

Senate File 2472 - Introduced

SENATE FILE 2472
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 3001)

A BILL FOR

1 An Act relating to state and local government taxes, fees,
2 financial authority, and budgets, modifying divisions of
3 revenue, modifying appropriations, and including effective
4 date, applicability, and retroactive applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

COUNTY PROPERTY TAXES AND BUDGETS

Section 1. Section 331.423, subsection 1, paragraph b, subparagraph (1), Code 2026, is amended to read as follows:

(1) For each fiscal year beginning on or after July 1, 2024, but before July 1, ~~2028~~ 2027, subject to subparagraph (3), the greater of three dollars and fifty cents per thousand dollars of assessed value used to calculate taxes for general county services for the budget year and the adjusted general county basic levy rate, as adjusted under subparagraph (2), if applicable.

Sec. 2. Section 331.423, subsection 1, paragraph c, Code 2026, is amended to read as follows:

~~c. For each fiscal year beginning on or after July 1, 2028, three dollars and fifty cents per thousand dollars of assessed value.~~ For the fiscal year beginning July 1, 2027, the greater of:

(1) A levy rate per one thousand dollars of assessed value equal to one thousand multiplied by the quotient of one hundred two percent of the current fiscal year's actual property tax dollars certified for levy under this subsection 1 divided by the remainder of the total assessed value used to calculate such taxes for the budget year minus value attributable to new valuation.

(2) A levy rate per one thousand dollars of assessed value that results in an amount of actual property tax dollars certified for levy under this subsection 1 equal to one hundred and one-half percent of the actual property tax dollars certified for levy under this subsection 1 for the current fiscal year.

Sec. 3. Section 331.423, subsection 1, Code 2026, is amended by adding the following new paragraph:

NEW PARAGRAPH. d. (1) For each fiscal year beginning on or after July 1, 2028, the levy rate imposed under this subsection 1 for the current fiscal year, unless subject to subparagraph (2), and for the budget year beginning July 1, 2028, only, not less

1 than a levy rate per one thousand dollars of assessed value that
2 results in an amount of actual property tax dollars certified for
3 levy under this subsection 1 equal to one hundred and one-half
4 percent of the actual property tax dollars certified for levy
5 under this subsection 1 for the current fiscal year.

6 (2) (a) If the total assessed value, excluding value
7 attributable to new valuation, used to calculate taxes for
8 general county services under this subsection 1 for the budget
9 year is equal to or exceeds one hundred two percent of the
10 total 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 shall not exceed a levy rate per one
13 thousand dollars of assessed value that is equal to one thousand
14 multiplied by the quotient obtained by dividing the product of
15 the budget adjustment factor multiplied by the current fiscal
16 year's actual property tax dollars certified for levy under this
17 subsection 1 by the remainder of the total assessed value used to
18 calculate such taxes for the budget year minus value attributable
19 to new valuation.

20 (b) (i) For purposes of this subparagraph, "budget
21 adjustment factor" is equal to one of the following, unless
22 modified by the general assembly on or before January 31
23 immediately preceding the applicable fiscal year:

24 (A) If the percentage change in the consumer price index for
25 all urban consumers is less than four, one hundred two percent.

26 (B) If the percentage change in the consumer price index for
27 all urban consumers is equal to or greater than four but less
28 than six, one hundred three percent.

29 (C) If the percentage change in the consumer price index for
30 all urban consumers is equal to or greater than six but less than
31 eight, one hundred four percent.

32 (D) If the percentage change in the consumer price index
33 for all urban consumers is equal to or greater than eight, one
34 hundred five percent.

35 (ii) The percentage change in the consumer price index for

1 all urban consumers shall be equal to one hundred multiplied
2 by the quotient of the remainder of the published value of the
3 consumer price index for all urban consumers for the month ending
4 eight months prior to the beginning of the applicable budget year
5 minus the published value of the consumer price index for all
6 urban consumers for the month ending twenty months prior to the
7 beginning of the applicable budget year divided by the published
8 value of the consumer price index for all urban consumers for
9 the month ending twenty months prior to the beginning of the
10 applicable budget year.

