

House File 600 - Introduced

HOUSE FILE 600
BY HENDERSON

A BILL FOR

- 1 An Act relating to local government finances by placing
- 2 limitations on property tax levy rates.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 331.425, unnumbered paragraph 1, Code
2 2025, is amended to read as follows:

3 The For fiscal years beginning before July 1, 2026, the board
4 may certify an addition to a levy in excess of the amounts
5 otherwise permitted under sections 331.423 and 331.424 if the
6 proposition to certify an addition to a levy has been submitted
7 at a special levy election and received a favorable majority of
8 the votes cast on the proposition. A special levy election is
9 subject to the following:

10 Sec. 2. Section 384.12, subsection 4, unnumbered paragraph 1,
11 Code 2025, is amended to read as follows:

12 A For fiscal years beginning before July 1, 2026, a tax
13 that exceeds any tax levy limit within this chapter, provided
14 the question has been submitted at a special levy election and
15 received a simple majority of the votes cast on the proposition
16 to authorize the enumerated levy limit to be exceeded for the
17 proposed budget year.

18 Sec. 3. NEW SECTION. 444.25 Property tax limitations —
19 **general assembly review.**

20 1. Notwithstanding any other provision of law to the
21 contrary, for fiscal years beginning on or after July 1, 2026,
22 the maximum levy rate for each specific levy imposed by a
23 governmental subdivision shall not exceed one hundred two percent
24 of the average levy rate per one thousand dollars imposed
25 by the governmental subdivision for such specific levy over
26 the immediately preceding five fiscal years, or the levy rate
27 limitation imposed by another provision of law, whichever is
28 less.

29 2. a. The maximum levy rate in subsection 1 may be exceeded
30 after an election at which sixty percent of those voting on the
31 question of exceeding the maximum levy rate in subsection 1 vote
32 in favor of the question. The question of exceeding the levy
33 rate may be submitted at a special election under section 39.2,
34 subsection 4, or the general election. Notice of the question
35 shall be provided by publication at least sixty days before the

1 time of the election and shall identify the current levy rate and
2 the proposed levy. The levy rate may be rescinded in the same
3 manner as the vote to exceed the levy rate in this subsection,
4 except the vote in favor of the question shall be fifty percent.

5 b. A vote in favor of the question to exceed the maximum levy
6 rate under subsection 1 shall allow the governmental subdivision
7 to exceed the levy rate limitation for one fiscal year out of the
8 five fiscal years immediately following the approval at election,
9 and after such time the maximum levy rate shall revert to the
10 determination under subsection 1, but excluding the fiscal year
11 for which the levy was increased under this subsection.

12 3. During the Ninety-second General Assembly and during each
13 general assembly thereafter, the legislature shall review this
14 section; however, an enactment to change this section shall
15 require a sixty percent vote of the members elected to each house
16 of the general assembly.

17 **EXPLANATION**

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

20 This bill relates to local government finances by placing
21 limitations on property tax levy rates.

22 The bill specifies that for fiscal years beginning on or
23 after July 1, 2026, the maximum levy rate for each specific
24 levy imposed by a governmental subdivision shall not exceed
25 102 percent of the average levy rate per \$1,000 imposed by
26 the governmental subdivision for such specific levy over the
27 immediately preceding five fiscal years, or the levy rate
28 limitation imposed by another provision of law, whichever is
29 less.

30 The maximum levy rate calculated in the bill may be exceeded
31 for one fiscal year during a five-fiscal-year period after an
32 election at which 60 percent of those voting on the question of
33 exceeding the maximum levy rate vote in favor of the increase.
34 The levy rate may be rescinded in the same manner as the vote to
35 exceed the levy rate in the bill, except the vote in favor of the

1 question shall be 50 percent.

2 The general assembly is required to review the bill beginning
3 with the next general assembly (92nd). However, an enactment to
4 change the bill requires a 60 percent vote of the members elected
5 to each house of the general assembly.

6 The bill also amends Code sections 331.425 and 384.12 by
7 prohibiting cities and counties from exceeding certain levy
8 limitations or levying additional taxes following approval at
9 election at which only a majority approval is required.

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