million~~ Seven hundred thousand dollars in a county
13 having a population of more than two hundred thousand.

14 Sec. 3. Section 331.403, subsection 1, Code 2023, is amended
15 to read as follows:

16 1. Not later than December 1 of each year on forms and
17 pursuant to instructions prescribed by the department of
18 management, a county shall prepare an annual financial report
19 showing for each county fund the financial condition as of
20 June 30 and the results of operations for the year then ended.
21 Copies of the report shall be maintained as a public record at
22 the auditor's office and shall be filed with the director of
23 the department of management and with the auditor of state by
24 December 1. A summary of the report, in a form prescribed by
25 the director, shall be published by each county not later than
26 December 1 of each year in one or more newspapers which meet
27 the requirements of [section 618.14](#). Beginning with the annual
28 financial report filed by December 1, 2023, each report shall
29 include a list of bonds, notes, or other obligations issued by
30 the county during the preceding fiscal year payable from any
31 source, including the amount of the issuance, the project or
32 purpose of the issuance, whether the issuance was approved
33 at election or eligible to be subject to a petition for an
34 election, and identification of issuances from the fiscal year
35 or prior fiscal years related to the same project or purpose.

1 Sec. 4. Section 331.423, Code 2023, is amended to read as
2 follows:

3 **331.423 Basic levies — maximums — adjustments.**

4 Annually, the board may certify basic levies, subject to the
5 following limits:

6 1. For general county services~~7~~:

7 a. For fiscal years beginning before July 1, 2023, three
8 dollars and fifty cents per thousand dollars of the assessed
9 value of all taxable property in the county.

10 b. For the fiscal year beginning July 1, 2023, a levy rate
11 per thousand dollars of taxable value equal to the sum of three
12 dollars and fifty cents plus the sum of the amount per thousand
13 dollars of taxable value levied by the county under section
14 331.424, subsection 1, paragraph "a", subparagraph (6), Code
15 2023, for the fiscal year beginning July 1, 2022, and the sum
16 of the amount per thousand dollars of taxable value levied for
17 general county services under section 331.426, Code 2023, for
18 the fiscal year beginning July 1, 2022.

19 c. (1) For each fiscal year beginning on or after July 1,
20 2024, subject to paragraph "d", the greater of three dollars
21 and fifty cents per thousand dollars of assessed value used to
22 calculate taxes for the budget year and the amount determined
23 under paragraph "b", as adjusted under subparagraph (2), if
24 applicable.

25 (2) If the total assessed value used to calculate taxes for
26 general county services for the budget year exceeds one hundred
27 two and one-half percent of the total assessed value used to
28 calculate taxes for the current fiscal year, the levy rate per
29 thousand dollars determined under paragraph "b", as previously
30 adjusted under this subparagraph, if applicable, shall be
31 reduced to a rate per one thousand dollars of assessed value
32 that is equal to one thousand multiplied by the quotient of the
33 current fiscal year's actual property tax dollars certified
34 for levy under this subsection 1 divided by the total assessed
35 value used to calculate taxes for the budget year.

1 d. In addition to the limitation under paragraph "c",
2 for fiscal years beginning on or after July 1, 2024, if the
3 county's actual levy rate imposed under this subsection for the
4 current fiscal year is three dollars and fifty cents or less
5 per thousand dollars of assessed value and the total assessed
6 value used to calculate taxes for the budget year exceeds one
7 hundred three and twenty-five hundredths percent of the total
8 assessed value used to calculate taxes for the current fiscal
9 year, the levy rate imposed under this subsection for the
10 budget year shall not exceed the rate necessary to levy taxes
11 under this subsection in an amount equal to one hundred three
12 and twenty-five hundredths percent of the amount levied under
13 this subsection for the current fiscal year.

14 2. For rural county services₇:

15 a. For fiscal years beginning before July 1, 2023, three
16 dollars and ninety-five cents per thousand dollars of the
17 assessed value of taxable property in the county outside of
18 incorporated city areas.

19 b. (1) For the fiscal year beginning July 1, 2023, a levy
20 rate per thousand dollars of taxable value equal to the sum of
21 three dollars and ninety-five cents plus the sum of the amount
22 per thousand dollars of taxable value levied for rural county
23 services under section 331.426, Code 2023, for the fiscal year
24 beginning July 1, 2022.

25 c. (1) For each fiscal year beginning on or after July 1,
26 2024, subject to paragraph "d", the greater of three dollars
27 and ninety-five cents per thousand dollars of assessed value
28 used to calculate taxes for the budget year and the amount
29 determined under paragraph "b", as adjusted under subparagraph
30 (2), if applicable.

31 (2) If the total assessed value used to calculate taxes
32 for rural county services under this subsection for the budget
33 year exceeds one hundred two and one-half percent of the total
34 assessed value used to calculate taxes for the current fiscal
35 year, the levy rate per thousand dollars determined under

1 paragraph "b", as previously adjusted under this subparagraph,
2 if applicable, shall be reduced to a rate per one thousand
3 dollars of assessed value that is equal to one thousand
4 multiplied by the quotient of the current fiscal year's actual
5 property tax dollars certified for levy under this subsection 2
6 divided by the total assessed value used to calculate taxes for
7 the budget year.

8 d. In addition to the limitation under paragraph "c",
9 for fiscal years beginning on or after July 1, 2024, if the
10 county's actual levy rate imposed under this subsection for
11 the current fiscal year is three dollars and ninety-five
12 cents or less per thousand dollars of assessed value and the
13 total assessed value used to calculate taxes for the budget
14 year exceeds one hundred three and twenty-five hundredths
15 percent of the total assessed value used to calculate taxes
16 for the current fiscal year, the levy rate imposed under this
17 subsection for the budget year shall not exceed the rate
18 necessary to levy taxes under this subsection in an amount
19 equal to one hundred three and twenty-five hundredths percent
20 of the amount levied under this subsection for the current
21 fiscal year.

22 3. For purposes of this section:

23 a. "Budget year" means the same as defined in section
24 331.433A, subsection 1.

25 b. "Current fiscal year" means the same as defined in
26 section 331.433A, subsection 1.

27 Sec. 5. Section 331.424, subsection 1, paragraph a,
28 subparagraph (6), Code 2023, is amended by striking the
29 subparagraph.

30 Sec. 6. Section 331.426, Code 2023, is amended to read as
31 follows:

32 **331.426 Additions to basic levies.**

33 1. If a county has ~~unusual circumstances~~ a natural disaster,
34 creating a need for additional property taxes for general
35 county services or rural county services in excess of the

1 amount that can be raised by the levies otherwise permitted
2 under [sections 331.423 through 331.425](#), the board may certify
3 additions to each of the basic levies ~~as follows:~~ by complying
4 with the provisions of subsection 2.

5 ~~1. The basis for justifying an additional property tax under~~
6 ~~this section must be one or more of the following:~~

7 ~~a. An unusual increase in population as determined by the~~
8 ~~preceding certified federal census.~~

9 ~~b. A natural disaster or other emergency.~~

10 ~~c. Unusual problems relating to major new functions required~~
11 ~~by state law.~~

12 ~~d. Unusual staffing problems.~~

13 ~~e. Unusual need for additional moneys to permit continuance~~
14 ~~of a program which provides substantial benefit to county~~
15 ~~residents.~~

16 ~~f. Unusual need for a new program which will provide~~
17 ~~substantial benefit to county residents, if the county~~
18 ~~establishes the need and the amount of necessary increased~~
19 ~~cost.~~

20 ~~g. A reduced or unusually low growth rate in the property~~
21 ~~tax base of the county.~~

22 2. a. The public notice of a hearing on the county budget
23 required by [section 331.434, subsection 3](#), shall include the
24 following additional information ~~for the applicable class of~~
25 services related to the natural disaster:

26 (1) A statement that the accompanying budget summary
27 requires a proposed basic property tax rate exceeding the
28 maximum rate established by the general assembly.