11 Sec. 4. Section 331.423, subsection 2, paragraph b,
12 subparagraph (1), Code 2026, is amended to read as follows:

13 (1) For each fiscal year beginning on or after July 1,
14 2024, but before July 1, ~~2028~~ 2027, subject to subparagraph
15 (3), the greater of three dollars and ninety-five cents per
16 thousand dollars of assessed value used to calculate taxes for
17 rural county services for the budget year and the adjusted rural
18 county basic levy rate, as adjusted under subparagraph (2), if
19 applicable.

20 Sec. 5. Section 331.423, subsection 2, paragraph c, Code
21 2026, is amended to read as follows:

22 ~~c. For each fiscal year beginning on or after July 1, 2028,~~
23 ~~three dollars and ninety-five cents per thousand dollars of~~
24 ~~assessed value. For the fiscal year beginning July 1, 2027, the~~
25 greater of:

26 (1) A levy rate per one thousand dollars of assessed value
27 equal to one thousand multiplied by the quotient of one hundred
28 two percent of the current fiscal year's actual property tax
29 dollars certified for levy under this subsection 2 divided by
30 the remainder of the total assessed value used to calculate
31 such taxes for the budget year minus value attributable to new
32 valuation.

33 (2) A levy rate per one thousand dollars of assessed value
34 that results in an amount of actual property tax dollars
35 certified for levy under this subsection 2 equal to one hundred

1 and one-half percent of the actual property tax dollars certified
2 for levy under this subsection 2 for the current fiscal year.

3 Sec. 6. Section 331.423, subsection 2, Code 2026, is amended
4 by adding the following new paragraph:

5 NEW PARAGRAPH. d. (1) For each fiscal year beginning on or
6 after July 1, 2028, the levy rate imposed under this subsection 2
7 for the current fiscal year, unless subject to subparagraph (2),
8 and for the budget year beginning July 1, 2028, only, not less
9 than a levy rate per one thousand dollars of assessed value that
10 results in an amount of actual property tax dollars certified for
11 levy under this subsection 2 equal to one hundred and one-half
12 percent of the actual property tax dollars certified for levy
13 under this subsection 2 for the current fiscal year.

14 (2) (a) If the total assessed value, excluding value
15 attributable to new valuation, used to calculate taxes for rural
16 county services under this subsection 2 for the budget year is
17 equal to or exceeds one hundred two percent of the total assessed
18 value used to calculate taxes for rural county services for the
19 current fiscal year, the levy rate imposed under this subsection
20 2 shall not exceed a levy rate per one thousand dollars of
21 assessed value that is equal to one thousand multiplied by
22 the quotient obtained by dividing the product of the budget
23 adjustment factor multiplied by the current fiscal year's actual
24 property tax dollars certified for levy under this subsection 2
25 by the remainder of the total assessed value used to calculate
26 such taxes for the budget year minus value attributable to new
27 valuation.

28 (b) (i) For purposes of this subparagraph, "budget
29 *adjustment factor*" is equal to one of the following, unless
30 modified by the general assembly on or before January 31
31 immediately preceding the applicable fiscal year:

32 (A) If the percentage change in the consumer price index for
33 all urban consumers is less than four, one hundred two percent.

34 (B) If the percentage change in the consumer price index for
35 all urban consumers is equal to or greater than four but less

1 than six, one hundred three percent.

2 (C) If the percentage change in the consumer price index for
3 all urban consumers is equal to or greater than six but less than
4 eight, one hundred four percent.

5 (D) If the percentage change in the consumer price index
6 for all urban consumers is equal to or greater than eight, one
7 hundred five percent.

8 (ii) The percentage change in the consumer price index for
9 all urban consumers shall be equal to one hundred multiplied
10 by the quotient of the remainder of the published value of the
11 consumer price index for all urban consumers for the month ending
12 eight months prior to the beginning of the applicable budget year
13 minus the published value of the consumer price index for all
14 urban consumers for the month ending twenty months prior to the
15 beginning of the applicable budget year divided by the published
16 value of the consumer price index for all urban consumers for
17 the month ending twenty months prior to the beginning of the
18 applicable budget year.

