

Senate Study Bill 3207 - Introduced

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

A BILL FOR

1 An Act relating to state and local finances by modifying
2 individual and alternate income tax rates, withholding
3 credits, franchise tax deductions, methodologies for
4 determining property taxes, and property tax assessment
5 limitations, changing methods of determining compensation
6 of county officials, making contingent transfers from the
7 taxpayer relief fund, and making corrections, and including
8 effective date and applicability provisions.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 DIVISION I
2 SINGLE INDIVIDUAL AND ALTERNATE INCOME TAX RATES BEGINNING IN
3 TAX YEAR 2025

4 Section 1. Section 421.27, subsection 9, paragraph a,
5 subparagraph (3), Code 2024, is amended to read as follows:

6 (3) In the case of all other entities, including
7 corporations described in [section 422.36, subsection 5](#), and all
8 other entities required to file an information return under
9 section 422.15, subsection 2, the entity's Iowa net income
10 after the application of the Iowa business activity ratio,
11 if applicable, multiplied by the ~~top~~ income tax rate imposed
12 under [section 422.5A 422.5](#) for the tax year, less any Iowa tax
13 credits available to the entity.

14 Sec. 2. Section 422.5, subsection 1, paragraph a, Code 2024,
15 is amended to read as follows:

16 a. A tax is imposed upon every resident and nonresident
17 of the state which tax shall be levied, collected, and paid
18 annually upon and with respect to the entire taxable income
19 as defined in [this subchapter](#) at ~~rates as provided in section~~
20 ~~422.5A~~ a rate of three and eight-tenths percent.

21 Sec. 3. Section 422.5, subsection 2, paragraph b, Code 2024,
22 is amended to read as follows:

23 b. ~~(1)~~ In lieu of the computation in [subsection 1](#), or
24 in paragraph "a" of [this subsection](#), if the married persons'
25 filing jointly, head of household's, or surviving spouse's net
26 income exceeds thirteen thousand five hundred dollars, the
27 regular tax imposed under [this subchapter](#) shall be the lesser
28 of the alternate state individual income tax rate ~~specified in~~
29 ~~subparagraph (2)~~ of four and three-tenths percent times the
30 portion of the net income in excess of thirteen thousand five
31 hundred dollars or the regular tax liability computed without
32 regard to this sentence. Taxpayers electing to file separately
33 shall compute the alternate tax described in this paragraph
34 using the total net income of the spouses. The alternate tax
35 described in this paragraph does not apply if one spouse elects

1 to carry back or carry forward a net operating loss as provided
2 under the Internal Revenue Code or in [section 422.9](#).

3 ~~(2) (a) (i) (A) For the tax year beginning on or after
4 January 1, 2023, but before January 1, 2024, the alternate tax
5 rate is 6.00 percent.~~

6 ~~(B) For the tax year beginning on or after January 1, 2024,
7 but before January 1, 2025, the alternate tax rate is 5.70
8 percent.~~

9 ~~(C) For the tax year beginning on or after January 1, 2025,
10 but before January 1, 2026, the alternate tax rate is 5.20
11 percent.~~

12 ~~(ii) This subparagraph division (a) is repealed January 1,
13 2026.~~

14 ~~(b) For tax years beginning on or after January 1, 2026, the
15 alternate tax rate is 4.40 percent.~~

16 Sec. 4. Section 422.5, subsection 3, paragraph b, Code 2024,
17 is amended to read as follows:

18 ~~b. (1)~~ In lieu of the computation in [subsection 1 or 2](#),
19 if the married persons' filing jointly, head of household's,
20 or surviving spouse's net income exceeds thirty-two thousand
21 dollars, the regular tax imposed under [this subchapter](#) shall be
22 the lesser of the alternate state individual income tax rate
23 specified in subparagraph (2) of four and three-tenths percent
24 times the portion of the net income in excess of thirty-two
25 thousand dollars or the regular tax liability computed without
26 regard to this sentence. Taxpayers electing to file separately
27 shall compute the alternate tax described in this paragraph
28 using the total net income of the spouses. The alternate tax
29 described in this paragraph does not apply if one spouse elects
30 to carry back or carry forward a net operating loss as provided
31 under the Internal Revenue Code or in [section 422.9](#).

32 ~~(2) (a) (i) (A) For the tax year beginning on or after
33 January 1, 2023, but before January 1, 2024, the alternate tax
34 rate is 6.00 percent.~~

35 ~~(B) For the tax year beginning on or after January 1, 2024,~~

1 ~~but before January 1, 2025, the alternate tax rate is 5.70~~
2 ~~percent.~~

3 ~~(C) For the tax year beginning on or after January 1, 2025,~~
4 ~~but before January 1, 2026, the alternate tax rate is 5.20~~
5 ~~percent.~~

6 ~~(ii) This subparagraph division (a) is repealed January 1,~~
7 ~~2026.~~

8 ~~(b) For tax years beginning on or after January 1, 2026, the~~
9 ~~alternate tax rate is 4.40 percent.~~

10 Sec. 5. Section 422.5, subsection 6, Code 2024, is amended
11 by striking the subsection.

12 Sec. 6. Section 422.16, subsection 2, paragraph e, Code
13 2024, is amended to read as follows:

14 e. For the purposes of [this subsection](#), state income tax
15 shall be withheld at the ~~highest~~ rate described in section
16 ~~422.5A~~ [422.5](#) from supplemental wages of an employee in those
17 circumstances in which the employer treats the supplemental
18 wages as wholly separate from regular wages for purposes
19 of withholding and federal income tax is withheld from the
20 supplemental wages under section 3402(g) of the Internal
21 Revenue Code.

22 Sec. 7. Section 422.16B, subsection 2, paragraph a, Code
23 2024, is amended to read as follows:

24 a. (1) A pass-through entity shall file a composite return
25 on behalf of all nonresident members and shall report and pay
26 the income or franchise tax imposed under [this chapter](#) at the
27 maximum state income or franchise tax rate applicable to the
28 member under ~~section 422.5A~~ [422.5](#), [422.33](#), or [422.63](#) on the
29 nonresident members' distributive shares of the income from the
30 pass-through entity.

31 (2) The tax rate applicable to a tiered pass-through entity
32 shall be the ~~maximum~~ state income tax rate under section ~~422.5A~~
33 [422.5](#).

34 Sec. 8. Section 422.16C, subsection 4, paragraph a, Code
35 2024, is amended to read as follows:

1 a. A taxpayer making an election under [this section](#) shall
2 be subject to tax in an amount equal to the ~~maximum~~ rate under
3 section ~~422.5A~~ [422.5](#), imposed against the taxable income of the
4 taxpayer for the taxable year properly determined under this
5 chapter and allocated and apportioned to the state under the
6 rules adopted by the department. The tax shall be due with the
7 taxpayer's return required under [this chapter](#).

8 Sec. 9. Section 422.16C, subsection 5, paragraph a,
9 subparagraph (2), Code 2024, is amended to read as follows:

10 (2) The difference between one hundred percent and the
11 ~~highest~~ individual income tax rate in effect for the tax year.

12 Sec. 10. Section 422.21, subsection 5, Code 2024, is amended
13 to read as follows:

14 5. The director shall determine for the 2023 calendar year
15 and each subsequent calendar year the annual and cumulative
16 inflation factors for each calendar year to be applied to tax
17 years beginning on or after January 1 of that calendar year.
18 ~~The director shall compute the new dollar amounts as specified~~
19 ~~to be adjusted in [section 422.5](#) by the latest cumulative~~
20 ~~inflation factor and round off the result to the nearest one~~
21 ~~dollar.~~ The annual and cumulative inflation factors determined
22 by the director are not rules as defined in section 17A.2,
23 subsection 11.

24 Sec. 11. Section 422.25A, subsection 5, paragraph c,
25 subparagraphs (3), (4), and (5), Code 2024, are amended to read
26 as follows:

27 (3) Determine the total distributive share of all final
28 federal partnership adjustments and positive reallocation
29 adjustments as modified by [this title](#) that are reported to
30 nonresident individual partners and nonresident fiduciary
31 partners and allocate and apportion such adjustments as
32 provided in [section 422.33](#) at the partnership or tiered partner
33 level, and multiply the resulting amount by the ~~maximum~~ highest
34 individual income tax rate pursuant to ~~[section 422.5A](#)~~ for the
35 reviewed year.

1 (4) For the total distributive share of all final federal
2 partnership adjustments and positive reallocation adjustments
3 as modified by [this title](#) that are reported to tiered partners:

4 (a) Determine the amount of such adjustments which are of a
5 type that would be subject to sourcing to Iowa under section
6 422.8, subsection 2, paragraph "a", as a nonresident, and then
7 determine the portion of this amount that would be sourced to
8 Iowa under those provisions as if the tiered partner were a
9 nonresident.

10 (b) Determine the amount of such adjustments which are of
11 a type that would not be subject to sourcing to Iowa under
12 section 422.8, subsection 2, paragraph "a", as a nonresident.

13 (c) Determine the portion of the amount in subparagraph
14 division (b) that can be established, as prescribed by the
15 department by rule, to be properly allocable to indirect
16 partners that are nonresident partners or other partners not
17 subject to tax on the adjustments.

18 (d) Multiply the total of the amounts determined in
19 subparagraph divisions (a) and (b), reduced by any amount
20 determined in subparagraph division (c), by the highest
21 individual income tax rate pursuant to ~~section 422.5A~~ for the
22 reviewed year.

23 (5) For the total distributive share of all final federal
24 partnership adjustments and positive reallocation adjustments
25 as modified by [this title](#) that are reported to resident
26 individual partners and resident fiduciary partners, multiply
27 that amount by the highest individual income tax rate pursuant
28 to ~~section 422.5A~~ for the reviewed year.

29 Sec. 12. RATE OF WITHHOLDING. Notwithstanding any other
30 provision of law to the contrary, for tax years beginning on
31 or after January 1, 2025, any required rate of withholding
32 shall not be higher than the rate for the applicable tax year
33 pursuant to section 422.5 as amended by this division of this
34 Act.

35 Sec. 13. REPEAL. 2022 Iowa Acts, chapter 1002, sections 19,

1 20, 21, 22, 23, and 24, are repealed.