29 (2) A comparison of the proposed basic tax rate with the
30 maximum basic tax rate, and the dollar amount of the difference
31 between the proposed rate and the maximum rate.

32 (3) A statement of the major reasons resulting from the
33 natural disaster for the difference between the proposed basic
34 tax rate and the maximum basic tax rate.

35 b. The information required by [this subsection](#) shall be

1 published in a conspicuous form as prescribed by the committee.

2 Sec. 7. Section 331.433A, subsection 5, paragraph b, Code
3 2023, is amended to read as follows:

4 b. (1) If the sum of the maximum property tax dollars
5 for the budget year specified in the resolution for either
6 general county services or for rural county services under the
7 levies specified in subsection 2, paragraphs "a" and "b", as
8 applicable, exceeds one hundred two percent of the sum of the
9 current fiscal year's actual property taxes certified for levy
10 for general county services or rural county services under the
11 levies specified in subsection 2, paragraphs "a" and "b", as
12 applicable, the board shall be required to adopt the resolution
13 by a two-thirds majority of the membership of the board.

14 (2) (a) For the budget year beginning July 1, 2023, the
15 amount of the current fiscal year's actual property taxes
16 certified for levy for general county services shall include
17 amounts certified for levy under section 331.424, subsection 1,
18 paragraph "a", subparagraph (6), Code 2023, and under section
19 331.426, Code 2023.

20 (b) For the budget year beginning July 1, 2023, the amount
21 of the current fiscal year's actual property taxes certified
22 for levy for rural county services shall include amounts
23 certified for levy under Code section 331.426, Code 2023.

24 Sec. 8. Section 331.441, subsection 2, paragraph b,
25 subparagraph (5), subparagraph divisions (a), (b), (c), (d),
26 and (e), Code 2023, are amended to read as follows:

27 (a) ~~Six~~ Four hundred twenty thousand dollars in a county
28 having a population of twenty-five thousand or less.

29 (b) ~~Seven~~ Five hundred ~~fifty~~ twenty-five thousand dollars
30 in a county having a population of more than twenty-five
31 thousand but not more than fifty thousand.

32 (c) ~~Nine~~ Six hundred thirty thousand dollars in a county
33 having a population of more than fifty thousand but not more
34 than one hundred thousand.

35 (d) ~~One million two~~ Eight hundred forty thousand dollars in

1 a county having a population of more than one hundred thousand
2 but not more than two hundred thousand.

3 (e) One million ~~five hundred~~ fifty thousand dollars in a
4 county having a population of more than two hundred thousand.

5 Sec. 9. Section 331.441, subsection 2, paragraph c,
6 subparagraph (11), Code 2023, is amended by striking the
7 subparagraph.

8 Sec. 10. Section 331.442, subsection 5, paragraph a,
9 subparagraphs (1), (2), and (3), Code 2023, are amended to read
10 as follows:

11 (1) In counties having a population of twenty thousand
12 or less, in an amount of not more than ~~one hundred~~ seventy
13 thousand dollars.

14 (2) In counties having a population of over twenty thousand
15 and not over fifty thousand, in an amount of not more than ~~two~~
16 one hundred forty thousand dollars.

17 (3) In counties having a population of over fifty thousand,
18 in an amount of not more than ~~three~~ two hundred ten thousand
19 dollars.

20 Sec. 11. EFFECTIVE DATE. This division of this Act, being
21 deemed of immediate importance, takes effect upon enactment.

22 Sec. 12. APPLICABILITY. This division of this Act applies
23 to county taxes and budgets for fiscal years beginning on or
24 after July 1, 2023.

25 DIVISION II

26 CITY PROPERTY TAXES AND BUDGETS

27 Sec. 13. Section 24.48, subsection 5, Code 2023, is amended
28 by adding the following new paragraph:

29 NEW PARAGRAPH. c. For budgets for fiscal years beginning on
30 or after July 1, 2023, if the political subdivision is a city,
31 a suspension of the statutory property tax levy limitations
32 under this section shall only be approved by the state appeal
33 board in the event of a natural disaster.

34 Sec. 14. Section 28M.5, subsection 1, Code 2023, is amended
35 to read as follows:

1 1. The commission, with the approval of the board of
2 supervisors of participating counties and the city council
3 of participating cities in the **chapter 28E** agreement, may
4 levy annually a tax not to exceed ninety-five cents per
5 thousand dollars of the assessed value of all taxable property
6 in a regional transit district to the extent provided in
7 this section. The **chapter 28E** agreement may authorize the
8 commission to levy the tax at different rates within the
9 participating cities and counties in amounts sufficient to meet
10 the revenue responsibilities of such cities and counties as
11 allocated in the budget adopted by the commission. However,
12 for a city participating in a regional transit district, the
13 total of all the tax levies imposed in the city pursuant
14 to **section 384.12, subsection 10 1**, and **this section** shall
15 not exceed the aggregate of ninety-five cents per thousand
16 dollars of the assessed value of all taxable property in the
17 participating city.

18 Sec. 15. Section 37.8, Code 2023, is amended to read as
19 follows:

20 **37.8 ~~Levy for~~ Cost of development, operation, and**
21 **maintenance.**

22 For the development, operation, and maintenance of a
23 building or monument constructed, purchased, or donated under
24 this chapter, a city may ~~levy a tax not to exceed eighty-one~~
25 ~~cents per thousand dollars of assessed value on all the taxable~~
26 ~~property within the city, as provided in section 384.12,~~
27 ~~subsection 2~~ utilize taxes levied under section 384.1.

28 Sec. 16. Section 357G.8, Code 2023, is amended to read as
29 follows:

30 **357G.8 ~~Election on proposed levy and~~ of candidates for**
31 **trustees — funding of operations.**

32 1. When a preliminary plat has been approved by the council,
33 an election shall be held within the district within sixty days
34 to ~~approve or disapprove the levy of an initial tax of not~~
35 ~~more than one dollar per thousand dollars of assessed value~~

1 ~~on all the taxable property within the district and to choose~~
2 candidates for the offices of trustees of the district. The
3 ~~ballot shall set out the reason for the tax and the amount~~
4 ~~needed. The tax shall be set to raise only the amount needed.~~
5 Notice of the election, including the time and place of holding
6 the election, shall be given as provided in [section 357G.4](#).
7 The vote shall be by ballot ~~which shall state clearly the~~
8 ~~proposition to be voted upon~~ and any registered voter residing
9 within the district at the time of the election may vote. It
10 is not mandatory for the county commissioner of elections
11 to conduct elections held pursuant to [this chapter](#), but the
12 elections shall be conducted in accordance with [chapter 49](#)
13 where not in conflict with [this chapter](#). Judges shall be
14 appointed to serve without pay by the council from among the
15 registered voters of the district to be in charge of the
16 election. The proposition is approved if sixty percent of
17 those voting on the proposition vote in favor of it.

18 2. ~~a. If the tax authorized under [subsection 1](#) is~~
19 ~~insufficient to provide the services authorized under this~~
20 ~~chapter, the trustees may levy an additional annual tax, at~~
21 ~~a rate necessary to provide the authorized services, if such~~
22 ~~authority for an additional tax is approved at election held~~
23 ~~separately and after the election held under [subsection 1](#).~~
24 The district's operations shall be funded from general fund
25 property tax revenues certified by the city and levied under
26 section 384.1.