19 Sec. 7. Section 331.423, subsection 3, Code 2026, is amended
20 by adding the following new paragraph:

21 NEW PARAGRAPH. c. "New valuation" means the increase from
22 the current fiscal year to the budget year in taxable valuation,
23 as shown on the assessment roll due to the following, the amount
24 of each as reported under section 331.510 by the county auditor
25 to the department of management:

26 (1) New construction.

27 (2) Additions or improvements to existing structures that are
28 not normal and necessary repairs under section 441.21, subsection
29 8.

30 (3) Net boundary adjustments, including annexation,
31 severance, incorporation, consolidation, or discontinuance as
32 those terms are defined in section 368.1.

33 Sec. 8. EFFECTIVE DATE. This division of this Act takes
34 effect January 1, 2027.

35 Sec. 9. APPLICABILITY. This division of this Act applies to

1 property taxes and budgets for fiscal years beginning on or after
2 July 1, 2027.

3 DIVISION II

4 CITY PROPERTY TAXES AND BUDGETS

5 Sec. 10. Section 384.1, subsection 3, paragraph c,
6 subparagraph (1), Code 2026, is amended to read as follows:

7 (1) For each fiscal year beginning on or after July 1,
8 2024, but before July 1, ~~2028~~ 2027, subject to subparagraph
9 (3), a city's tax levy for the general fund, except for levies
10 authorized in section 384.12, shall not exceed in any tax year
11 the greater of eight dollars and ten cents per thousand dollars
12 of assessed value used to calculate taxes for the budget year
13 and the adjusted city general fund levy rate, as adjusted under
14 subparagraph (2), if applicable.

15 Sec. 11. Section 384.1, subsection 3, paragraph d, Code 2026,
16 is amended to read as follows:

17 ~~d. (1) For each fiscal year beginning on or after July 1,~~
18 ~~2028, a city's tax levy rate for the general fund, except for~~
19 ~~levies authorized in section 384.12, shall not exceed eight~~
20 ~~dollars and ten cents per thousand dollars of assessed value~~
21 ~~used to calculate taxes in any fiscal year. For the fiscal year~~
22 beginning July 1, 2027, a city's tax levy rate for the general
23 fund, except for levies authorized in section 384.12, shall not
24 exceed the greater of:

25 (a) A levy rate per one thousand dollars of assessed value
26 equal to one thousand multiplied by the quotient of one hundred
27 two percent of the current fiscal year's actual property tax
28 dollars certified for levy under this subsection divided by
29 the remainder of the total assessed value used to calculate
30 such taxes for the budget year minus value attributable to new
31 valuation.

32 (b) A levy rate per one thousand dollars of assessed value
33 that results in an amount of actual property tax dollars
34 certified for levy under this subsection equal to one hundred and
35 one-half percent of the actual property tax dollars certified for

1 levy under this subsection for the current fiscal year.

2 (2) Notwithstanding other provisions of this paragraph, if
3 a city's actual levy rate for the current fiscal year is zero
4 dollars per one thousand dollars of assessed value, a levy rate
5 per one thousand dollars of assessed value equal to one thousand
6 multiplied by the quotient of one hundred two percent of the
7 city's certified general fund budget for the current fiscal year
8 divided by the remainder of the total assessed value used to
9 calculate taxes for the budget year minus value attributable to
10 new valuation.

11 Sec. 12. Section 384.1, subsection 3, Code 2026, is amended
12 by adding the following new paragraph:

13 NEW PARAGRAPH. e. (1) For each fiscal year beginning on or
14 after July 1, 2028, a city's tax levy rate for the general fund,
15 except for levies authorized in section 384.12, shall not exceed
16 the levy rate imposed under this subsection for the current
17 fiscal year, unless subject to subparagraph (2), and for the
18 budget year beginning July 1, 2028, only, not less than a levy
19 rate per one thousand dollars of assessed value that results
20 in an amount of actual property tax dollars certified for levy
21 under this subsection equal to one hundred and one-half percent
22 of the actual property tax dollars certified for levy under this
23 subsection for the current fiscal year.