2 Sec. 14. REPEAL. 2023 Iowa Acts, chapter 115, sections 20
3 and 21, are repealed.

4 Sec. 15. REPEAL. Section 422.5A, Code 2024, is repealed.

5 Sec. 16. EFFECTIVE DATE. This division of this Act takes
6 effect January 1, 2025.

7 Sec. 17. APPLICABILITY. This division of this Act applies
8 to tax years beginning on or after January 1, 2025.

9

DIVISION II

10

TARGETED JOBS WITHHOLDING CREDIT

11 Sec. 18. Section 403.19A, subsection 3, paragraph c,
12 subparagraphs (1) and (2), Code 2024, are amended to read as
13 follows:

14 (1) The pilot project city and the economic development
15 authority shall enter into a withholding agreement with each
16 employer concerning the targeted jobs withholding credit. The
17 withholding agreement shall provide for the total amount of
18 withholding credits awarded, as negotiated by the economic
19 development authority, the pilot project city, and the
20 employer. An agreement shall not provide for an amount of
21 withholding credits that exceeds the amount of the qualifying
22 investment made in the project. An agreement shall not be
23 entered into with a business currently located in this state
24 unless the business either creates or retains ten jobs or makes
25 a qualifying investment of at least ~~five hundred thousand~~
26 one million dollars within the pilot project city. The
27 withholding agreement may have a term of years negotiated by
28 the economic development authority, the pilot project city,
29 and the employer, of up to ten years. A withholding agreement
30 specifying a term of years or a total amount of withholding
31 credits shall terminate upon the expiration of the term of
32 years specified in the agreement or upon the award of the total
33 amount of withholding credits specified in the agreement,
34 whichever occurs first. An employer shall not be obligated to
35 enter into a withholding agreement. An agreement shall not be

1 entered into with an employer not already located in a pilot
2 project city when another Iowa community is competing for the
3 same project and both the pilot project city and the other Iowa
4 community are seeking assistance from the authority.

5 (2) The pilot project city and the economic development
6 authority shall not enter into a withholding agreement after
7 June 30, ~~2024~~ 2027.

8 Sec. 19. Section 403.19A, subsection 3, paragraph f, Code
9 2024, is amended to read as follows:

10 *f.* Pursuant to rules adopted by the economic development
11 authority, the ~~pilot project city~~ employer shall provide on an
12 annual basis to the economic development authority information
13 documenting the employer's compliance ~~of each employer~~ with
14 each requirement of the withholding agreement, including but
15 not limited to the number of jobs created or retained and
16 the amount of investment made by the employer. The economic
17 development authority shall, in response to receiving such
18 information from the ~~pilot project city~~ employer, assess the
19 level of compliance by each employer and provide to the pilot
20 project city recommendations for either maintaining employer
21 compliance with the withholding agreement or terminating the
22 agreement for noncompliance under paragraph "g". The economic
23 development authority shall also provide each such assessment
24 and recommendation report to the department of revenue.

25 DIVISION III

26 FRANCHISE TAX — INVESTMENT SUBSIDIARIES

27 Sec. 20. Section 422.34, subsection 1, Code 2024, is amended
28 to read as follows:

29 1. All state, national, private, cooperative, and savings
30 banks, credit unions, title insurance and trust companies,
31 federally chartered savings and loan associations, production
32 credit associations, insurance companies or insurance
33 associations, reciprocal or inter-insurance exchanges, ~~and~~
34 fraternal beneficiary associations, and investment subsidiaries
35 included on a return due to an election under section 422.60,

1 subsection 1, paragraph "b".

2 Sec. 21. Section 422.60, subsection 1, Code 2024, is amended
3 to read as follows:

4 1. a. A franchise tax according to and measured by net
5 income is imposed on financial institutions for the privilege
6 of doing business in this state as financial institutions.

7 b. (1) A financial institution with an investment
8 subsidiary may elect under the regulations of the director to
9 include the income and expenses of an investment subsidiary
10 on the franchise tax return for the purpose of imposing the
11 franchise tax in paragraph "a".

12 (2) An election made under this paragraph shall require
13 the inclusion of the income and expenses of the investment
14 subsidiary on all subsequent returns of the financial
15 institution so long as the investment subsidiary remains a
16 subsidiary of the financial institution unless the director
17 determines that the filing of separate returns will more
18 clearly disclose the taxable income of the investment
19 subsidiary or financial institution. This determination shall
20 be made after specific request by the taxpayer for the filing
21 of separate returns.

22 Sec. 22. Section 422.61, subsection 3, paragraph f, Code
23 2024, is amended to read as follows:

24 f. (1) A Except as provided in subparagraph (2), a
25 deduction shall not be allowed for that portion of the
26 taxpayer's expenses computed under this paragraph which is
27 allocable to an investment in an investment subsidiary. The
28 portion of the taxpayer's expenses which is allocable to an
29 investment in an investment subsidiary is an amount which bears
30 the same ratio to the taxpayer's expenses as the taxpayer's
31 average adjusted basis, as computed pursuant to section 1016
32 of the Internal Revenue Code, of investment in that investment
33 subsidiary bears to the average adjusted basis for all assets
34 of the taxpayer. The portion of the taxpayer's expenses that
35 is computed and disallowed under this paragraph shall be added.

1 of management a report containing all necessary information
2 for the department of management to compile and calculate
3 amounts required to be included in the statements mailed under
4 paragraph "b". If a county or city fails to file all necessary
5 information with the department of management by 4:00 p.m. on
6 March 5, taxes levied by the county or city shall be limited to
7 the prior year's budget amount.

8 Sec. 27. Section 24.2A, subsection 2, paragraph b,
9 unnumbered paragraph 1, Code 2024, is amended to read as
10 follows:

11 Not later than March ~~20~~ 15, the county auditor, using
12 information compiled and calculated by the department of
13 management under paragraph "a", shall send to each property
14 owner or taxpayer within the county by regular mail an
15 individual statement containing all of the following for
16 each of the political subdivisions comprising the owner's or
17 taxpayer's taxing district:

18 Sec. 28. Section 24.2A, subsection 2, paragraph b,
19 subparagraphs (5) and (6), Code 2024, are amended to read as
20 follows:

21 (5) ~~An~~ For the budget for the fiscal year beginning July
22 1, 2024, an example comparing the amount of property taxes on
23 a residential property with an actual value of one hundred
24 thousand dollars in the current fiscal year and such amount
25 on the residential property using the proposed property
26 tax dollars for the budget year, including the percentage
27 difference percent change in such amounts. For the budget for
28 fiscal years beginning on or after July 1, 2025, an example
29 comparing the amount of property taxes on a residential
30 property with an actual value of one hundred thousand dollars
31 in the current fiscal year and one hundred ten percent of such
32 amount on the residential property using the proposed property
33 tax dollars for the budget year, including the percent change
34 in such amounts.

35 (6) ~~An~~ For the budget for the fiscal year beginning July

1 1, 2024, an example comparing the amount of property taxes
2 on a commercial property with an actual value of one hundred
3 thousand dollars in the current fiscal year and such amount on
4 the commercial property using the proposed property tax dollars
5 for the budget year, including the ~~percentage difference~~
6 percent change in such amounts. For the budget for fiscal
7 years beginning on or after July 1, 2025, an example comparing
8 the amount of property taxes on a commercial property with an
9 actual value of three hundred thousand dollars in the current
10 fiscal year and one hundred ten percent of such amount on the
11 commercial property using the proposed property tax dollars for
12 the budget year, including the percent change in such amounts.

13 Sec. 29. Section 24.2A, subsection 2, paragraph b, Code
14 2024, is amended by adding the following new subparagraph:

15 NEW SUBPARAGRAPH. (10) A link to the department of
16 management's internet site where the property owner or taxpayer
17 may view an example of the statement and a brief explanation of
18 the information included on the statement.

19 Sec. 30. Section 24.2A, subsection 4, paragraph a, Code
20 2024, is amended to read as follows:

21 a. Each political subdivision shall set a time and place
22 for a public hearing on the political subdivision's proposed
23 property tax amount for the budget year and the political
24 subdivision's information included in the statements under
25 subsection 2. The proposed property tax hearing shall be set
26 on a date on or after March 20 of the budget year immediately
27 preceding the budget year for which the tax is being proposed.
28 At the hearing, the governing body of the political subdivision
29 shall receive oral or written testimony from any resident or
30 property owner of the political subdivision. This public
31 hearing shall be separate from any other meeting of the
32 governing body of the political subdivision, including any
33 other meeting or public hearing relating to the political
34 subdivision's budget, and other business of the political
35 subdivision that is not related to the proposed property tax

1 amounts and the information in the statements shall not be
2 conducted at the public hearing. After all testimony has been
3 received and considered, the governing body may decrease, but
4 not increase, the proposed property tax amount to be included
5 in the political subdivision's budget.

6 Sec. 31. Section 24.2A, subsection 4, paragraph b, Code
7 2024, is amended by adding the following new subparagraph:

8 NEW SUBPARAGRAPH. (4) Failure of a newspaper to publish a
9 required notice under this paragraph shall not be considered a
10 failure of a political subdivision to provide required notice
11 under this paragraph if all of the following conditions are
12 met:

13 (a) Notice of the public hearing was provided to each
14 property owner and each taxpayer within the political
15 subdivision in statements required under subsection 2,
16 paragraph "b".

17 (b) The political subdivision can demonstrate to the county
18 auditor that the political subdivision provided sufficient time
19 for the newspaper to publish the notice.

20 Sec. 32. Section 24.2A, subsection 4, paragraph c, Code
21 2024, is amended to read as follows:

22 c. Notice of the hearing shall also be posted and clearly
23 identified on the political subdivision's internet site
24 for public viewing beginning on the date of the newspaper
25 publication and shall be maintained on the political
26 subdivision's internet site with all such prior year notices
27 ~~and copies of the statements mailed under subsection 2.~~

28 Additionally, if the political subdivision maintains a social
29 media account on one or more social media applications, the
30 public hearing notice or an electronic link to the public
31 hearing notice shall be posted on each such account on ~~the same~~
32 ~~day as the~~ a date no later than the date of publication of the
33 notice.

34 Sec. 33. Section 176A.8, subsection 6, Code 2024, is amended
35 to read as follows:

1 6. To prepare annually before ~~March 15~~ April 30 a budget for
2 the fiscal year beginning July 1 and ending the following June
3 30, in accordance with the provisions of **chapter 24** and certify
4 the budget to the board of supervisors of the county of their
5 extension district as required by law.

6 Sec. 34. Section 176A.10, subsection 1, unnumbered
7 paragraph 1, Code 2024, is amended to read as follows:

8 The extension council of each extension district shall, at
9 a meeting held before ~~March 15~~ April 30, estimate the amount
10 of money required to be raised by taxation for financing the
11 county agricultural extension education program authorized in
12 this chapter. The annual tax levy and the amount of money to
13 be raised from the levy for the county agricultural extension
14 education fund shall not exceed the following:

15 Sec. 35. Section 257.19, subsection 2, Code 2024, is amended
16 to read as follows:

17 2. Certification of a board's intent to participate for a
18 budget year, the method of funding, and the amount to be raised
19 shall be made to the department of management not later than
20 ~~April 15~~ 30 of the base year. Funding for the instructional
21 support program shall be obtained from instructional support
22 state aid and from local funding using either an instructional
23 support property tax or a combination of an instructional
24 support property tax and an instructional support income
25 surtax.