27 ~~b. By resolution, the council may submit to the registered~~
28 ~~voters of the district the proposition of levying the~~
29 ~~additional annual tax according to the election procedures~~
30 ~~under [subsection 1](#).~~

31 ~~c. (1) After adoption of the resolution under paragraph~~
32 ~~"b", the The board of trustees shall coordinate efforts with~~
33 the local emergency medical services agencies to establish
34 a district advisory council to assist in researching and
35 assessing the service needs of the district and guiding

1 implementation of services in the district within a council
2 structure.

3 ~~(2)~~ The district advisory council ~~established under~~
4 ~~subparagraph (1)~~ shall recommend to the board of trustees
5 an amount of funding ~~to be specified on the ballot for the~~
6 ~~election held under~~ this subsection 2 ~~to be requested from the~~
7 city to fund the district and shall annually assess and review
8 the emergency medical services needs of the district and shall
9 include the results of such review and assessment in an annual
10 report filed with the board of trustees. The annual report
11 shall be publicly available upon filing with the board of
12 trustees. The board of trustees shall receive public comment
13 regarding the report at one or more meetings of the board
14 of trustees. Any meeting of the board of trustees at which
15 public comment on the annual report is heard shall be at least
16 fourteen days following the date the annual report is filed
17 with the board of trustees.

18 ~~d.~~ ~~The proposition is adopted if a majority of those~~
19 ~~voting on the proposition at the election approves it. If~~
20 ~~the proposition is approved at election, the trustees may~~
21 ~~impose the additional annual tax beginning with the fiscal~~
22 ~~year beginning July 1 following the election at which the~~
23 ~~proposition was approved. The proposition is not affected by a~~
24 ~~change in the boundaries of the district.~~

25 ~~e.~~ ~~Discontinuance of the authority to impose an additional~~
26 ~~tax under~~ this chapter ~~shall be by petition and election.~~
27 ~~Upon petition of twenty-five percent of the resident eligible~~
28 ~~electors, the board of trustees shall submit to the voters~~
29 ~~of the district the question of whether to discontinue the~~
30 ~~authority to impose the additional tax according to the~~
31 ~~election procedures under~~ subsection 1. ~~If a majority of those~~
32 ~~voting on the question of discontinuance of the trustees'~~
33 ~~authority to impose the tax favors discontinuance, the trustees~~
34 ~~shall not impose the additional tax for any fiscal year~~
35 ~~beginning after the election approving the discontinuance,~~

1 ~~unless imposition is subsequently again authorized at election.~~
2 ~~Following discontinuance of the authority to impose the~~
3 ~~additional tax, authority to reimpose the additional tax~~
4 ~~requires approval in accordance with this subsection.~~

5 Sec. 17. Section 357G.10, Code 2023, is amended to read as
6 follows:

7 **357G.10 Trustees' powers.**

8 The trustees may purchase, own, rent, or maintain emergency
9 medical services apparatus or equipment within the state or
10 outside the territorial jurisdiction and boundary limits of
11 this state, provide housing for such apparatus and equipment,
12 provide emergency medical service and facilities, and may
13 request the city certify for levy an amount of taxes as
14 provided in section 357G.8. The trustees may purchase
15 material, employ emergency medical service and other personnel,
16 and may perform all other acts necessary to properly maintain
17 and operate the district. The trustees may contract with any
18 other city or county or public or private agency under chapter
19 28E for the purpose of providing emergency medical services
20 under this chapter. The trustees are allowed necessary
21 expenses in the discharge of their duties, but they shall not
22 receive a salary.

23 Sec. 18. Section 357G.12, Code 2023, is amended to read as
24 follows:

25 **357G.12 Dissolution of district.**

26 Upon petition of thirty-five percent of the resident
27 eligible electors, the council may dissolve a district and
28 dispose of any remaining property, the proceeds of which shall
29 first be applied against outstanding obligations and any
30 balance shall be applied to tax credit of property owners of
31 the district. The council shall ~~continue to levy a tax after~~
32 ~~dissolution of a district, of not to exceed twenty-seven cents~~
33 ~~per thousand dollars of assessed value on all the taxable~~
34 ~~property of the district, appropriate taxes levied under~~
35 section 384.1 until all outstanding obligations of the district

1 are paid.

2 Sec. 19. Section 357G.13, Code 2023, is amended to read as
3 follows:

4 **357G.13 Adding property to district.**

5 Any property in an unincorporated area contiguous to the
6 boundaries of an established district which is annexed by the
7 city shall be included in the district. ~~The tax levy for the
8 next year shall be applied to the property and on the first day
9 of the next fiscal year, the property shall become a part of
10 the district.~~

11 Sec. 20. Section 357J.18, Code 2023, is amended to read as
12 follows:

13 **357J.18 Transition — emergency medical services district
14 taxes discontinued.**

15 When the boundary lines of the emergency response district
16 include all or a portion of an emergency medical services
17 district under [chapter 357F](#) or [chapter 357G](#) and the emergency
18 response district has certified a tax to be levied on property
19 located within the emergency medical services district for
20 the purpose of emergency medical service, the emergency
21 medical services district trustees shall no longer levy the
22 taxes authorized in [section 357F.8](#) or ~~[section 357G.8](#)~~ utilize
23 tax revenue levied under section 384.1 for emergency medical
24 services district purposes in that portion of such emergency
25 medical services district that is provided services by the
26 emergency response district. Any indebtedness incurred by
27 an emergency medical services district under [chapter 357F](#)
28 ~~or [chapter 357G](#)~~ for a service now provided by the emergency
29 response district shall be assumed by the emergency response
30 district.

31 Sec. 21. Section 384.1, Code 2023, is amended to read as
32 follows:

33 **384.1 Taxes certified.**

34 1. A city may certify taxes to be levied by the county
35 on all taxable property within the city limits, for all city

1 government purposes. ~~However, the~~

2 2. a. Notwithstanding subsection 3, the tax levied by
3 a city on tracts of land and improvements thereon used and
4 assessed for agricultural or horticultural purposes, shall
5 not exceed three dollars and three-eighths cents per thousand
6 dollars of assessed value in any year. Improvements located
7 on such tracts of land and not used for agricultural or
8 horticultural purposes and all residential dwellings are
9 subject to the same rate of tax levied by the city on all other
10 taxable property within the city. A

11 3. a. For fiscal years beginning before July 1, 2023, a
12 city's tax levy for the general fund shall not exceed eight
13 dollars and ten cents per thousand dollars of ~~taxable~~ assessed
14 value used to calculate taxes in any tax year, except for the
15 levies authorized in [section 384.12](#).

16 b. For the fiscal year beginning July 1, 2023, a city's
17 tax levy for the general fund, except for levies authorized in
18 section 384.12, shall not exceed the sum of eight dollars and
19 ten cents per thousand dollars of taxable value plus the sum of
20 the following for the city, as applicable:

21 (1) The amount per thousand dollars of taxable value levied
22 by or on behalf of the city under section 384.8, Code 2023, for
23 the fiscal year beginning July 1, 2022.

24 (2) The total amount per thousand dollars of taxable value
25 levied by or on behalf of the city under section 384.12,
26 subsections 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 15, 16, 18,
27 and 20, Code 2023, for the fiscal year beginning July 1, 2022.

28 (3) The amount per thousand dollars of taxable value levied
29 by the city under section 24.48, Code 2023, for the fiscal year
30 beginning July 1, 2022.

