

**House File 172 - Introduced**

HOUSE FILE 172  
BY CROKEN

**A BILL FOR**

1 An Act allowing cities to certify taxes for general fund levy for  
2 various purposes upon approval of the voters at an election.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 37.8, Code 2025, is amended to read as  
2 follows:

3 **37.8 Cost of development, operation, and maintenance.**

4 For the development, operation, and maintenance of a building  
5 or monument constructed, purchased, or donated under this  
6 chapter, a city may utilize taxes levied under section 384.1 or  
7 section 384.12, subsection 7.

8 Sec. 2. Section 384.12, Code 2025, is amended by adding the  
9 following new subsections:

10 NEW SUBSECTION. 6. A tax not to exceed thirteen and one-half  
11 cents per thousand dollars of assessed value for the support of  
12 instrumental or vocal musical groups, one or more organizations  
13 which have tax-exempt status under section 501(c)(3) of the  
14 Internal Revenue Code and are organized and operated exclusively  
15 for artistic and cultural purposes, or any of these purposes.  
16 Certification of this tax is subject to subsection 16.

17 NEW SUBSECTION. 7. A tax not to exceed eighty-one cents  
18 per thousand dollars of assessed value for development,  
19 operation, and maintenance of a memorial building or monument.  
20 Certification of this tax is subject to subsection 16.

21 NEW SUBSECTION. 8. A tax not to exceed thirteen and one-half  
22 cents per thousand dollars of assessed value for support of a  
23 symphony orchestra. Certification of this tax is subject to  
24 subsection 16.

25 NEW SUBSECTION. 9. A tax not to exceed twenty-seven cents  
26 per thousand dollars of assessed value for the operation of  
27 cultural and scientific facilities. Certification of this tax  
28 is subject to subsection 16, except that the question may be  
29 submitted on the council's own motion.

30 NEW SUBSECTION. 10. A tax to aid in the construction of  
31 a county bridge. Certification of this tax is subject to  
32 subsection 17, except that, in addition to other requirements,  
33 the notice of special election must include the location of the  
34 proposed bridge.

35 NEW SUBSECTION. 11. a. A tax to aid a company incorporated

1 under the laws of this state in the construction of a highway  
2 or combination bridge across any navigable boundary river of this  
3 state, commencing or terminating in the city and suitable for use  
4 as highway, or for both highway and railway purposes.

5 b. Tax moneys received for this purpose may not be paid over  
6 by the county treasurer until the city has filed a statement that  
7 the corporation has complied with all conditions.

8 c. The levy is limited to one dollar and thirty-five cents  
9 per thousand dollars of the assessed value of taxable property in  
10 the city.

11 d. The estimated cost of the bridge must be at least ten  
12 thousand dollars, and the city aid may not exceed one-half of the  
13 estimated cost.

14 e. Certification of this tax is subject to subsection 17,  
15 except that the notice of the special election shall include the  
16 name of the corporation to be aided, and all conditions required  
17 of the corporation.

18 NEW SUBSECTION. 12. If a tax has been voted for aid of  
19 a bridge under subsection 11, a further tax may be voted for  
20 the purpose of purchasing the bridge. Certification of this  
21 further tax is subject to subsection 16. The levy under this  
22 subsection is limited to three dollars and thirty-seven and  
23 one-half cents per thousand dollars of the assessed value of the  
24 taxable property in the city, payable in not less than ten annual  
25 installments.

26 NEW SUBSECTION. 13. A tax for aid to a public transportation  
27 company. Certification of this tax is subject to subsection 17.  
28 The levy is limited to three and three-eighths cents per thousand  
29 dollars of assessed value. In addition to any other conditions,  
30 the following requirements must be met before moneys received for  
31 this purpose may be paid over by the county treasurer:

32 a. The public transportation company shall provide the city  
33 with copies of state and federal income tax returns for the five  
34 years preceding the year for which payment is contemplated or for  
35 such lesser period of time as the company has been in operation.