26 Sec. 36. Section 309.93, unnumbered paragraph 1, Code 2024,
27 is amended to read as follows:

28 On or before ~~April 15~~ 30 of each year, the board of
29 supervisors, with the assistance of the county engineer, shall
30 adopt and submit to the department for approval the county
31 secondary road budget for the next fiscal year. The budget
32 shall include an itemized statement of:

33 Sec. 37. Section 331.301, Code 2024, is amended by adding
34 the following new subsection:

35 NEW SUBSECTION. 9A. Pursuant to the general grant of home

1 rule power conferred by the Constitution of the State of Iowa
2 and if not inconsistent with the laws of the general assembly,
3 a county that has designated more than one city to be a county
4 seat may consolidate or reduce the number of county seats by
5 ordinance.

6 Sec. 38. Section 331.434, subsection 7, Code 2024, is
7 amended by striking the subsection and inserting in lieu
8 thereof the following:

9 7. a. A county may collect taxes for a fiscal year for
10 which no budget has been certified, but the county shall not
11 distribute any funds collected for a fiscal year until the
12 county certifies its budget and transmits the certified budget
13 to the county auditor.

14 b. Taxes levied by a county whose budget is certified after
15 April 30 shall be limited to the taxes levied for the previous
16 fiscal year subject to applicable levy rate limits in this
17 chapter. However, that amount shall not exceed the amount the
18 county could collect based on property assessments for the
19 fiscal year for which the county failed to certify property
20 taxes.

21 c. The department of management may waive the limitation
22 in paragraph "b" for a county if the department of management
23 finds, after a showing of evidence by the county, that failure
24 to certify the budget by April 30 was caused by one or more of
25 the following:

26 (1) A newspaper failed to publish a notice of hearing
27 as required under section 24.2A after the county gave the
28 newspaper sufficient time to publish the notice.

29 (2) A verifiable public emergency or weather-related event
30 which forced the cancellation of a public hearing as required
31 under section 24.2A.

32 (3) An illness or unexpected vacancy of one or more board
33 members caused a lack of a quorum necessary to hold a hearing
34 as required under section 24.2A.

35 (4) A failure of state software or a state process caused

1 the board to miss the required date to certify the county's
2 budget.

3 Sec. 39. Section 331.510, subsection 3, Code 2024, is
4 amended to read as follows:

5 3. An annual report not later than January 1 to the
6 department of management of the valuation by class of property
7 for each taxing district in the county as instructed by and on
8 forms provided by the department of management. The valuations
9 reported shall be those valuations used for determining
10 the levy rates necessary to fund the budgets of the taxing
11 districts for the following fiscal year. Each annual report
12 under this subsection for assessment years beginning on
13 or after January 1, 2024, shall distinguish such values as
14 revaluation or other type of addition to value, as defined
15 and submitted in the assessor's abstract transmitted to the
16 department of revenue under section 441.45.

17 Sec. 40. Section 384.1, subsection 3, paragraph c, Code
18 2024, is amended by adding the following new subparagraph:

19 NEW SUBPARAGRAPH. (4) Notwithstanding other provisions of
20 this paragraph, if a city's actual levy rate for the current
21 fiscal year is zero dollars per thousand dollars of assessed
22 value and the total assessed value used to calculate taxes
23 under this paragraph for the budget year exceeds one hundred
24 two and seventy-five hundredths percent, the city's tax levy
25 imposed by this paragraph may be levied at a rate not to exceed
26 eight dollars and ten cents per thousand dollars of assessed
27 valuation.

28 Sec. 41. Section 384.16, subsection 6, Code 2024, is amended
29 by striking the subsection and inserting in lieu thereof the
30 following:

31 6. a. Taxes from a city levy may be collected for a fiscal
32 year for which no budget has been certified, but the county
33 shall not distribute any funds collected from the levies to
34 the city until the city certifies its budget and transmits the
35 certified budget to the county auditor.

1 *b.* Taxes levied by a city whose budget is certified after
2 April 30 shall be limited to the taxes levied for the previous
3 fiscal year subject to applicable levy rate limits in this
4 chapter. However, that amount shall not exceed the amount the
5 city could collect based on property assessments for the fiscal
6 year for which the city failed to certify property taxes.

7 *c.* The department of management may waive the limitation
8 in paragraph “*b*” for a city if the department of management
9 finds, after a showing of evidence by the city, that failure
10 to certify the budget by April 30 was caused by one or more of
11 the following:

12 (1) A newspaper failed to publish a notice of hearing as
13 required under section 24.2A after the city gave the newspaper
14 sufficient time to publish the notice.

15 (2) A verifiable public emergency or weather-related event
16 which forced the cancellation of a public hearing as required
17 under section 24.2A.

18 (3) An illness or unexpected vacancy of one or more council
19 members caused a lack of a quorum necessary to hold a hearing
20 as required under section 24.2A.

21 (4) A failure of state software or a state process caused
22 the council to miss the required date to certify the city’s
23 budget.

24 Sec. 42. Section 403.22, subsection 5, Code 2024, is amended
25 to read as follows:

26 5. *a.* Except for a municipality with a population under
27 fifteen thousand, the division of the revenue under section
28 403.19 for each project under [this section](#) shall be limited
29 to tax collections for ten fiscal years beginning with the
30 second fiscal year after the year in which the municipality
31 first certifies to the county auditor the amount of any loans,
32 advances, indebtedness, or bonds which qualify for payment from
33 the division of the revenue in connection with the project.

34 *b.* A municipality with a population under fifteen thousand
35 may, with the approval of the governing bodies of all other

1 affected taxing districts, extend the division of revenue under
2 section 403.19 for up to five years if necessary to adequately
3 fund the project.

4 c. Notwithstanding other time limitations provided by this
5 subsection, for urban renewal areas established before January
6 1, 2018, a municipality may, with the approval of the governing
7 bodies of all other affected taxing districts, extend the
8 division of revenue under section 403.19 for up to three years
9 if necessary to adequately fund the project.

10 d. The portion of the urban renewal area which is involved
11 in a project under [this section](#) shall not be subject to any
12 subsequent division of revenue under [section 403.19](#).

13 Sec. 43. Section 425.1A, Code 2024, is amended by adding the
14 following new subsection:

15 NEW SUBSECTION. 3. The list of the names, addresses,
16 and dates of birth of individuals allowed an exemption
17 under this section and maintained by the county recorder,
18 county treasurer, county assessor, city assessor, or other
19 governmental body and obtained for purposes of allowing an
20 exemption under this section is confidential information and
21 shall not be disseminated to any person unless otherwise
22 ordered by a court or released by the lawful custodian of
23 the records pursuant to state or federal law. The county
24 recorder, county treasurer, county assessor, city assessor,
25 or other governmental body responsible for maintaining the
26 names, addresses, and dates of birth of individuals allowed
27 an exemption under this section may display such exemption on
28 individual paper records and individual electronic records,
29 including display on an internet site.

30 Sec. 44. Section 441.45, Code 2024, is amended by adding the
31 following new subsection:

32 NEW SUBSECTION. 3. An assessor shall report valuations
33 of real property by parcel, including identifying additions
34 by revaluation or other type of addition to value, and shall
35 transmit and maintain the data in a manner that is compatible

1 with software used by the county auditor and that allows the
2 county auditor to use the data to file the reports required by
3 section 331.510, subsections 3 and 4.

4 Sec. 45. 2023 Iowa Acts, chapter 71, section 137, is amended
5 to read as follows:

6 SEC. 137. [Section 8.6](#), Code 2023, is amended by adding the
7 following new subsection:

8 NEW SUBSECTION. 17. *County and city bond issuance.* To
9 annually prepare and file with the general assembly by ~~December~~
10 January 1 a report specifying the updated population thresholds
11 as adjusted under [section 331.442, subsection 5](#), and section
12 384.26, subsection 5, and detailing the use of the bond
13 issuance procedures under [section 331.442, subsection 5](#), and
14 section 384.26, subsection 5, including the usage of such
15 procedures by counties and cities based on the population-based
16 limitations and the amount of bonds issued for each such usage.

17 Sec. 46. REPEAL. 1848 Iowa Acts, First Extraordinary
18 Session, chapter 52, is repealed.

19 Sec. 47. EFFECTIVE DATE. The following, being deemed of
20 immediate importance, take effect upon enactment:

21 1. The section of this division of this Act enacting section
22 24.2A, subsection 2, paragraph "b", subparagraph (10).

23 2. The section of this division of this Act enacting section
24 24.2A, subsection 4, paragraph "b", subparagraph (4).

25 3. The section of this division of this Act amending section
26 24.2A, subsection 4, paragraph "c".

27 4. The section of this division of this division of this Act
28 amending section 176A.8, subsection 6.

29 5. The section of this division of this Act amending section
30 176A.10, subsection 1, unnumbered paragraph 1.

31 6. The section of this division of this Act amending section
32 257.19, subsection 2.

33 7. The section of this division of this Act amending section
34 309.93, unnumbered paragraph 1.

35 8. The section of this division of this Act enacting section

1 331.301, subsection 9A.

2 9. The section of this division of this Act amending section
3 331.434, subsection 7.

4 10. The section of this division of this Act amending
5 section 331.510, subsection 3.

6 11. The section of this division of this Act enacting
7 section 384.1, subsection 3, paragraph "c", subparagraph (4).

8 12. The section of this division of this Act amending
9 section 384.16, subsection 6.

10 13. The section of this division of this Act amending
11 section 403.22, subsection 5.

12 14. The section of this division of this Act enacting
13 section 441.45, subsection 3.

14 15. The section of this division of this Act repealing 1848
15 Iowa Acts, First Extraordinary Session, chapter 52.

16 Sec. 48. RETROACTIVE APPLICABILITY. The following apply
17 retroactively to January 1, 2024:

18 1. The sections of this division of this Act enacting the
19 following:

20 a. Section 24.2A, subsection 2, paragraph "b", subparagraph
21 (10).

22 b. Section 24.2A, subsection 4, paragraph "b", subparagraph
23 (4).

24 2. The sections of this division of this Act amending the
25 following:

26 a. Section 24.2A, subsection 4, paragraph "c".

27 b. Section 176A.8, subsection 6.

28 c. Section 176A.10, subsection 1, unnumbered paragraph 1.