31 c. (1) For each fiscal year beginning on or after July
32 1, 2024, subject to paragraph "d", a city's tax levy for the
33 general fund, except for levies authorized in section 384.12,
34 shall not exceed in any tax year the greater of eight dollars
35 and ten cents per thousand dollars of assessed value used to

1 calculate taxes for the budget year and the amount determined
2 under paragraph "b", as adjusted under subparagraph (2), if
3 applicable.

4 (2) If the total assessed value used to calculate taxes
5 for the budget year exceeds one hundred two and one-half
6 percent of the total assessed value used to calculate taxes for
7 the current fiscal year, the levy rate per thousand dollars
8 determined under paragraph "b", as previously adjusted under
9 this subparagraph, if applicable, shall be reduced to a rate
10 per one thousand dollars of assessed value that is equal to
11 one thousand multiplied by the quotient of the current fiscal
12 year's actual property tax dollars certified for levy under
13 this section divided by the total assessed value used to
14 calculate taxes for the budget year.

15 d. In addition to the limitation under paragraph "c", for
16 fiscal years beginning on or after July 1, 2024, if the city's
17 actual levy rate imposed under this section for the current
18 fiscal year is eight dollars and ten cents or less per thousand
19 dollars of assessed value and the total assessed value used to
20 calculate taxes for the budget year exceeds one hundred three
21 and twenty-five hundredths percent of the total assessed value
22 used to calculate taxes for the current fiscal year, the levy
23 rate imposed under this section for the budget year shall not
24 exceed the rate necessary to levy taxes under this section in
25 an amount equal to one hundred three and twenty-five hundredths
26 percent of the amount levied under this section for the current
27 fiscal year.

28 4. For purposes of this section:

29 a. "Budget year" means the same as defined in section
30 384.15A, subsection 1.

31 b. "Current fiscal year" means the same as defined in
32 section 384.15A, subsection 1.

33 Sec. 22. Section 384.12, Code 2023, is amended to read as
34 follows:

35 **384.12 Additional taxes.**

1 A city may certify, for the general fund levy, taxes which
2 are not subject to the limit provided in [section 384.1](#), and
3 which are in addition to any other moneys the city may wish to
4 spend for such purposes, as follows:

5 ~~1. A tax not to exceed thirteen and one-half cents~~
6 ~~per thousand dollars of assessed value for the support of~~
7 ~~instrumental or vocal musical groups, one or more organizations~~
8 ~~which have tax-exempt status under section 501(c)(3) of~~
9 ~~the Internal Revenue Code and are organized and operated~~
10 ~~exclusively for artistic and cultural purposes, or any of these~~
11 ~~purposes, subject to the following:~~

12 ~~a. Upon receipt of a petition valid under the provisions of~~
13 ~~[section 362.4](#), the council shall submit to the voters at the~~
14 ~~next regular city election the question of whether a tax shall~~
15 ~~be levied.~~

16 ~~b. If a majority approves the levy, it may be imposed.~~

17 ~~c. The levy can be eliminated by the same procedure of~~
18 ~~petition and election.~~

19 ~~d. A tax authorized by an election held prior to the~~
20 ~~effective date of the city code may be continued until~~
21 ~~eliminated by the council, or by petition and election.~~

22 ~~2. A tax not to exceed eighty one cents per thousand dollars~~
23 ~~of assessed value for development, operation, and maintenance~~
24 ~~of a memorial building or monument, subject to the provisions~~
25 ~~of [subsection 1](#).~~

26 ~~3. A tax not to exceed thirteen and one-half cents per~~
27 ~~thousand dollars of assessed value for support of a symphony~~
28 ~~orchestra, subject to the provisions of [subsection 1](#).~~

29 ~~4. A tax not to exceed twenty-seven cents per thousand~~
30 ~~dollars of assessed value for the operation of cultural and~~
31 ~~scientific facilities, subject to the provisions of subsection~~
32 ~~1, except that the question may be submitted on the council's~~
33 ~~own motion.~~

34 ~~5. A tax to aid in the construction of a county bridge,~~
35 ~~subject to the provisions of [subsection 1](#), except that the~~

1 ~~question must be submitted at a special election. The expense~~
2 ~~of a special election under [this subsection](#) must be paid by the~~
3 ~~county. The notice of the special election must include full~~
4 ~~details of the proposal, including the location of the proposed~~
5 ~~bridge, the rate of tax to be levied, and all other conditions.~~

6 ~~6. A tax to aid a company incorporated under the laws of~~
7 ~~this state in the construction of a highway or combination~~
8 ~~bridge across any navigable boundary river of this state,~~
9 ~~commencing or terminating in the city and suitable for use~~
10 ~~as highway, or for both highway and railway purposes. This~~
11 ~~tax levy is subject to the provisions of [subsections 1 and 5](#).~~
12 ~~The levy is limited to one dollar and thirty-five cents per~~
13 ~~thousand dollars of the assessed value of taxable property in~~
14 ~~the city. The estimated cost of the bridge must be at least~~
15 ~~ten thousand dollars, and the city aid may not exceed one-half~~
16 ~~of the estimated cost. The notice of the special election~~
17 ~~must include the name of the corporation to be aided, and all~~
18 ~~conditions required of the corporation. Tax moneys received~~
19 ~~for this purpose may not be paid over by the county treasurer~~
20 ~~until the city has filed a statement that the corporation has~~
21 ~~complied with all conditions.~~

22 ~~7. If a tax has been voted for aid of a bridge under~~
23 ~~[subsection 6](#), a further tax may be voted for the purpose of~~
24 ~~purchasing the bridge, subject to the provisions of subsection~~
25 ~~1. The levy under [this subsection](#) is limited to three dollars~~
26 ~~and thirty-seven and one-half cents per thousand dollars of the~~
27 ~~assessed value of the taxable property in the city, payable in~~
28 ~~not less than ten annual installments.~~

29 ~~8. A tax for the purpose of carrying out the terms of a~~
30 ~~contract for the use of a bridge by a city situated on a river~~
31 ~~over which a bridge has been built. The tax may not exceed~~
32 ~~sixty-seven and one-half cents per thousand dollars of assessed~~
33 ~~value each year.~~

34 ~~9. A tax for aid to a public transportation company,~~
35 ~~subject to the procedure provided in [subsection 1](#), except the~~

1 ~~question must be submitted at a special election. The levy is~~
2 ~~limited to three and three-eighths cents per thousand dollars~~
3 ~~of assessed value. In addition to any other conditions the~~
4 ~~following requirements must be met before moneys received for~~
5 ~~this purpose may be paid over by the county treasurer:~~

6 ~~a. The public transportation company shall provide the city~~
7 ~~with copies of state and federal income tax returns for the~~
8 ~~five years preceding the year for which payment is contemplated~~
9 ~~or for such lesser period of time as the company has been in~~
10 ~~operation.~~

11 ~~b. The city shall, in any given year, be authorized to pay~~
12 ~~over only such sums as will yield not to exceed two percent~~
13 ~~of the public transportation company's investment as the same~~
14 ~~is valued in its tax depreciation schedule, provided that~~
15 ~~corporate profits and losses for the five preceding years or~~
16 ~~for such lesser period of time as the company has been in~~
17 ~~operation shall not average in excess of a two percent net~~
18 ~~return. Taxes levied under this subsection may not be used to~~
19 ~~subsidize losses incurred prior to the election required by~~
20 ~~this subsection.~~

21 ~~10. 1. A tax for the operation and maintenance of a~~
22 ~~municipal transit system or for operation and maintenance of a~~
23 ~~regional transit district, and for the creation of a reserve~~
24 ~~fund for the system or district, in an amount not to exceed~~
25 ~~ninety-five cents per thousand dollars of assessed value each~~
26 ~~year, when the revenues from the transit system or district are~~
27 ~~insufficient for such purposes.~~

28 ~~11. If a city has entered into a lease of a building or~~
29 ~~complex of buildings to be operated as a civic center, a tax~~
30 ~~sufficient to pay the installments of rent and for maintenance,~~
31 ~~insurance and taxes not included in the lease rental payments.~~

32 ~~12. A tax not to exceed thirteen and one-half cents per~~
33 ~~thousand dollars of assessed value each year for operating and~~
34 ~~maintaining a civic center owned by a city.~~

35 ~~13. A tax not to exceed six and three-fourths cents per~~

1 ~~thousand dollars of assessed value for planning a sanitary~~
2 ~~disposal project.~~

3 ~~14.~~ 2. A tax not to exceed twenty-seven cents per thousand
4 dollars of assessed value each year for an aviation authority
5 as provided in [section 330A.15](#).