24 (2) (a) If the total assessed value, excluding value
25 attributable to new valuation, used to calculate taxes under
26 this subsection for the budget year is equal to or exceeds one
27 hundred two percent of the total assessed value used to calculate
28 taxes under this subsection for the current fiscal year, the
29 city's levy rate under this subsection shall not exceed a levy
30 rate per one thousand dollars of assessed value that is equal
31 to one thousand multiplied by the quotient obtained by dividing
32 the product of the budget adjustment factor multiplied by the
33 current fiscal year's actual property tax dollars certified for
34 levy under this subsection by the remainder of the total assessed
35 value used to calculate such taxes for the budget year minus

1 value attributable to new valuation.

2 (b) (i) For purposes of this subparagraph, "budget
3 *adjustment factor*" is equal to one of the following, unless
4 modified by the general assembly on or before January 31
5 immediately preceding the applicable fiscal year:

6 (A) If the percentage change in the consumer price index for
7 all urban consumers is less than four, one hundred two percent.

8 (B) If the percentage change in the consumer price index for
9 all urban consumers is equal to or greater than four but less
10 than six, one hundred three percent.

11 (C) If the percentage change in the consumer price index for
12 all urban consumers is equal to or greater than six but less than
13 eight, one hundred four percent.

14 (D) If the percentage change in the consumer price index
15 for all urban consumers is equal to or greater than eight, one
16 hundred five percent.

17 (ii) The percentage change in the consumer price index for
18 all urban consumers shall be equal to one hundred multiplied
19 by the quotient of the remainder of the published value of the
20 consumer price index for all urban consumers for the month ending
21 eight months prior to the beginning of the applicable budget year
22 minus the published value of the consumer price index for all
23 urban consumers for the month ending twenty months prior to the
24 beginning of the applicable budget year divided by the published
25 value of the consumer price index for all urban consumers for
26 the month ending twenty months prior to the beginning of the
27 applicable budget year.

28 (3) Notwithstanding other provisions of this paragraph, if
29 a city's actual levy rate for the current fiscal year is zero
30 dollars per one thousand dollars of assessed value, the city's
31 levy rate under this subsection shall not exceed a levy rate
32 per one thousand dollars of assessed value equal to one thousand
33 multiplied by the quotient of one hundred two percent of the
34 city's certified general fund budget for the current fiscal year
35 divided by the remainder of the total assessed value used to

1 calculate taxes for the budget year minus value attributable to
2 new valuation.

3 Sec. 13. Section 384.1, subsection 4, Code 2026, is amended
4 by adding the following new paragraph:

5 NEW PARAGRAPH. c. "New valuation" means the increase from
6 the current fiscal year to the budget year in taxable valuation,
7 as shown on the assessment roll due to the following, the amount
8 of each as reported under section 331.510 by the county auditor
9 to the department of management:

10 (1) New construction.

11 (2) Additions or improvements to existing structures that are
12 not normal and necessary repairs under section 441.21, subsection
13 8.

14 (3) Net boundary adjustments, including annexation,
15 severance, incorporation, consolidation, or discontinuance as
16 those terms are defined in section 368.1.

17 Sec. 14. EFFECTIVE DATE. This division of this Act takes
18 effect January 1, 2027.

19 Sec. 15. APPLICABILITY. This division of this Act applies to
20 property taxes and budgets for fiscal years beginning on or after
21 July 1, 2027.

22 DIVISION III

23 SCHOOL TAXES AND BUDGETS

24 Sec. 16. Section 257.1, subsection 2, paragraph b, Code 2026,
25 is amended to read as follows:

26 b. (1) (a) For the budget year commencing July 1, 1999, and
27 for each succeeding budget year beginning before July 1, 2022,
28 the regular program foundation base per pupil is eighty-seven and
29 five-tenths percent of the regular program state cost per pupil.

30 (b) For the budget year commencing July 1, 2022, and for each
31 succeeding budget year beginning before July 1, 2027, the regular
32 program foundation base per pupil is eighty-eight and four-tenths
33 percent of the regular program state cost per pupil.