29 d. Section 257.19, subsection 2.

30 e. Section 309.93, unnumbered paragraph 1.

31

DIVISION V

32

COMPENSATION OF ELECTED COUNTY OFFICIALS

33 Sec. 49. Section 331.212, subsection 2, Code 2024, is
34 amended by adding the following new paragraphs:

35 NEW PARAGRAPH. *i.* Setting the compensation schedule of

1 elected county officers, if the board has not established or
2 has dissolved a county compensation board pursuant to section
3 331.905.

4 NEW PARAGRAPH. *j.* Dissolving a county compensation board.
5 Sec. 50. Section 331.321, subsection 1, paragraph 1, Code
6 2024, is amended to read as follows:

7 1. Two members of the county compensation board in
8 accordance with section 331.905, if the board of supervisors
9 has established a county compensation board.

10 Sec. 51. Section 331.322, subsections 6 and 7, Code 2024,
11 are amended to read as follows:

12 6. ~~Review~~ Annually prepare and review the compensation
13 schedule, or review the final compensation schedule of the
14 county compensation board if the board of supervisors has
15 established a county compensation board, and determine the
16 final compensation schedule in accordance with section 331.907.

17 7. Provide necessary office facilities and the technical
18 and clerical assistance requested by the county compensation
19 board to accomplish the purposes of sections 331.905 and
20 331.907, if the board of supervisors has established a county
21 compensation board.

22 Sec. 52. Section 331.905, subsection 1, unnumbered
23 paragraph 1, Code 2024, is amended to read as follows:

24 ~~There is created in each county~~ A board of supervisors may
25 vote to establish a county compensation board which subject to
26 the provisions of this section. The county compensation board
27 shall be composed of seven members who are residents of the
28 county. The members of the county compensation board shall be
29 selected as follows:

30 Sec. 53. Section 331.905, Code 2024, is amended by adding
31 the following new subsection:

32 NEW SUBSECTION. 7. A board of supervisors may dissolve a
33 county compensation board upon a majority vote of the members
34 of the board of supervisors. If the board of supervisors
35 has not established or has dissolved the county compensation

1 board, the board of supervisors shall carry out the duties
2 as the county compensation board, including as provided in
3 section 331.907. Pursuant to section 331.907, in setting
4 the salary of the county sheriff, the board of supervisors
5 shall set the sheriff's salary so that it is comparable to
6 salaries paid to professional law enforcement administrators
7 and command officers of the state patrol, the division of
8 criminal investigation of the department of public safety, and
9 city police chiefs employed by cities of similar population to
10 the population of the county.

11 Sec. 54. Section 331.907, subsections 1 and 2, Code 2024,
12 are amended to read as follows:

13 1. The annual compensation of the auditor, treasurer,
14 recorder, sheriff, county attorney, and supervisors shall
15 be determined as provided in [this section](#). The county
16 compensation board annually shall review the compensation
17 paid to comparable officers in other counties of this state,
18 other states, private enterprise, and the federal government.
19 In setting the salary of the county sheriff, the county
20 compensation board shall set the sheriff's salary so that it
21 is comparable to salaries paid to professional law enforcement
22 administrators and command officers of the state patrol,
23 the division of criminal investigation of the department of
24 public safety, and city police chiefs employed by cities of
25 similar population to the population of the county. The county
26 compensation board shall prepare a compensation schedule
27 for the ~~elective~~ elected county officers for the succeeding
28 fiscal year. The county compensation board shall provide
29 documentation to the board of supervisors that demonstrates
30 how the county compensation board determined the recommended
31 compensation schedule, including by providing the applicable
32 compensation information for comparable officers in other
33 counties of this state, other states, private enterprise, and
34 the federal government. A recommended compensation schedule
35 requires a majority vote of the membership of the county

1 compensation board.

2 2. At the public hearing held on the county budget as
3 provided in [section 331.434](#), the county compensation board
4 shall submit its recommended compensation schedule for the
5 next fiscal year to the board of supervisors for inclusion
6 in the county budget. The board of supervisors shall review
7 the recommended compensation schedule for the elected county
8 officers and determine the final compensation schedule ~~which~~
9 ~~shall not exceed the compensation schedule recommended by~~
10 ~~the county compensation board. In determining the final~~
11 ~~compensation schedule if the board of supervisors wishes to~~
12 ~~reduce the amount of the recommended compensation schedule,~~
13 ~~the amount of salary increase proposed for each elected county~~
14 ~~officer, except as provided in [subsection 3](#), shall be reduced~~
15 ~~an equal percentage. In determining the final compensation~~
16 ~~schedule for the elected county officers, the board of~~
17 ~~supervisors may set compensation at less than the compensation~~
18 ~~provided in the current compensation schedule if the position~~
19 ~~is reduced to part-time under the recommended compensation~~
20 ~~schedule.~~ A copy of the final compensation schedule shall be
21 filed with the county budget at the office of the director of
22 the department of management. The final compensation schedule
23 takes effect on July 1 following its adoption by the board
24 of supervisors. For purposes of this subsection, "current
25 compensation schedule" means the compensation schedule in
26 effect when the board of supervisors considers the recommended
27 compensation schedule.

28 DIVISION VI

29 COUNTY AND CITY PROPERTY TAXES

30 Sec. 55. Section 331.423, subsection 1, paragraph b,
31 subparagraphs (2) and (3), Code 2024, are amended to read as
32 follows:

33 (2) (a) If the total assessed value used to calculate
34 taxes for general county services under this paragraph for the
35 budget year exceeds one hundred ~~three~~ two and seventy-five

1 hundredths percent, but is less than one hundred ~~six~~ four
2 percent, of the total assessed value used to calculate taxes
3 for general county services for the current fiscal year, the
4 adjusted general county basic levy rate, as previously adjusted
5 under this subparagraph, if applicable, shall be reduced to
6 a rate per thousand dollars of assessed value that is equal
7 to one thousand multiplied by the quotient of the current
8 fiscal year's actual property tax dollars certified for levy
9 under this subsection 1 divided by one hundred ~~two~~ one percent
10 of the total assessed value used to calculate such taxes for
11 the current fiscal year. For the budget year beginning July
12 1, 2024, only, the current fiscal year's actual property tax
13 dollars certified for levy under this subsection 1 shall also
14 include property tax dollar amounts levied for general county
15 services by the county under section 331.426, Code 2023, for
16 the fiscal year beginning July 1, 2023.

17 (b) If the total assessed value used to calculate taxes for
18 general county services under this paragraph for the budget
19 year is equal to or exceeds one hundred four percent, but
20 is less than one hundred six percent, of the total assessed
21 value used to calculate taxes for general county services for
22 the current fiscal year, the adjusted general county basic
23 levy rate, as previously adjusted under this subparagraph, if
24 applicable, shall be reduced to a rate per thousand dollars
25 of assessed value that is equal to one thousand multiplied
26 by the quotient of the current fiscal year's actual property
27 tax dollars certified for levy under this subsection 1 divided
28 by one hundred two percent of the total assessed value used
29 to calculate such taxes for the current fiscal year. For
30 the budget year beginning July 1, 2024, only, the current
31 fiscal year's actual property tax dollars certified for levy
32 under this subsection 1 shall also include property tax dollar
33 amounts levied for general county services by the county under
34 section 331.426, Code 2023, for the fiscal year beginning July
35 1, 2023.

1 (c) If the total assessed value used to calculate taxes
2 for general county services under this paragraph for the
3 budget year is equal to or exceeds one hundred six percent of
4 the total assessed value used to calculate taxes for general
5 county services for the current fiscal year, the adjusted
6 general county basic levy rate, as previously adjusted under
7 this subparagraph, if applicable, shall be reduced to a rate
8 per thousand dollars of assessed value that is equal to one
9 thousand multiplied by the quotient of the current fiscal
10 year's actual property tax dollars certified for levy under
11 this subsection 1 divided by one hundred three percent of
12 the total assessed value used to calculate such taxes for
13 the current fiscal year. For the budget year beginning July
14 1, 2024, only, the current fiscal year's actual property tax
15 dollars certified for levy under [this subsection 1](#) shall also
16 include property tax dollar amounts levied for general county
17 services by the county under [section 331.426, Code 2023](#), for
18 the fiscal year beginning July 1, 2023.

19 (3) (a) (i) In addition to the limitation under
20 subparagraph (2), if the county's actual levy rate imposed
21 under [this subsection 1](#) for the current fiscal year is three
22 dollars and fifty cents or less per thousand dollars of
23 assessed value and the total assessed value used to calculate
24 taxes for general county services under this paragraph for the
25 budget year exceeds one hundred ~~three~~ two and seventy-five
26 hundredths percent, but is less than one hundred ~~six~~ four
27 percent, of the total assessed value used to calculate taxes
28 for general county services for the current fiscal year, the
29 levy rate imposed under [this subsection 1](#) for the budget year
30 shall not exceed a rate per thousand dollars of assessed value
31 that is equal to one thousand multiplied by the quotient of the
32 current fiscal year's actual property tax dollars certified for
33 levy under [this subsection 1](#) divided by one hundred ~~two~~ one
34 percent of the total assessed value used to calculate taxes for
35 general county services for the current fiscal year.

1 (ii) For the budget year beginning July 1, 2024, only,
2 the county's actual levy rate imposed under [this subsection 1](#)
3 for the current fiscal year shall also include the amount per
4 thousand dollars of assessed value levied for general county
5 services by the county under [section 331.426, Code 2023](#), for
6 the fiscal year beginning July 1, 2023, and the current fiscal
7 year's actual property tax dollars certified for levy under
8 this subsection 1 shall also include amounts levied for general
9 county services by the county under [section 331.426, Code 2023](#),
10 for the fiscal year beginning July 1, 2023.

11 (b) (i) In addition to the limitation under subparagraph
12 (2), if the county's actual levy rate imposed under this
13 subsection 1 for the current fiscal year is three dollars and
14 fifty cents or less per thousand dollars of assessed value and
15 the total assessed value used to calculate taxes for general
16 county services under this paragraph for the budget year is
17 equal to or exceeds one hundred four percent, but is less than
18 one hundred six percent, of the total assessed value used to
19 calculate taxes for general county services for the current
20 fiscal year, the levy rate imposed under this subsection 1 for
21 the budget year shall not exceed a rate per thousand dollars
22 of assessed value that is equal to one thousand multiplied by
23 the quotient of the current fiscal year's actual property tax
24 dollars certified for levy under this subsection 1 divided by
25 one hundred two percent of the total assessed value used to
26 calculate taxes for general county services for the current
27 fiscal year.