6 ~~15.~~ ~~A tax not to exceed six and three-fourths cents per~~
7 ~~thousand dollars of assessed value each year for a levee~~
8 ~~improvement fund in special charter cities as provided in~~
9 ~~[section 420.155](#).~~

10 ~~16.~~ ~~A tax not to exceed twenty and one-half cents per~~
11 ~~thousand dollars of assessed value each year to maintain an~~
12 ~~institution received by gift or devise, subject to an election~~
13 ~~as required under [subsection 1](#).~~

14 ~~17.~~ 3. A tax to pay the premium costs on tort liability
15 insurance, property insurance, and any other insurance that
16 may be necessary in the operation of the city, the costs of a
17 self-insurance program, the costs of a local government risk
18 pool and amounts payable under any insurance agreements to
19 provide or procure such insurance, self-insurance program, or
20 local government risk pool.

21 ~~18.~~ ~~A tax to fund an emergency medical services district~~
22 ~~under [chapter 357G](#).~~

23 ~~19.~~ 4. A tax that exceeds any tax levy limit within this
24 chapter, provided the question has been submitted at a special
25 levy election and received a simple majority of the votes cast
26 on the proposition to authorize the enumerated levy limit to be
27 exceeded for the proposed budget year.

28 *a.* The election may be held as specified in [this subsection](#)
29 if notice is given by the city council, not later than
30 forty-six days before the first Tuesday in March, to the county
31 commissioner of elections that the election is to be held.

32 *b.* An election under [this subsection](#) shall be held on
33 the first Tuesday in March and be conducted by the county
34 commissioner of elections in accordance with the law.

35 *c.* The ballot question shall be in substantially the

1 following form:

2 WHICH TAX LEVY SHALL BE ADOPTED FOR THE CITY OF?

3 (Vote for only one of the following choices.)

4 CHANGE LEVY AMOUNT ...

5 Add to the existing levy amount a tax for the purpose of

6 (state purpose of proposed levy) at a rate of ...

7 (rate) which will provide an additional \$.... (amount).

8 KEEP CURRENT LEVY ...

9 Continue under the current maximum rate of ..., providing
10 \$.... (amount).

11 *d.* The commissioner of elections conducting the election
12 shall notify the city officials and other county auditors where
13 applicable, of the results within two days of the canvass which
14 shall be held on the second day that is not a holiday following
15 the special levy election, and beginning no earlier than 1:00
16 p.m. on that day.

17 *e.* Notice of the election shall be published twice in
18 accordance with the provisions of [section 362.3](#), except that
19 the first such notice shall be given at least two weeks before
20 the election.

21 *f.* The cost of the election shall be borne by the city.

22 *g.* The election provisions of [this subsection](#) shall
23 supersede other provisions for elections only to the extent
24 necessary to comply with the provisions of [this subsection](#).

25 *h.* The provisions of [this subsection](#) apply to all cities,
26 however organized, including special charter cities which may
27 adopt ordinances where necessary to carry out these provisions.

28 *i.* The council shall certify the city's budget with the tax
29 askings not exceeding the amount approved by the special levy
30 election.

31 ~~20. A tax not to exceed twenty seven cents per thousand~~
32 ~~dollars of assessed value for support of a public library,~~
33 ~~subject to petition and referendum requirements of subsection~~
34 ~~1, except that if a majority approves the levy, it shall be~~
35 ~~imposed.~~

1 ~~21.~~ 5. A tax for the support of a local emergency
2 management commission established pursuant to [chapter 29C](#).

3 Sec. 23. Section 384.15A, subsection 2, Code 2023, is
4 amended to read as follows:

5 2. For budget years beginning on or after July 1, 2020,
6 prior to the period of time for distribution of the budget
7 under [section 384.16, subsection 2](#), the council shall adopt a
8 resolution establishing the total maximum property tax dollars
9 that may be certified for levy that includes taxes for city
10 government purposes under [section 384.1](#), for the city's trust
11 and agency fund under [section 384.6, subsection 1](#), for the
12 city's emergency fund for fiscal years beginning before July
13 1, 2023, under [section 384.8](#), and Code 2023, for fiscal years
14 beginning before July 1, 2023, the levies authorized under
15 section 384.12, subsections 8, 10, 11, 12, 13, 17, and 21, Code
16 2023, and for fiscal years beginning on or after July 1, 2023,
17 the levies authorized under section 384.12, subsections 1,
18 3, and 5, but excluding additions approved at election under
19 section 384.12, subsection ~~19~~ 4.

20 Sec. 24. Section 384.15A, subsection 5, paragraph b, Code
21 2023, is amended to read as follows:

22 *b.* (1) If the sum of the maximum property tax dollars for
23 the budget year specified in the resolution under the levies
24 specified in [subsection 2](#) exceeds one hundred two percent of
25 the sum of the current fiscal year's actual property taxes
26 certified for levy under the levies specified in subsection
27 2, the council shall be required to adopt the resolution by a
28 two-thirds majority of the membership of the council.

29 (2) For the budget year beginning July 1, 2023, the amount
30 of the current fiscal year's actual property taxes certified
31 for levy shall include amounts certified for levy under section
32 384.12, subsections 8, 10, 11, 12, 13, and 17, Code 2023, under
33 section 24.48, Code 2023, and under section 384.8, Code 2023.

34 Sec. 25. Section 384.22, subsection 1, Code 2023, is amended
35 to read as follows:

1 1. Not later than December 1 of each year, a city shall
2 publish an annual financial report as provided in section
3 362.3 containing a summary for the preceding fiscal year of
4 all collections and receipts, all accounts due the city, and
5 all expenditures, the current public debt of the city, and the
6 legal debt limit of the city for the current fiscal year. The
7 annual financial report shall be prepared on forms and pursuant
8 to instructions prescribed by the auditor of state. Beginning
9 with the annual financial report published by December 1, 2023,
10 each report shall include a list of bonds, notes, or other
11 obligations issued by the city during the preceding fiscal
12 year payable from any source, including the amount of the
13 issuance, the project or purpose of the issuance, whether the
14 issuance was approved at election or eligible to be subject to
15 a petition for an election, and identification of issuances
16 from the fiscal year or prior fiscal years related to the same
17 project or purpose.

18 Sec. 26. Section 384.24, subsection 4, paragraph i, Code
19 2023, is amended by striking the paragraph.

20 Sec. 27. Section 384.24A, subsection 4, paragraph a,
21 subparagraphs (1), (2), and (3), Code 2023, are amended to read
22 as follows:

23 (1) ~~Four~~ Two hundred eighty thousand dollars in a city
24 having a population of five thousand or less.

25 (2) ~~Seven~~ Four hundred ninety thousand dollars in a city
26 having a population of more than five thousand but not more
27 than seventy-five thousand.