34 (c) For the budget year commencing July 1, 2027, and each
35 succeeding budget year, the regular program foundation base per

1 pupil is one hundred percent of the regular program state cost
2 per pupil.

3 (2) For the budget year commencing July 1, 1991, and for each
4 succeeding budget year the special education support services
5 foundation base is seventy-nine percent of the special education
6 support services state cost per pupil.

7 (3) The combined foundation base is the sum of the regular
8 program foundation base, the special education support services
9 foundation base, the total teacher salary supplement district
10 cost, the total professional development supplement district
11 cost, the total early intervention supplement district cost, the
12 total teacher leadership supplement district cost, and the total
13 area education agency teacher salary supplement district cost.

14 Sec. 17. Section 257.3, subsection 1, paragraph a, Code 2026,
15 is amended to read as follows:

16 a. (1) Except as provided in subsections 2 and 3, a school
17 district shall cause to be levied each budget year beginning
18 before July 1, 2027, for the school general fund, a foundation
19 property tax equal to five dollars and forty cents per thousand
20 dollars of assessed valuation on all taxable property in the
21 district. The county auditor shall spread the foundation levy
22 over all taxable property in the district.

23 (2) Except as provided in subsections 2 and 3, a school
24 district shall cause to be levied for the budget year beginning
25 July 1, 2027, and each succeeding budget year, for the school
26 general fund, a foundation property tax equal to four dollars and
27 forty-eight and six hundred sixty-two one-thousandths cents per
28 thousand dollars of assessed valuation on all taxable property
29 in the district. The county auditor shall spread the foundation
30 levy over all taxable property in the district.

31 Sec. 18. Section 257.3, subsection 2, paragraphs a and b,
32 Code 2026, are amended to read as follows:

33 a. Notwithstanding subsection 1, a reorganized school
34 district for which the reorganization takes effect on or after
35 July 1, 2027, shall cause a foundation property tax of ~~four~~

1 three dollars and ~~forty~~ sixty-six cents per thousand dollars of
 2 assessed valuation to be levied on all taxable property which, in
 3 the year preceding a reorganization, was within a school district
 4 affected by the reorganization as defined in section 275.1, or in
 5 the year preceding a dissolution was a part of a school district
 6 that dissolved if the dissolution proposal has been approved by
 7 the director of the department of education pursuant to section
 8 275.55.

9 b. ~~In~~ For a reorganized school district for which the
 10 reorganization took effect on or after July 1, 2027, in
 11 succeeding school years, the foundation property tax levy on that
 12 portion shall be increased to the rate of four dollars and ninety
 13 seven cents per thousand dollars of assessed valuation the first
 14 succeeding year, five four dollars and fifteen twenty-eight cents
 15 per thousand dollars of assessed valuation the second succeeding
 16 year, and five four dollars and forty forty-eight and six hundred
 17 sixty-two one-thousandths cents per thousand dollars of assessed
 18 valuation the third succeeding year and each year thereafter
 19 under subsection 1, paragraph "a".

20 Sec. 19. Section 257.4, subsection 1, paragraph b, Code 2026,
 21 is amended to read as follows:

22 b. For the budget year beginning July 1, 2008, and succeeding
 23 budget years beginning before July 1, 2027, the department
 24 of management shall annually determine an adjusted additional
 25 property tax levy and a statewide maximum adjusted additional
 26 property tax levy rate, not to exceed the statewide average
 27 additional property tax levy rate, calculated by dividing the
 28 total adjusted additional property tax levy dollars statewide by
 29 the statewide total net taxable valuation. For purposes of this
 30 paragraph, the adjusted additional property tax levy shall be
 31 that portion of the additional property tax levy corresponding
 32 to the state cost per pupil multiplied by a school district's
 33 weighted enrollment, and then multiplied by one hundred percent
 34 less the regular program foundation base per pupil percentage
 35 pursuant to section 257.1, and then reduced by the amount of

1 the property tax replacement payment to be received under section
2 257.16B and the amount of the foundation base supplement payment
3 to be received under section 257.16D. The district shall receive
4 adjusted additional property tax levy aid in an amount equal
5 to the difference between the adjusted additional property tax
6 levy rate and the statewide maximum adjusted additional property
7 tax levy rate, as applied per thousand dollars of assessed
8 valuation on all taxable property in the district. The statewide
9 maximum adjusted additional property tax levy rate shall be
10 annually determined by the department taking into account amounts
11 allocated pursuant to section 257.15, subsection 4, and the
12 balance of the property tax equity and relief fund created in
13 section 257.16A at the end of the calendar year.