28 (ii) For the budget year beginning July 1, 2024, only,
29 the county's actual levy rate imposed under this subsection 1
30 for the current fiscal year shall also include the amount per
31 thousand dollars of assessed value levied for general county
32 services by the county under section 331.426, Code 2023, for
33 the fiscal year beginning July 1, 2023, and the current fiscal
34 year's actual property tax dollars certified for levy under
35 this subsection 1 shall also include amounts levied for general

1 county services by the county under section 331.426, Code 2023,
2 for the fiscal year beginning July 1, 2023.

3 (c) (i) In addition to the limitation under subparagraph
4 (2), if the county's actual levy rate imposed under this
5 subsection 1 for the current fiscal year is three dollars and
6 fifty cents or less per thousand dollars of assessed value and
7 the total assessed value used to calculate taxes for general
8 county services under this paragraph for the budget year is
9 equal to or exceeds one hundred six percent of the total
10 assessed value used to calculate taxes for general county
11 services for the current fiscal year, the levy rate imposed
12 under [this subsection 1](#) for the budget year shall not exceed a
13 rate per thousand dollars of assessed value that is equal to
14 one thousand multiplied by the quotient of the current fiscal
15 year's actual property tax dollars certified for levy under
16 this subsection 1 divided by one hundred three percent of the
17 total assessed value used to calculate taxes for general county
18 services for the current fiscal year.

19 (ii) For the budget year beginning July 1, 2024, only,
20 the county's actual levy rate imposed under [this subsection 1](#)
21 for the current fiscal year shall also include the amount per
22 thousand dollars of assessed value levied for general county
23 services by the county under [section 331.426, Code 2023](#), for
24 the fiscal year beginning July 1, 2023, and the current fiscal
25 year's actual property tax dollars certified for levy under
26 this subsection 1 shall also include amounts levied for general
27 county services by the county under [section 331.426, Code 2023](#),
28 for the fiscal year beginning July 1, 2023.

29 Sec. 56. Section 331.423, subsection 2, paragraph b,
30 subparagraphs (2) and (3), Code 2024, are amended to read as
31 follows:

32 (2) (a) If the total assessed value used to calculate
33 taxes for rural county services under this paragraph for the
34 budget year exceeds one hundred ~~three~~ two and seventy-five
35 hundredths percent, but is less than one hundred ~~six~~ four

1 percent, of the total assessed value used to calculate taxes
2 for rural county services for the current fiscal year, the
3 adjusted rural county basic levy rate, as previously adjusted
4 under this subparagraph, if applicable, shall be reduced to
5 a rate per thousand dollars of assessed value that is equal
6 to one thousand multiplied by the quotient of the current
7 fiscal year's actual property tax dollars certified for levy
8 under [this subsection 2](#) divided by one hundred ~~two~~ one percent
9 of the total assessed value used to calculate such taxes for
10 the current fiscal year. For the budget year beginning July
11 1, 2024, only, the current fiscal year's actual property tax
12 dollars certified for levy under [this subsection 2](#) shall also
13 include property tax dollar amounts levied for rural county
14 services by the county under [section 331.426, Code 2023](#), for
15 the fiscal year beginning July 1, 2023.

16 (b) If the total assessed value used to calculate taxes
17 for rural county services under this paragraph for the budget
18 year is equal to or exceeds one hundred four percent, but
19 is less than one hundred six percent, of the total assessed
20 value used to calculate taxes for rural county services for
21 the current fiscal year, the adjusted rural county basic levy
22 rate, as previously adjusted under this subparagraph, if
23 applicable, shall be reduced to a rate per thousand dollars
24 of assessed value that is equal to one thousand multiplied
25 by the quotient of the current fiscal year's actual property
26 tax dollars certified for levy under this subsection 2 divided
27 by one hundred two percent of the total assessed value used
28 to calculate such taxes for the current fiscal year. For
29 the budget year beginning July 1, 2024, only, the current
30 fiscal year's actual property tax dollars certified for levy
31 under this subsection 2 shall also include property tax dollar
32 amounts levied for rural county services by the county under
33 section 331.426, Code 2023, for the fiscal year beginning July
34 1, 2023.

35 (c) If the total assessed value used to calculate taxes

1 for rural county services under this paragraph for the budget
2 year is equal to or exceeds one hundred six percent of the
3 total assessed value used to calculate taxes for rural county
4 services for the current fiscal year, the adjusted rural
5 county basic levy rate, as previously adjusted under this
6 subparagraph, if applicable, shall be reduced to a rate
7 per thousand dollars of assessed value that is equal to one
8 thousand multiplied by the quotient of the current fiscal
9 year's actual property tax dollars certified for levy under
10 this subsection 2 divided by one hundred three percent of
11 the total assessed value used to calculate such taxes for
12 the current fiscal year. For the budget year beginning July
13 1, 2024, only, the current fiscal year's actual property tax
14 dollars certified for levy under [this subsection 2](#) shall also
15 include property tax dollar amounts levied for rural county
16 services by the county under [section 331.426, Code 2023](#), for
17 the fiscal year beginning July 1, 2023.

18 (3) (a) (i) In addition to the limitation under
19 subparagraph (2), if the county's actual levy rate imposed
20 under this paragraph for the current fiscal year is three
21 dollars and ninety-five cents or less per thousand dollars of
22 assessed value and the total assessed value used to calculate
23 taxes for rural county services under this paragraph for the
24 budget year exceeds one hundred ~~three~~ two and seventy-five
25 hundredths percent, but is less than one hundred ~~six~~ four
26 percent, of the total assessed value used to calculate taxes
27 for rural county services for the current fiscal year, the levy
28 rate imposed under [this subsection 2](#) for the budget year shall
29 not exceed a rate per thousand dollars of assessed value that
30 is equal to one thousand multiplied by the quotient of the
31 current fiscal year's actual property tax dollars certified for
32 levy under [this subsection 2](#) divided by one hundred ~~two~~ one
33 percent of the total assessed value used to calculate taxes for
34 rural county services for the current fiscal year.

35 (ii) For the budget year beginning July 1, 2024, only,

1 the county's actual levy rate imposed under this subsection
2 2 for the current fiscal year shall also include the amount
3 per thousand dollars of assessed value levied for rural county
4 services by the county under [section 331.426, Code 2023](#), for
5 the fiscal year beginning July 1, 2023, and the current fiscal
6 year's actual property tax dollars certified for levy under
7 this subsection 2 shall also include amounts levied for rural
8 county services by the county under [section 331.426, Code 2023](#),
9 for the fiscal year beginning July 1, 2023.

10 (b) (i) In addition to the limitation under subparagraph
11 (2), if the county's actual levy rate imposed under this
12 paragraph for the current fiscal year is three dollars and
13 ninety-five cents or less per thousand dollars of assessed
14 value and the total assessed value used to calculate taxes
15 for rural county services under this paragraph for the budget
16 year exceeds one hundred four percent, but is less than one
17 hundred six percent, of the total assessed value used to
18 calculate taxes for rural county services for the current
19 fiscal year, the levy rate imposed under this subsection 2 for
20 the budget year shall not exceed a rate per thousand dollars
21 of assessed value that is equal to one thousand multiplied
22 by the quotient of the current fiscal year's actual property
23 tax dollars certified for levy under this subsection 2 divided
24 by one hundred two percent of the total assessed value used
25 to calculate taxes for rural county services for the current
26 fiscal year.

27 (ii) For the budget year beginning July 1, 2024, only,
28 the county's actual levy rate imposed under this subsection
29 2 for the current fiscal year shall also include the amount
30 per thousand dollars of assessed value levied for rural county
31 services by the county under section 331.426, Code 2023, for
32 the fiscal year beginning July 1, 2023, and the current fiscal
33 year's actual property tax dollars certified for levy under
34 this subsection 2 shall also include amounts levied for rural
35 county services by the county under section 331.426, Code 2023,

1 for the fiscal year beginning July 1, 2023.

2 (c) (i) In addition to the limitation under subparagraph
3 (2), if the county's actual levy rate imposed under this
4 subsection 2 for the current fiscal year is three dollars and
5 ninety-five cents or less per thousand dollars of assessed
6 value and the total assessed value used to calculate taxes
7 for rural county services under this paragraph for the budget
8 year is equal to or exceeds one hundred six percent of the
9 total assessed value used to calculate taxes for rural county
10 services for the current fiscal year, the levy rate imposed
11 under [this subsection 2](#) for the budget year shall not exceed a
12 rate per thousand dollars of assessed value that is equal to
13 one thousand multiplied by the quotient of the current fiscal
14 year's actual property tax dollars certified for levy under
15 this subsection 2 divided by one hundred three percent of the
16 total assessed value used to calculate taxes for rural county
17 services for the current fiscal year.

18 (ii) For the budget year beginning July 1, 2024, only,
19 the county's actual levy rate imposed under this subsection
20 2 for the current fiscal year shall also include the amount
21 per thousand dollars of assessed value levied for rural county
22 services by the county under [section 331.426, Code 2023](#), for
23 the fiscal year beginning July 1, 2023, and the current fiscal
24 year's actual property tax dollars certified for levy under
25 this subsection 2 shall also include amounts levied for rural
26 county services by the county under [section 331.426, Code 2023](#),
27 for the fiscal year beginning July 1, 2023.

28 Sec. 57. Section 384.1, subsection 3, paragraph c,
29 subparagraphs (2) and (3), Code 2024, are amended to read as
30 follows:

31 (2) (a) If the total assessed value used to calculate
32 taxes under this paragraph for the budget year exceeds one
33 hundred ~~three~~ two and seventy-five hundredths percent, but is
34 less than one hundred ~~six~~ four percent, of the total assessed
35 value used to calculate taxes under [this subsection](#) for the

1 current fiscal year, the adjusted city general fund levy rate,
2 as previously adjusted under this subparagraph, if applicable,
3 shall be reduced to a rate per thousand dollars of assessed
4 value that is equal to one thousand multiplied by the quotient
5 of the current fiscal year's actual property tax dollars
6 certified for levy under **this subsection** divided by one hundred
7 ~~two~~ one percent of the total assessed value used to calculate
8 such taxes for the current fiscal year. For the budget year
9 beginning July 1, 2024, only, the current fiscal year's actual
10 property tax dollars certified for levy under **this subsection**
11 shall also include property tax dollar amounts levied under the
12 provisions specified in paragraph "b", subparagraphs (1), (2),
13 and (3).