28 (3) ~~One million~~ Seven hundred thousand dollars in a city
29 having a population of more than seventy-five thousand.

30 Sec. 28. Section 384.26, subsection 5, paragraph a,
31 subparagraphs (1), (2), and (3), Code 2023, are amended to read
32 as follows:

33 (1) In cities having a population of five thousand or less,
34 in an amount of not more than ~~four~~ two hundred eighty thousand
35 dollars.

1 (2) In cities having a population of more than five thousand
2 and not more than seventy-five thousand, in an amount of not
3 more than ~~seven~~ four hundred ninety thousand dollars.

4 (3) In cities having a population in excess of seventy-five
5 thousand, in an amount of not more than ~~one million~~ seven
6 hundred thousand dollars.

7 Sec. 29. Section 384.110, Code 2023, is amended to read as
8 follows:

9 **384.110 Insurance, self-insurance, and risk pooling funds.**

10 A city may credit funds to a fund or funds for the purposes
11 authorized by [section 364.4, subsection 5](#); section 384.12,
12 subsection ~~17~~ 3; or [section 384.24, subsection 3](#), paragraph "s".
13 Moneys credited to the fund or funds, and interest earned on
14 such moneys, shall remain in the fund or funds until expended
15 for purposes authorized by [section 364.4, subsection 5](#); section
16 384.12, subsection ~~17~~ 3; or [section 384.24, subsection 3](#),
17 paragraph "s".

18 Sec. 30. REPEAL. Section 384.8, Code 2023, is repealed.

19 Sec. 31. EFFECTIVE DATE. This division of this Act, being
20 deemed of immediate importance, takes effect upon enactment.

21 Sec. 32. APPLICABILITY. This division of this Act applies
22 to city taxes and budgets for fiscal years beginning on or
23 after July 1, 2023.

24 DIVISION III

25 PUBLIC EDUCATION AND RECREATION TAX LEVY

26 Sec. 33. Section 276.1, Code 2023, is amended to read as
27 follows:

28 **276.1 Title.**

29 This section, [sections 276.2 through 276.5](#), and sections
30 276.8 through ~~276.11~~ 276.10 of [this chapter](#) shall be known and
31 may be cited as the "*Iowa Community Education Act*".

32 Sec. 34. Section 276.3, unnumbered paragraph 1, Code 2023,
33 is amended to read as follows:

34 As used in [sections 276.1, 276.2, this section](#), sections
35 276.4, [276.5](#), and [sections 276.8 through ~~276.11~~ 276.10](#), unless

1 the context otherwise requires:

2 Sec. 35. Section 276.10, subsection 1, Code 2023, is amended
3 to read as follows:

4 1. The board of directors of a local school district
5 may establish a community education program for schools in
6 the district and provide for the general supervision of the
7 program. Financial support for the program ~~shall~~ may be
8 provided from funds ~~raised pursuant to chapter 300~~ received by
9 the school district under chapter 423F and from any private
10 funds and any federal funds made available for the purpose of
11 implementing this chapter. The program which recognizes that
12 the schools belong to the people and which shall be centered
13 in the schools may include but shall not be limited to the use
14 of the school facilities day and night, year round including
15 weekends and regular school vacation periods for educational,
16 recreational, cultural, and other community services and
17 programs for all age, ethnic, and socioeconomic groups residing
18 in the community.

19 Sec. 36. Section 278.1, subsection 1, paragraph e, Code
20 2023, is amended to read as follows:

21 e. Direct the transfer of any surplus in the debt service
22 fund, physical plant and equipment levy fund, or other capital
23 ~~project funds, or public education and recreation levy fund~~ to
24 the general fund.

25 Sec. 37. Section 298A.6, Code 2023, is amended to read as
26 follows:

27 **298A.6 Public education and recreation levy fund.**

28 The public education and recreation levy fund is a special
29 revenue fund. A public education and recreation levy fund
30 must be established in any school corporation which ~~levies~~
31 levied the tax authorized under section 300.2, Code 2023, or
32 which ~~receives~~ received revenue from a chapter 28E agreement
33 authorized under section 300.1, Code 2023. Moneys available in
34 the fund at the conclusion of the fiscal year beginning July 1,
35 2025, and ending June 30, 2026, shall be expended by the school

1 corporation for the purposes authorized under chapter 300, Code
2 2023.

3 Sec. 38. Section 300.2, Code 2023, is amended by adding the
4 following new subsection:

5 NEW SUBSECTION. 4. *a.* A levy under this chapter shall not
6 be approved by the voters on or after the effective date of
7 this section of this division of this Act.

8 *b.* If the levy has not been discontinued under section
9 300.3, the authorization to impose the levy under this chapter
10 shall terminate July 1, 2026.

11 *c.* Notwithstanding subsection 2, including a proposition
12 approved at an election held before the effective date of
13 this section of this division of this Act, the rate of a levy
14 imposed by a board of directors under this chapter for the
15 fiscal year beginning July 1, 2025, shall not exceed one-half
16 of the levy rate imposed by the board of directors for the
17 fiscal year beginning July 1, 2024.

18 Sec. 39. Section 423F.3, subsection 1, paragraph c, Code
19 2023, is amended by striking the paragraph.

20 Sec. 40. Section 423F.5, subsection 1, Code 2023, is amended
21 to read as follows:

22 1. A school district shall include as part of its financial
23 audit for the budget year beginning July 1, 2007, and for
24 each subsequent budget year the amount received during the
25 year pursuant to [chapter 423E](#) or [this chapter](#), as applicable.
26 In addition, the financial audit shall include the amount
27 of bond levies, and physical plant and equipment levy, ~~and~~
28 ~~public educational and recreational levy~~ reduced as a result
29 of the moneys received under [chapter 423E](#) or [this chapter](#),
30 as applicable. The amount of the reductions shall be stated
31 in terms of dollars and cents per one thousand dollars of
32 valuation and in total amount of property tax dollars. Also
33 included shall be an accounting of the amount of moneys
34 received which were spent for infrastructure purposes pursuant
35 to [chapter 423E](#) or [this chapter](#), as applicable.

1 Sec. 41. REPEAL. Sections 276.11 and 276.12, Code 2023,
2 are repealed.

3 Sec. 42. REPEAL. Chapter 300, Code 2023, is repealed.

4 Sec. 43. EFFECTIVE DATE. Except as otherwise provided in
5 this division of this Act, this division of this Act takes
6 effect July 1, 2026.

7 Sec. 44. EFFECTIVE DATE. The following, being deemed of
8 immediate importance, takes effect upon enactment:

9 The section of this division of this Act enacting section
10 300.2, subsection 4.

11 Sec. 45. APPLICABILITY. Except for the section of this
12 division of this Act enacting section 300.2, subsection 4, this
13 division of this Act applies to fiscal years beginning on or
14 after July 1, 2026.

15 DIVISION IV

16 BRUCELLOSIS AND TUBERCULOSIS ERADICATION FUND — LEVY

17 Sec. 46. Section 165.18, subsections 2 and 3, Code 2023, are
18 amended by striking the subsections.

19 Sec. 47. Section 331.512, subsection 1, paragraph e, Code
20 2023, is amended by striking the paragraph.

21 Sec. 48. Section 331.559, subsection 2, Code 2023, is
22 amended by striking the subsection.

23 Sec. 49. APPLICABILITY. This division of this Act applies
24 to property taxes due and payable in fiscal years beginning on
25 or after July 1, 2023.

26 EXPLANATION

27 The inclusion of this explanation does not constitute agreement with
28 the explanation's substance by the members of the general assembly.