1     b. The city shall, in any given year, be authorized to pay  
2 over only such sums as will yield not to exceed two percent of  
3 the public transportation company's investment as the same is  
4 valued in its tax depreciation schedule, provided that corporate  
5 profits and losses for the five preceding years or for such  
6 lesser period of time as the company has been in operation  
7 shall not average in excess of a two percent net return. Taxes  
8 levied under this subsection may not be used to subsidize losses  
9 incurred prior to the election required by this subsection.

10     NEW SUBSECTION. 14. A tax not to exceed twenty and  
11 one-half cents per thousand dollars of assessed value each  
12 year to maintain an institution received by gift or devise.  
13 Certification of this tax is subject to subsection 16.

14     NEW SUBSECTION. 15. A tax not to exceed twenty-seven cents  
15 per thousand dollars of assessed value for support of a public  
16 library. Certification of this tax is subject to subsection 16,  
17 except that if a majority of voters approve the levy pursuant to  
18 subsection 16, paragraph "b", it shall be imposed.

19     NEW SUBSECTION. 16. A tax to be certified under subsection  
20 6, 7, 8, 9, 12, or 14 shall be subject to all of the following:

21     a. Upon receipt of a valid petition pursuant to section  
22 362.4, the council shall submit to the voters at the next regular  
23 city election the question of whether a tax shall be levied.

24     b. If a majority of voters approve the levy, it may be  
25 imposed.

26     c. The levy can be eliminated by the same procedure of  
27 petition and election.

28     d. A tax authorized by an election held prior to the  
29 effective date of the city code may be continued until eliminated  
30 by the council, or by petition and election.

31     NEW SUBSECTION. 17. A tax to be certified under subsection  
32 10, 11, or 13 shall be subject to the requirements of subsection  
33 16 and all of the following:

34     a. The question of whether to adopt the tax shall be  
35 submitted at a special election.

1     b. The expense of a special election shall be paid by the  
2 county.

3     c. The notice of the special election shall include full  
4 details of the proposal, including the rate of tax to be levied  
5 and all other conditions.

6

EXPLANATION

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The inclusion of this explanation does not constitute agreement with

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the explanation's substance by the members of the general assembly.

9     2023 Iowa Acts, chapter 71 (HF 718), amended Code section  
10 384.12 (additional taxes) to eliminate several taxes a city  
11 may levy subject to voter approval at an election. In lieu  
12 thereof, HF 718 enacted Code section 384.1(3)(b)(2), which allows  
13 cities to levy the same amounts the eliminated taxes could have  
14 levied as a part of the cities' general fund levy. This bill  
15 recodifies the tax levies eliminated by HF 718 and allows such  
16 taxes to be levied, subject to the same voter approval and notice  
17 requirements that existed prior to the enactment of HF 718 and at  
18 the same rates as prior to the enactment of HF 718, in addition  
19 to the increased amounts allowed by Code section 384.1(3)(b)(2).

20     The permissible levies the bill recodifies relate to taxes  
21 for the support of instrumental or vocal musical groups or one  
22 or more organizations which have tax-exempt status under section  
23 501(c)(3) of the Internal Revenue Code and are organized and  
24 operated exclusively for artistic and cultural purposes; the  
25 development, operation, and maintenance of a memorial building or  
26 monument; the support of a symphony orchestra; the operation of  
27 cultural and scientific facilities; the aid in the construction  
28 of a county bridge; the aid for a company incorporated under  
29 the laws of Iowa in the construction of certain highways or  
30 combination bridge across any navigable boundary river of Iowa;  
31 the purchase of certain bridges across navigable boundary rivers  
32 of Iowa; the aid to a public transportation company; the  
33 maintenance of an institution received by gift or devise; and the  
34 support of a public library. The bill establishes the maximum  
35 rate a city may levy for each tax.