14 (b) If the total assessed value used to calculate taxes
15 under this paragraph for the budget year exceeds one hundred
16 four percent, but is less than one hundred six percent, of
17 the total assessed value used to calculate taxes under this
18 subsection for the current fiscal year, the adjusted city
19 general fund levy rate, as previously adjusted under this
20 subparagraph, if applicable, shall be reduced to a rate
21 per thousand dollars of assessed value that is equal to one
22 thousand multiplied by the quotient of the current fiscal
23 year's actual property tax dollars certified for levy under
24 this subsection divided by one hundred two percent of the total
25 assessed value used to calculate such taxes for the current
26 fiscal year. For the budget year beginning July 1, 2024, only,
27 the current fiscal year's actual property tax dollars certified
28 for levy under this subsection shall also include property
29 tax dollar amounts levied under the provisions specified in
30 paragraph "b", subparagraphs (1), (2), and (3).

31 (c) If the total assessed value used to calculate taxes
32 under this paragraph for the budget year is equal to or exceeds
33 one hundred six percent of the total assessed value used to
34 calculate taxes under **this subsection** for the current fiscal
35 year, the adjusted city general fund levy rate, as previously

1 adjusted under this subparagraph, if applicable, shall be
2 reduced to a rate per thousand dollars of assessed value that
3 is equal to one thousand multiplied by the quotient of the
4 current fiscal year's actual property tax dollars certified for
5 levy under **this subsection** divided by one hundred three percent
6 of the total assessed value used to calculate such taxes for
7 the current fiscal year. For the budget year beginning July
8 1, 2024, only, the current fiscal year's actual property tax
9 dollars certified for levy under **this subsection** shall also
10 include property tax dollar amounts levied under the provisions
11 specified in paragraph "b", subparagraphs (1), (2), and (3).

12 (3) (a) (i) In addition to the limitation under
13 subparagraph (2), if the city's actual levy rate imposed under
14 this subsection for the current fiscal year is eight dollars
15 and ten cents or less per thousand dollars of assessed value
16 and the total assessed value used to calculate taxes under this
17 paragraph for the budget year exceeds one hundred ~~three~~ two and
18 seventy-five hundredths percent, but is less than one hundred
19 ~~six~~ four percent, of the total assessed value used to calculate
20 taxes under **this subsection** for the current fiscal year, the
21 levy rate imposed under this paragraph for the budget year
22 shall not exceed a rate per thousand dollars of assessed value
23 that is equal to one thousand multiplied by the quotient of the
24 current fiscal year's actual property tax dollars certified for
25 levy under **this subsection** divided by one hundred two percent
26 of the total assessed value used to calculate taxes under this
27 subsection for the current fiscal year.

28 (ii) For the budget year beginning July 1, 2024, only, the
29 city's actual levy rate imposed under **this subsection** for the
30 current fiscal year shall also include the sum of the amounts
31 per thousand dollars of assessed value specified in paragraph
32 "b", subparagraphs (1), (2), and (3), and the current fiscal
33 year's actual property tax dollars certified for levy under
34 this subsection shall also include property tax dollar amounts
35 levied by the city under the provisions specified in paragraph

1 "b", subparagraphs (1), (2), and (3).

2 (b) (i) In addition to the limitation under subparagraph
3 (2), if the city's actual levy rate imposed under this
4 subsection for the current fiscal year is eight dollars and
5 ten cents or less per thousand dollars of assessed value and
6 the total assessed value used to calculate taxes under this
7 paragraph for the budget year exceeds one hundred four percent,
8 but is less than one hundred six percent, of the total assessed
9 value used to calculate taxes under this subsection for the
10 current fiscal year, the levy rate imposed under this paragraph
11 for the budget year shall not exceed a rate per thousand
12 dollars of assessed value that is equal to one thousand
13 multiplied by the quotient of the current fiscal year's actual
14 property tax dollars certified for levy under this subsection
15 divided by one hundred two percent of the total assessed value
16 used to calculate taxes under this subsection for the current
17 fiscal year.

18 (ii) For the budget year beginning July 1, 2024, only, the
19 city's actual levy rate imposed under this subsection for the
20 current fiscal year shall also include the sum of the amounts
21 per thousand dollars of assessed value specified in paragraph
22 "b", subparagraphs (1), (2), and (3), and the current fiscal
23 year's actual property tax dollars certified for levy under
24 this subsection shall also include property tax dollar amounts
25 levied by the city under the provisions specified in paragraph
26 "b", subparagraphs (1), (2), and (3).

27 (c) (i) In addition to the limitation under subparagraph
28 (2), if the city's actual levy rate imposed under this
29 subsection for the current fiscal year is eight dollars and
30 ten cents or less per thousand dollars of assessed value
31 and the total assessed value used to calculate taxes under
32 this paragraph for the budget year is equal to or exceeds
33 one hundred six percent of the total assessed value used to
34 calculate taxes under **this subsection** for the current fiscal
35 year, the levy rate imposed under this paragraph for the budget

1 year shall not exceed a rate per thousand dollars of assessed
2 value that is equal to one thousand multiplied by the quotient
3 of the current fiscal year's actual property tax dollars
4 certified for levy under [this subsection](#) divided by one hundred
5 three percent of the total assessed value used to calculate
6 taxes under [this subsection](#) for the current fiscal year.

7 (ii) For the budget year beginning July 1, 2024, only, the
8 city's actual levy rate imposed under [this subsection](#) for the
9 current fiscal year shall also include the sum of the amounts
10 per thousand dollars of assessed value specified in paragraph
11 "b", subparagraphs (1), (2), and (3), and the current fiscal
12 year's actual property tax dollars certified for levy under
13 this subsection shall also include property tax dollar amounts
14 levied by the city under the provisions specified in paragraph
15 "b", subparagraphs (1), (2), and (3).

16 Sec. 58. APPLICABILITY. This division of this Act applies
17 to taxes and budgets for fiscal years beginning on or after
18 July 1, 2025.

19 DIVISION VII

20 PROPERTY TAX ASSESSMENT LIMITATIONS

21 Sec. 59. Section 441.21, subsection 5, paragraph a, Code
22 2024, is amended to read as follows:

23 a. (1) For valuations established as of January 1, 1979,
24 property valued by the department of revenue pursuant to
25 chapters ~~428~~, ~~433~~, and 437, and ~~438~~ shall be considered as
26 one class of property and shall be assessed as a percentage
27 of its actual value. The percentage shall be determined by
28 the director of revenue in accordance with the provisions of
29 this section. For valuations established as of January 1,
30 1979, the percentage shall be the quotient of the dividend and
31 divisor as defined in [this section](#). The dividend shall be the
32 total actual valuation established for 1978 by the department
33 of revenue, plus ten percent of the amount so determined.
34 The divisor for property valued by the department of revenue
35 pursuant to chapters ~~428~~, ~~433~~, and 437, and ~~438~~ shall be the

1 valuation established for 1978, plus the amount of value added
2 to the total actual value by the revaluation of the property
3 by the department of revenue as of January 1, 1979. For
4 valuations established as of January 1, 1980, property valued
5 by the department of revenue pursuant to chapters ~~428~~, 433, and
6 437, and ~~438~~ shall be assessed at a percentage of its actual
7 value. The percentage shall be determined by the director of
8 revenue in accordance with the provisions of this section. For
9 valuations established as of January 1, 1980, the percentage
10 shall be the quotient of the dividend and divisor as defined in
11 this section. The dividend shall be the total actual valuation
12 established for 1979 by the department of revenue, plus eight
13 percent of the amount so determined. The divisor for property
14 valued by the department of revenue pursuant to chapters ~~428~~,
15 433, and 437, and ~~438~~ shall be the valuation established for
16 1979, plus the amount of value added to the total actual
17 value by the revaluation of the property by the department of
18 revenue as of January 1, 1980. For valuations established as
19 of January 1, 1981, and each year thereafter, the percentage
20 of actual value at which property valued by the department of
21 revenue pursuant to chapters ~~428~~, 433, and 437, and ~~438~~ shall
22 be assessed shall be calculated in accordance with the methods
23 provided herein, except that any references to ten percent in
24 this subsection shall be eight percent.

25 (2) For valuations established on or after January 1,
26 2013, property valued by the department of revenue pursuant to
27 chapter 434 shall be assessed at a portion of its actual value
28 determined in the same manner at which property assessed as
29 commercial property is assessed under paragraph "b" for the same
30 assessment year.

31 (3) For valuations established for the assessment year
32 beginning January 1, 2025, the percentage of actual value at
33 which property valued by the department of revenue pursuant to
34 chapters 428 and 438 shall be assessed shall be ninety-eight
35 percent.

1 (4) For valuations established for the assessment year
2 beginning January 1, 2026, the percentage of actual value at
3 which property valued by the department of revenue pursuant
4 to chapters 428 and 438 shall be assessed shall be ninety-six
5 percent.

6 (5) For valuations established for the assessment year
7 beginning January 1, 2027, the percentage of actual value at
8 which property valued by the department of revenue pursuant to
9 chapters 428 and 438 shall be assessed shall be ninety-four
10 percent.

11 (6) For valuations established for the assessment year
12 beginning January 1, 2028, the percentage of actual value at
13 which property valued by the department of revenue pursuant
14 to chapters 428 and 438 shall be assessed shall be ninety-two
15 percent.

16 (7) For valuations established on or after January 1, 2029,
17 the percentage of actual value at which property valued by the
18 department of revenue pursuant to chapters 428 and 438 shall be
19 assessed shall be ninety percent.

20 Sec. 60. Section 441.21, subsections 9 and 10, Code 2024,
21 are amended to read as follows:

22 9. Not later than November 1, 1979, and November 1 of
23 each subsequent year, the director shall certify to the
24 county auditor of each county the percentages of actual
25 value at which residential property, agricultural property,
26 commercial property, industrial property, property valued
27 by the department of revenue pursuant to chapters 428 and
28 438, property valued by the department of revenue pursuant
29 to [chapter 434](#), and property valued by the department of
30 revenue pursuant to chapters ~~428~~, ~~433~~, ~~and 437~~, and ~~438~~ in
31 each assessing jurisdiction in the county shall be assessed
32 for taxation, including for assessment years beginning on
33 or after January 1, 2022, the percentages used to apply the
34 assessment limitations under [subsection 5](#), paragraphs "b"
35 and "c". The county auditor shall proceed to determine the

1 assessed values of agricultural property, residential property,
2 commercial property, industrial property, property valued by
3 the department of revenue pursuant to chapters 428 and 438,
4 property valued by the department of revenue pursuant to
5 chapter 434, and property valued by the department of revenue
6 pursuant to chapters ~~428,~~ 433, and 437, ~~and 438~~ by applying
7 such percentages to the current actual value of such property,
8 as reported to the county auditor by the assessor, and the
9 assessed values so determined shall be the taxable values of
10 such properties upon which the levy shall be made.