29 This bill relates to local government property taxes,
30 financial authority, and budgets.

31 DIVISION I — COUNTY PROPERTY TAXES AND BUDGETS. Code
32 section 331.301(10) governs a county's authority to enter into
33 leases and lease-purchase contracts and, in part, subjects
34 leases and lease-purchase agreements for real property to
35 procedures for approval at an election following a petition

1 if the principal amount of the contract exceeds specified
2 thresholds categorized by county population. The bill reduces
3 the thresholds for each category by 30 percent. The bill
4 similarly reduces a threshold relating to when a lease or
5 lease-purchase contract is not subject to approval procedures
6 similar to essential county purposes bonds.

7 Code section 331.402(3) governs a county's authority
8 to enter into loan agreements and, in part, subjects loan
9 agreements for real property to procedures for approval at an
10 election following a petition if the principal amount of the
11 contract exceeds specified thresholds categorized by county
12 population. The bill reduces the thresholds for each category
13 by 30 percent.

14 Code section 331.403 requires each county to prepare and
15 file an annual financial report. The bill requires that
16 beginning with the annual financial report filed by December 1,
17 2023, each such report shall include a list of bonds, notes,
18 or other obligations issued by the county during the preceding
19 fiscal year payable from any source, including the amount of
20 the issuance, the project or purpose of the issuance, whether
21 the issuance was approved at election or eligible to be subject
22 to a petition for an election, and identification of issuances
23 from the fiscal year or prior fiscal years related to the same
24 project or purpose.

25 Code section 331.423 establishes a levy rate limitation
26 for the general county services levy of \$3.50 per \$1,000
27 of assessed value of taxable property in the county and a
28 limitation for the rural county services levy of \$3.95 per
29 \$1,000 of assessed value of taxable property in the county.

30 The bill modifies the general county services levy rate
31 limitation for the fiscal year beginning July 1, 2023, to be a
32 levy rate not to exceed the sum of \$3.50 plus the levy rate of
33 the county under Code section 331.424, subsection 1, paragraph
34 "a", subparagraph (6) (maintenance and operation of courts),
35 Code 2023, for the fiscal year beginning July 1, 2022, plus

1 the levy rate for general county services under Code section
2 331.426, Code 2023, for the fiscal year beginning July 1, 2022.
3 The bill then provides that for each fiscal year beginning on
4 or after July 1, 2024, the general county services levy rate
5 limitation is the greater of \$3.50 per \$1,000 of taxable value
6 and the limitation determined for the preceding fiscal year,
7 as adjusted under the bill. If the total assessed value used
8 to calculate taxes for general county services for the budget
9 year exceeds 102.5 percent of the total assessed value used
10 to calculate taxes for the current fiscal year, the levy rate
11 amount per \$1,000 for the preceding fiscal year, if applicable,
12 shall be reduced to a rate that is equal to 1,000 multiplied by
13 the quotient of the current fiscal year's actual property tax
14 dollars certified for levy divided by the total assessed value
15 used to calculate taxes for the budget year.

16 In addition to that levy limitation, for fiscal years
17 beginning on or after July 1, 2024, if the county's actual levy
18 rate for general county services for the current fiscal year
19 is \$3.50 or less per \$1,000 of assessed value and the total
20 assessed value used to calculate taxes for the budget year
21 exceeds 103.25 percent of the total assessed value used to
22 calculate taxes for the current fiscal year, the levy rate for
23 general county services for the budget year shall not exceed
24 the rate necessary to levy taxes in an amount equal to 103.25
25 percent of the amount levied for the current fiscal year.

26 The bill similarly modifies the maximum levy rate for rural
27 county services for the fiscal year beginning July 1, 2023, to
28 be a levy rate equal to the sum of \$3.95 plus the rate levied
29 for rural county services under section 331.426, Code 2023, for
30 the fiscal year beginning July 1, 2022. For each fiscal year
31 beginning on or after July 1, 2024, the maximum levy rate is
32 the greater of \$3.95 and the levy rate for the preceding fiscal
33 year as adjusted under the bill. The bill provides that if the
34 total assessed value used to calculate taxes for rural county
35 services for the budget year exceeds 102.5 percent of the total

1 assessed value used to calculate taxes for the current fiscal
2 year, the levy rate, as previously adjusted under the bill,
3 if applicable, shall be reduced to a rate that is equal to
4 1,000 multiplied by the quotient of the current fiscal year's
5 actual property tax dollars certified for levy for rural county
6 services divided by the total assessed value used to calculate
7 taxes for the budget year.

8 In addition to that levy limitation, for fiscal years
9 beginning on or after July 1, 2024, if the county's actual
10 levy rate for rural county services for the current fiscal
11 year is \$3.95 or less per \$1,000 of assessed value and the
12 total assessed value used to calculate taxes for the budget
13 year exceeds 103.25 percent of the total assessed value used
14 to calculate taxes for the current fiscal year, the levy rate
15 for rural county services for the budget year shall not exceed
16 the rate necessary to levy taxes in an amount equal to 103.25
17 percent of the amount levied for the current fiscal year.

18 The bill strikes the authority of a county to impose a
19 supplemental levy under Code section 331.424 for maintenance
20 and operation of the courts and, if the county imposed such a
21 levy in the fiscal year beginning July 1, 2022, increases the
22 county's general services levy rate authority by such levy rate
23 amount as previously described.

24 Code section 331.426 authorizes a county experiencing
25 unusual circumstances, including increases in population,
26 natural disaster or emergency, problems relating to major
27 new functions required by state law, staffing problems, need
28 for additional moneys to continue certain programs, need for
29 new county programs that provide a substantial benefit to
30 residents, and reduced or unusually low growth rate in the
31 county, to levy additional property taxes for general county
32 services or rural county services. If the county imposed such
33 levies in the fiscal year beginning July 1, 2022, the bill
34 increases the county's applicable general services levy rate
35 authority by such levy rate amounts as previously described.

1 The bill strikes authority to levy such additional taxes for
2 all unusual circumstances except a natural disaster.

3 The bill modifies the provisions of Code section 331.433A
4 relating to the approval procedures for a county budget to
5 account for the modification of levy amount and rate changes
6 in the bill.

7 Code section 331.441(2)(b) defines "essential county
8 purpose" to include public buildings, including the site
9 or grounds of, and the erection, equipment, remodeling,
10 or reconstruction of, and additions or extensions to the
11 buildings, and including the provision and maintenance of
12 juvenile detention or shelter care facilities, when the
13 cost does not exceed specified thresholds based on county
14 population. The bill reduces each of the threshold amounts by
15 30 percent. The bill also strikes "[a]ny other purpose which
16 is necessary for the operation of the county or the health and
17 welfare of its citizens" from the definition of "general county
18 purpose" under Code section 331.441(2)(c).

19 Code section 331.442 governs county procedures for the
20 issuance of general county purpose bonds. In lieu of calling
21 an election, the board of supervisors may institute proceedings
22 for the issuance of bonds for a general county purpose by
23 publishing a notice of the proposal to issue the bonds,
24 including a statement of the amount and purpose of the bonds,
25 and the right to petition for an election if the amount of the
26 bonds is less than specified threshold amounts based on county
27 population. The bill reduces each of the threshold amounts by
28 30 percent.

29 Division I of the bill takes effect upon enactment and
30 applies to county taxes and budgets for fiscal years beginning
31 on or after July 1, 2023.

32 DIVISION II — CITY PROPERTY TAXES. Code section 384.1
33 establishes the city general fund levy and limits the levy rate
34 on property that is not used and assessed for agricultural or
35 horticultural purposes at \$8.10 per \$1,000 of taxable value.