11 10. The percentages of actual value computed by the
12 department of revenue for agricultural property, residential
13 property, commercial property, industrial property, property
14 valued by the department of revenue pursuant to chapters
15 428 and 438, property valued by the department of revenue
16 pursuant to chapter 434, and property valued by the department
17 of revenue pursuant to chapters ~~428,~~ 433, and 437, ~~and 438,~~
18 including for assessment years beginning on or after January 1,
19 2022, the percentages used to apply the assessment limitations
20 under subsection 5, paragraphs "b" and "c", and used to
21 determine assessed values of those classes of property do not
22 constitute a rule as defined in section 17A.2, subsection 11.

23 Sec. 61. APPLICABILITY. This division of this Act applies
24 to assessment years beginning on or after January 1, 2025.

25 DIVISION VIII

26 TAXPAYER RELIEF FUND

27 Sec. 62. Section 8.54, subsection 5, paragraph b, Code 2024,
28 is amended to read as follows:

29 b. For fiscal years in which it is anticipated that moneys
30 will be transferred from the taxpayer relief fund to the
31 general fund of the state in accordance with section 8.57E,
32 subsection 2, paragraph "b", the original state general fund
33 expenditure limitation amount provided for in subsection
34 3 shall not be readjusted to include the amount of moneys
35 anticipated to be so transferred. This paragraph is repealed

1 ~~on the date that section 8.57E, subsection 2, paragraph "b", is~~
2 ~~repealed July 1, 2029.~~

3 Sec. 63. Section 8.57E, subsection 2, paragraph b, Code
4 2024, is amended by striking the paragraph and inserting in
5 lieu thereof the following:

6 b. (1) For the fiscal year beginning July 1, 2024, and for
7 each fiscal year thereafter, if the actual net revenue for the
8 general fund of the state for the fiscal year is less than the
9 net general fund appropriation for the fiscal year, there is
10 transferred from the taxpayer relief fund to the general fund
11 of the state an amount equal to fifty percent of the difference
12 or the remaining balance of the taxpayer relief fund, whichever
13 is lower.

14 (2) For purposes of this paragraph, "*net general fund*
15 *appropriation*" means the total appropriations from the general
16 fund of the state enacted by the general assembly and approved
17 by the governor or otherwise provided by law for the fiscal
18 year, minus reversions to the general fund of the state.

19 (3) This paragraph is repealed July 1, 2029.

20 DIVISION IX

21 CORRECTIVE PROVISION

22 Sec. 64. Section 15.491, subsection 1A, if enacted by 2024
23 Iowa Acts, Senate File 574, section 3, is amended to read as
24 follows:

25 1A. "*Agricultural land*" means the same as defined in section
26 ~~91.1~~ 91.1.

27 EXPLANATION

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

30 This bill modifies the individual and alternate income
31 tax rates, withholding credits, franchise tax deductions,
32 adjustments to city and county tax levy rates, and property
33 tax assessment limitations and procedures, changes methods of
34 determining compensation of county officials, makes contingent
35 transfers from the taxpayer relief fund, and makes corrections.

1 DIVISION I — INDIVIDUAL AND ALTERNATE INCOME TAX RATES
2 BEGINNING IN TAX YEAR 2025. The bill moves up the future
3 individual single rate from tax years beginning on or after
4 January 1, 2026, to tax years beginning on or after January 1,
5 2025, and decreases the future rate from 3.90 percent to 3.80
6 percent.

7 The bill likewise moves up the corresponding alternate
8 individual income tax rate from tax years beginning on or after
9 January 1, 2026, to tax years beginning on or after January 1,
10 2025, and decreases the future alternate rate from 4.40 percent
11 to 4.30 percent. The alternate income tax rate is available
12 for a taxpayer whose income marginally exceeds the individual
13 income tax filing thresholds in Code sections 422.5(2) and (3),
14 and is used to calculate income tax owed.

15 The bill strikes references to calculating the latest
16 cumulative inflation factor in Code section 422.5(6) and Code
17 section 422.21(5) due to removing income tax brackets. The
18 bill also makes conforming changes due to having a single
19 individual income tax rate.

20 The bill specifies any rate of withholding shall not be
21 higher than the rate in Code section 422.5, as amended by the
22 bill.

23 The division takes effect January 1, 2025, and applies to tax
24 years beginning on or after that date.

25 DIVISION II — TARGETED JOBS WITHHOLDING CREDIT. The bill
26 makes changes to the targeted jobs withholding credit. The
27 targeted jobs withholding credit is between a pilot project
28 city located in a county bordering another state, the economic
29 development authority, and an employer, where the employer
30 receives a credit based upon a percentage of gross wages paid
31 after retaining or creating jobs, or making an investment in
32 the pilot project city. Under current law, a targeted jobs
33 withholding credit agreement must create or retain 10 jobs or
34 an employer entering such an agreement must make a qualifying
35 investment of \$500,000 within the pilot project city. The

1 bill changes the employer's qualifying investment amount in
2 the pilot project city from \$500,000 to \$1 million. The bill
3 extends the ability of the economic development authority to
4 enter into a targeted jobs withholding agreement from June 30,
5 2024, to June 30, 2027. The bill changes the annual compliance
6 reporting to the economic development authority about the
7 targeted jobs withholding agreement from the pilot project city
8 to the employer.

9 DIVISION III — FRANCHISE TAX — INVESTMENT SUBSIDIARIES.

10 Under current law, for purposes of the franchise tax, a
11 deduction is not allowed for investments in investment
12 subsidiaries of financial institutions. However, the bill
13 allows the portion of the financial institution's expenses
14 which are allocable to an investment in an investment
15 subsidiary as a deduction if the financial institution elects
16 to include the income and expenses of the investment subsidiary
17 on the franchise tax return of the financial institution.
18 For purposes of apportioning income under the bill, if an
19 election is made to include the investment subsidiary on the
20 financial institution's franchise tax return, the commercial
21 domicile of an investment subsidiary included on the return of
22 the financial institution pursuant to the election shall be
23 that of the financial institution rather than the investment
24 subsidiary. The bill requires the inclusion of the income
25 and expenses of the investment subsidiary on all subsequent
26 returns of the financial institution so long as the investment
27 subsidiary remains a subsidiary of the financial institution.
28 If the financial institution requests the filing of separate
29 returns and the director determines the filing of separate
30 returns will more clearly disclose the taxable income of the
31 investment subsidiary or financial institution, the financial
32 institution may file a separate return from the investment
33 subsidiary.

34 The division takes effect on January 1, 2025, and applies to
35 tax years beginning on or after that date.

1 DIVISION IV — PROPERTY TAX PROCEDURES. The bill changes
2 from March 15 to 4:00 p.m. on March 5 the deadline for
3 political subdivisions to file reports with the department
4 of management (DOM) containing all necessary information for
5 DOM to compile and calculate amounts required to be included
6 in the statements mailed to property owners and taxpayers in
7 the political subdivision. The bill limits the taxes levied by
8 counties and cities that fail to file all necessary information
9 with DOM by 4:00 p.m. on March 5 to the previous year's budget
10 amount.

11 The bill requires county auditors to send to each property
12 owner or taxpayer within the county by regular mail an
13 individual statement containing information relating to
14 property taxes no later than March 15. Under current law, this
15 statement must be sent no later than March 20.

16 Under current law, property tax statements sent by a county
17 auditor to property owners and taxpayers must include an
18 example comparing the amount of property taxes on a residential
19 property and a commercial property with actual values of
20 \$100,000 for the current fiscal year and the amount of proposed
21 property taxes on a residential property and a commercial
22 property with an actual value of \$100,000 for the budget
23 year. For budgets for fiscal years beginning on or after July
24 1, 2025, the bill changes the amount used as an example for
25 commercial property for the current fiscal year from \$100,000
26 to \$300,000. The bill also changes the amount used as an
27 example for residential and commercial property in the budget
28 year to 110 percent of the value of the property used as the
29 current fiscal year example.

30 Under current law, when a statement makes a comparison
31 between the change in the amount of taxes from the current
32 fiscal year example to the budget year example, the statement
33 must state the percent difference between the two years. The
34 percent difference is always stated as an absolute value
35 regardless of whether the change is positive or negative.

1 For statements created on or after January 1, 2024, the bill
2 instead requires statements to include the percent change
3 between the example amounts for the current fiscal year and the
4 budget year.

5 Retroactive to January 1, 2024, the bill requires the
6 property tax statements sent by a county auditor to property
7 owners and taxpayers to include a link to DOM's internet site
8 where the property owner or taxpayer may view an example of the
9 statement and a brief explanation of the information included
10 on the statement.

11 Under current law, each political subdivision must set
12 a time and place for a public hearing on the political
13 subdivision's proposed property tax amount for the budget year
14 and the political subdivision's information included in the
15 property tax statements sent to property owners and taxpayers
16 by the county auditor. The bill requires the hearing to be set
17 on a date on or after March 20 of the budget year immediately
18 preceding the budget year for which the tax is being proposed.

19 Under current law, notice of a political subdivision's
20 proposed property tax public hearing must be published in a
21 newspaper between 10 and 20 days prior to the public hearing.
22 Retroactive to January 1, 2024, the bill provides that failure
23 of a newspaper to publish a required notice will not be
24 considered a failure of a political subdivision to provide
25 required notice if notice of the public hearing was provided
26 to each property owner and each taxpayer within the political
27 subdivision in property tax statements sent by a county auditor
28 to property owners and taxpayers and the political subdivision
29 can demonstrate that to the county auditor that the political
30 subdivision provided sufficient time for the newspaper to
31 publish the notice.

32 Retroactive to January 1, 2024, the bill no longer requires a
33 political subdivision to maintain past property tax statements
34 on its internet site.

35 Retroactive to January 1, 2024, the bill requires a

1 political subdivision that maintains a social media account
2 to post notice of the proposed property tax public hearing on
3 the social media account on a date no later than the date of
4 publication of the notice. Under current law, notice posted
5 to social media needed to be posted on the same day as the
6 publication of the notice.

7 Retroactive to January 1, 2024, the bill requires, on or
8 before April 30 of each year, each extension council of each
9 extension district of the state to prepare annually a budget
10 for the next fiscal year and to hold a meeting to estimate the
11 amount of money required to be raised by taxation for financing
12 the county agricultural extension education program. Under
13 current law, the budget must be prepared and the meeting must
14 be held on or before March 15 of each year.

15 Retroactive to January 1, 2024, the bill requires
16 certification of a school board of directors' intent to
17 participate in the instructional support program for a budget
18 year, the method of funding, and the amount to be raised to be
19 made to DOM no later than April 30 of the base year. Under
20 current law, certification must be made to DOM no later than
21 April 15 of the base year.