1 This bill modifies the levy rate limit for the fiscal year
2 beginning July 1, 2023, to not exceed the sum of \$8.10 plus the
3 following for the applicable city: (1) the levy rate under
4 Code section 384.8, Code 2023, for the fiscal year beginning
5 July 1, 2022; (2) the total levy rate levied by or on behalf of
6 the city under Code section 384.12, subsections 1, 2, 3, 4, 5,
7 6, 7, 8, 9, 11, 12, 13, 15, 16, 18, and 20, Code 2023, for the
8 fiscal year beginning July 1, 2022; and (3) the levy rate of
9 the city under Code section 24.48, Code 2023, for the fiscal
10 year beginning July 1, 2022.

11 For each fiscal year beginning on or after July 1, 2024, a
12 city's tax levy rate for the general fund, except for levies
13 authorized in Code section 384.12, shall not exceed in any tax
14 year the greater of \$8.10 per \$1,000 and the amount determined
15 under the bill for the prior year, as adjusted under the bill.
16 The bill provides that if the total assessed value used to
17 calculate taxes for the budget year exceeds 102.5 percent
18 of the total assessed value used to calculate taxes for the
19 current fiscal year, the levy rate, as previously adjusted
20 under the bill, if applicable, shall be reduced to a rate that
21 is equal to 1,000 multiplied by the quotient of the current
22 fiscal year's actual property tax dollars certified for levy
23 under Code section 384.1 divided by the total assessed value
24 used to calculate taxes for the budget year.

25 In addition to that levy limitation, for fiscal years
26 beginning on or after July 1, 2024, if the city's actual
27 levy rate for the general fund for the current fiscal year
28 is \$8.10 or less per \$1,000 of assessed value and the total
29 assessed value used to calculate taxes for the budget year
30 exceeds 103.25 percent of the total assessed value used to
31 calculate taxes for the current fiscal year, the levy rate for
32 the general fund for the budget year shall not exceed the rate
33 necessary to levy taxes in an amount equal to 103.25 percent of
34 the amount levied for the current fiscal year.

35 Code section 384.12 authorizes a city to levy various

1 other additional taxes that under current law are not subject
2 to the \$8.10 levy limit. The bill strikes several of the
3 purposes for which a city may levy an additional tax and if
4 the county imposed such levies in the fiscal year beginning
5 July 1, 2022, increases the county's general services levy rate
6 authority under Code section 384.1 by such levy rate amounts
7 as previously described.

8 Code section 24.48, in part, authorizes a city with a reduced
9 property tax base or unusually low growth rate or experiencing
10 unusual circumstances, including increases in population,
11 natural disaster or emergency, problems relating to major new
12 functions required by state law, staffing problems, need for
13 additional moneys to continue certain programs, and need for
14 new programs that provide a substantial benefit to residents,
15 to appeal to the state appeal board to suspend levy limitations
16 and levy additional property taxes. The bill provides that for
17 budgets for fiscal years beginning on or after July 1, 2023,
18 suspension of the statutory property tax levy limitations for a
19 city shall only be approved for a natural disaster.

20 The bill repeals Code section 384.8, which authorizes a
21 \$0.27 city emergency fund levy and makes corresponding changes
22 to other provisions of law relating to the change in funding
23 for emergency medical services districts under Code chapter
24 357G and the modification of city supplemental property tax
25 levies and the city's general fund levy under Code section
26 384.1.

27 Code section 384.22 requires each city to prepare and
28 publish an annual financial report. The bill requires that
29 beginning with the annual financial report published by
30 December 1, 2023, each such report shall include a list of
31 bonds, notes, or other obligations issued by the city during
32 the preceding fiscal year payable from any source, including
33 the amount of the issuance, the project or purpose of the
34 issuance, whether the issuance was approved at election or
35 eligible to be subject to a petition for an election, and

1 identification of issuances from the fiscal year or prior
2 fiscal years related to the same project or purpose.

3 The bill strikes "[a]ny other purpose which is necessary
4 for the operation of the city or the health and welfare of its
5 citizens" from the definition of "general corporate purpose"
6 under Code section 384.24(4).

7 Code section 384.24A(4) governs a city's authority to enter
8 into loan agreements and, in part, subjects loan agreements
9 for real property to procedures for approval at an election
10 following a petition if the principal amount of the contract
11 exceeds specified thresholds categorized by city population.
12 The bill reduces the contract amount thresholds for each
13 category by 30 percent.

14 Code section 384.26 governs city procedures for the issuance
15 of city general corporate purpose bonds. In lieu of calling an
16 election, the city council may institute proceedings for the
17 issuance of bonds for a general corporate purpose by publishing
18 a notice of the proposal to issue the bonds, including a
19 statement of the amount and purpose of the bonds, and the right
20 to petition for an election if the amount of the bonds is less
21 than specified threshold amounts based on city population. The
22 bill reduces each of the threshold amounts by 30 percent.

23 Division II takes effect upon enactment and applies to city
24 taxes and budgets for fiscal years beginning on or after July
25 1, 2023.

26 DIVISION III — PUBLIC EDUCATION AND RECREATIONAL TAX LEVY.
27 Code chapter 300 authorizes the imposition of a voter-approved
28 property tax levy for the establishment and maintenance
29 of public recreation places and playgrounds, and necessary
30 accommodations for the recreation places and playgrounds, in
31 the public school buildings and grounds of the district. Code
32 chapter 300 also authorizes each school board to cooperate
33 with public or private agencies having custody and management
34 of public parks or buildings or grounds open to the public
35 for the supervision and instruction necessary to carry on

1 public educational and recreational activities in the parks,
2 buildings, and grounds located within the district. Such
3 activities may be supported by imposition of a voter-approved
4 property tax levy not to exceed 13.5 cents per \$1,000 of
5 assessed value. The property tax levy under Code chapter 300
6 also provides financial support to community education programs
7 established under Code chapter 276, which provide educational,
8 recreational, cultural, and other community services and
9 programs.

10 The bill repeals Code chapter 300 and makes corresponding
11 amendments to other provisions of law effective July 1, 2026,
12 and applies to fiscal years beginning on or after July 1,
13 2026. The bill provides that financial support for a community
14 education program under Code chapter 276 may be provided from
15 funds received by the school district under Code chapter 423F.
16 By operation of the definition of "school infrastructure" under
17 Code section 423F.3(6)(a)(1), moneys received by a school
18 district from the secure an advanced vision for education fund
19 may continue to be utilized for activities previously provided
20 for under Code chapter 300 and Code chapter 276.

21 The bill prohibits a levy under Code chapter 300 from being
22 approved at election on or after the effective date of the
23 provision in the bill and limits the rate at which previously
24 approved levies can be imposed for the fiscal year beginning
25 July 1, 2025.

26 The bill also provides that moneys available in the public
27 education and recreation levy fund at the conclusion of the
28 fiscal year beginning July 1, 2025, and ending June 30, 2025,
29 shall be expended by the school corporation for the purposes
30 authorized under Code chapter 300, Code 2023.

31 DIVISION IV — BRUCELLOSIS AND TUBERCULOSIS ERADICATION
32 FUND — LEVY. Code section 165.18 authorizes the secretary of
33 agriculture to direct the board of supervisors of each county
34 to levy an amount sufficient to pay the expenses estimated to
35 be incurred from the brucellosis and tuberculosis eradication

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1 fund for the following fiscal year, subject to a maximum levy
2 of 33.75 cents per \$1,000. The bill strikes the authority to
3 levy such a tax beginning with property taxes due and payable
4 in fiscal years beginning July 1, 2023.