22 Retroactive to January 1, 2024, the bill requires, on or
23 before April 30 of each year, a county board of supervisors,
24 with the assistance of the county engineer, to adopt and submit
25 to the department of transportation for approval the county
26 secondary road budget for the next fiscal year. Under current
27 law, a county board of supervisors must adopt and submit the
28 county secondary road budget on or before April 15 of each
29 year.

30 The bill specifies that pursuant to the general grant of
31 home rule power conferred by the Constitution of the State
32 of Iowa and if not inconsistent with the laws of the general
33 assembly, a county that has designated more than one city to be
34 a county seat may consolidate or reduce the number of county
35 seats by ordinance. The bill also repeals 1848 Iowa Acts,

1 First Extraordinary Session, chapter 52, which in part required
2 Lee County to maintain a district court at Fort Madison and the
3 city of Keokuk, required the clerk of district court to keep
4 an office at Fort Madison and the city of Keokuk, and required
5 the sheriff of Lee County to keep an office at Fort Madison and
6 the city of Keokuk. The provisions related to county seats are
7 effective upon enactment.

8 The bill allows a county to collect taxes for a fiscal year
9 for which no budget has been certified for the county, but
10 the bill prohibits the county from distributing any funds
11 collected until the county certifies its budget and transmits
12 the certified budget to the county auditor. The bill limits
13 taxes levied by a county whose budget is certified after April
14 30 to the taxes levied for the previous fiscal year subject to
15 applicable levy rate limits in Code chapter 331 (county home
16 rule implementation); however, the amount cannot exceed the
17 amount the county could collect based on property assessments
18 for the fiscal year for which the county failed to certify
19 property taxes. DOM may waive the limitation for a county
20 if DOM finds, after a showing of evidence by the county,
21 that failure to certify the budget by April 30 was caused by
22 any combination of a newspaper failing to publish a notice
23 of hearing after the county gave the newspaper sufficient
24 time to publish the notice; a verifiable public emergency or
25 weather-related event which forced the cancellation of a public
26 hearing; an illness or unexpected vacancy of one or more board
27 members causing a lack of a quorum necessary to hold a required
28 public hearing; or a failure of state software or a state
29 process. The bill creates similar provisions for a city that
30 does not certify its budget by April 30. The provisions in the
31 bill relating to a county or city failing to certify its budget
32 by April 30 are effective upon enactment.

33 Under current law, a homeowner is allowed a homestead
34 tax exemption if the property owner is 65 years of age or
35 older. The bill makes confidential, subject to exceptions

1 detailed in the bill, the names, addresses, and dates of birth
2 of individuals allowed a homestead tax exemption that are
3 maintained by a county recorder, county treasurer, county
4 assessor, city assessor, or other governmental body if the
5 information was obtained for purposes of allowing a homestead
6 tax exemption.

7 Each fiscal year, county auditors are required to make a
8 report to DOM, on forms provided by DOM, of the valuation by
9 class of property for each taxing district in the auditor's
10 respective county using data transmitted to the auditor by
11 assessors on an abstract of real property. The bill requires
12 assessors to transmit and maintain data in the abstract of
13 real property in a manner that is compatible with software
14 used by the county auditor and that allows the county auditor
15 to use the data to file valuation reports to DOM. The bill
16 also requires county auditors to report the valuations and
17 revaluations as instructed by DOM.

18 The bill allows a city to levy at a rate not to exceed
19 \$8.10 per \$1,000 of assessed valuation for its general fund
20 levy if the city's actual levy rate for the current fiscal
21 year is \$0 per \$1,000 of assessed value and the total assessed
22 value used to calculate taxes for the budget year exceeds
23 102.75 percent. The provisions in the bill allowing a city
24 to increase its general fund levy rate to \$8.10 per \$1,000 of
25 assessed valuation are effective upon enactment.

26 Under current law, a municipality with a population equal to
27 or greater than 15,000 that is using the division of taxes from
28 tax increment financing for the purpose of public improvements
29 related to housing is limited to tax collections for that
30 purpose for a maximum of 10 fiscal years. The bill allows a
31 municipality of any size to extend such tax collections for
32 an additional three years if the project for which revenue is
33 being divided began before January 1, 2018, and all governing
34 bodies of taxing districts affected by the division of revenue
35 approve the extension. This provision takes effect upon

1 enactment.

2 2023 Iowa Acts, chapter 71, requires the director of DOM to
3 annually prepare and file with the general assembly by December
4 1 a report specifying the updated population thresholds and
5 detailing the use of certain bond issuance procedures including
6 the usage of such procedures by counties and cities based on
7 the population-based limitations and the amount of bonds issued
8 for each such usage. This requirement takes effect on July 1,
9 2024. The bill changes the date for the DOM director to file
10 the report to January 1.

11 DIVISION V — COMPENSATION OF ELECTED COUNTY OFFICIALS.

12 Under current law, each county has a county compensation board
13 that prepares a recommended compensation schedule for elected
14 county officers that the county board of supervisors then
15 reviews. Current law provides procedures and limitations that
16 both the county compensation board and board of supervisors
17 must adhere to in determining the final compensation schedule.

18 The bill allows a board of supervisors to vote to establish
19 a county compensation board. The county compensation board
20 shall be composed as provided under current law. The board of
21 supervisors may also vote to dissolve a county compensation
22 board. The board of supervisors shall carry out the duties as
23 the county compensation board if the board of supervisors has
24 not established or has dissolved a county compensation board.

25 In setting the salary of the county sheriff, the bill
26 requires the board of supervisors to set the sheriff's salary
27 so that it is comparable to salaries paid to professional law
28 enforcement administrators and command officers of state public
29 safety officers and city chiefs of police employed by cities of
30 similar populations to the county.

31 The bill requires the county compensation board to provide
32 documentation to the board of supervisors demonstrating how
33 the county compensation board determined the recommended
34 compensation schedule. The bill strikes provisions that
35 prohibit the board of supervisors from exceeding the

1 compensation schedule recommended by the county compensation
2 board or from reducing the amount of the recommended
3 compensation schedule unless the amount of salary increase
4 proposed for each elected county officer is reduced by an equal
5 percentage. The bill allows the board of supervisors to set
6 compensation lower than the compensation set forth in the
7 current compensation schedule, but provides that the proposed
8 compensation for a position may be reduced when the position is
9 reduced to part-time. The bill makes conforming changes.

10 DIVISION VI — COUNTY AND CITY PROPERTY TAXES. Under
11 current law, a city's adjusted city general fund levy rate will
12 either be a default levy rate of \$8.10 per \$1,000 of assessed
13 property value or a levy rate calculated based on the city's
14 actual property tax dollars certified for levy for the current
15 fiscal year, the total assessed valuation of property in the
16 city, and the amount of growth in the total assessed valuation
17 of property in the city from the current fiscal year to the
18 upcoming fiscal year. If a city had 3 percent growth or less
19 from the previous year, then the levy rate is the same as the
20 previous year's levy rate or the default levy rate of \$8.10
21 per \$1,000 of assessed property value, whichever is greater.
22 If the city's growth exceeds 3 percent, but is less than 6
23 percent, then the levy rate is the city's levy rate for the
24 previous year divided by 103 percent and then multiplied by
25 1,000. If the city's growth is equal to or exceeds 6 percent,
26 then the levy rate is the city's levy rate for the previous
27 year divided by 103 percent and then multiplied by 1,000.
28 County tax levies are determined in a similar manner, except
29 the default levy rate is either \$3.50 per \$1,000 of assessed
30 property value or a calculated levy rate for general county
31 services and a default levy rate of \$3.95 per \$1,000 of
32 assessed property value or a calculated levy rate for rural
33 county services.

34 The bill adjusts the levy rates for cities and counties so
35 cities and counties use the greater of last year's levy rate

1 or the default levy rate if growth is equal to or less than
2 2.75 percent, or have a calculated levy rate equal to 1,000
3 multiplied by the quotient of the previous year's levy rate
4 divided by the following: 101 percent if growth exceeds 2.75
5 percent but is less than 4 percent; 102 percent if growth is
6 equal to or exceeds 4 percent but is less than 6 percent; or 103
7 percent if growth is equal to or exceeds 6 percent.

8 This division of the bill applies to taxes and budgets for
9 fiscal years beginning on or after July 1, 2025.

10 DIVISION VII — PROPERTY TAX ASSESSMENT LIMITATIONS. Public
11 utility companies operating under Code chapter 428 and pipeline
12 companies operating under Code chapter 438 are assessed by
13 the department of revenue (IDOR) for property tax purposes
14 on all property, real and personal, owned by the company and
15 used in the operation of the company's specified utility. The
16 valuation determined by IDOR is then reported and apportioned
17 to the local taxing districts and the value is taxed in the
18 same manner as other property within the applicable taxing
19 districts.

20 The bill removes public utility company property assessed
21 under Code chapter 428 and pipeline company property assessed
22 under Code chapter 438 from the calculation of the assessment
23 limitation for other centrally assessed utility company
24 property. The bill also reduces the percentage of actual value
25 at which property valued by IDOR pursuant to Code chapters 428
26 and 438 is assessed by 2 percent each year until January 1,
27 2029. For assessments on or after January 1, 2029, property
28 valued by IDOR pursuant to Code chapters 428 and 438 will be
29 assessed at 90 percent.

30 The division applies to assessment years beginning on or
31 after January 1, 2025.

32 DIVISION VIII — TAXPAYER RELIEF FUND. Under current law,
33 if the actual net revenue for the general fund of the state
34 (GF) for a fiscal year plus the GF surplus, if any, is less
35 than 103.5 percent of the actual net revenue for the GF for

1 the prior fiscal year, there is transferred from the taxpayer
2 relief fund (TRF) to the GF an amount equal to the difference,
3 not to exceed an amount necessary to increase the GF ending
4 balance for the fiscal year to 1 percent of the adjusted
5 revenue estimate, as defined for purposes of the GF expenditure
6 limitation.

7 The bill strikes this provision, and instead provides that
8 if the actual net revenue for the GF for a fiscal year is
9 less than the net GF appropriation for the fiscal year, as
10 defined in the bill, there is transferred from the TRF to the
11 GF an amount equal to 50 percent of the difference. The GF
12 expenditure limitation amount is not readjusted to include
13 the anticipated transfer (Code section 8.54(5)(b)). These
14 provisions are repealed July 1, 2029.

15 DIVISION IX — CORRECTIVE PROVISION. The bill makes a
16 technical correction to 2024 Iowa Acts, Senate File 574, if
17 enacted, by striking a reference to Code section 91.1 in new
18 Code section 15.491 and inserting Code section 9I.1.