14 Sec. 20. Section 257.4, subsection 2, Code 2026, is amended
15 by adding the following new paragraph:

16 NEW PARAGRAPH. c. This subsection applies to budget years
17 beginning before July 1, 2027.

18 Sec. 21. Section 257.15, subsections 2 and 3, Code 2026, are
19 amended to read as follows:

20 2. *Property tax adjustment aid for 1992-1993 and succeeding*
21 *years beginning before 2027-2028.* For the budget year beginning
22 July 1, 1992, and succeeding budget years beginning before July
23 1, 2027, the department of education shall pay property tax
24 adjustment aid to a school district equal to the amount paid
25 to the district for the base year less an amount equal to the
26 product of the percent by which the taxable valuation in the
27 district increased, if the taxable valuation increased, from
28 January 1 of the year prior to the base year to January 1 of the
29 base year and the property tax adjustment aid. The department of
30 management shall adjust the rate of the additional property tax
31 accordingly and notify the department of education of the amount
32 of aid to be paid to each district from moneys appropriated for
33 property tax adjustment aid.

34 3. *Property tax adjustment aid appropriation.* There is
35 appropriated from the general fund of the state to the department

1 of education, for each fiscal year beginning before July 1, 2027,
2 an amount necessary to pay property tax adjustment aid to school
3 districts under this section. Property tax adjustment aid shall
4 be paid to school districts in the manner provided in section
5 257.16.

6 Sec. 22. Section 257.15, subsection 4, paragraph a,
7 subparagraph (1), subparagraph division (d), Code 2026, is
8 amended to read as follows:

9 (d) For the budget year beginning July 1, 2009, and
10 succeeding budget years beginning before July 1, 2027,
11 twenty-four million dollars.

12 Sec. 23. Section 257.15, subsection 4, paragraph b, Code
13 2026, is amended to read as follows:

14 b. ~~After~~ For fiscal years beginning before July 1, 2026,
15 after lowering all school district adjusted additional property
16 tax levy rates to the statewide maximum adjusted additional
17 property tax levy rate under paragraph "a", the department of
18 management shall use any remaining funds at the end of the
19 calendar year to further lower additional property taxes by
20 increasing for the budget year beginning the following July
21 1, the regular program foundation base per pupil percentage
22 under section 257.1. Moneys used pursuant to this paragraph
23 shall supplant an equal amount of the appropriation made from
24 the general fund of the state pursuant to section 257.16 that
25 represents the increase in state foundation aid. Any moneys
26 remaining at the conclusion of the fiscal year beginning July 1,
27 2025, shall be transferred by the department of management for
28 deposit in the general fund of the state.

29 Sec. 24. Section 257.16A, subsections 2 and 3, Code 2026, are
30 amended to read as follows:

31 2. ~~There~~ For each fiscal year beginning before July 1,
32 2027, there is appropriated annually all moneys in the fund to
33 the department of management for purposes of section 257.15,
34 subsection 4.

35 3. Notwithstanding section 8.33, any moneys remaining in the

1 property tax equity and relief fund at the end of a fiscal
2 year shall not revert to any other fund but shall remain in the
3 property tax equity and relief fund for use as provided in this
4 section for the following fiscal year. However, at the end of
5 the fiscal year beginning July 1, 2026, any moneys remaining in
6 the property tax equity and relief fund shall be transferred for
7 deposit into either the secure an advanced vision for education
8 fund or the general fund of the state based on the fund from
9 which the moneys were received.

10 Sec. 25. Section 257.16B, subsection 1, Code 2026, is amended
11 to read as follows:

12 1. For each fiscal year beginning on or after July 1, 2023,
13 but before July 1, 2027, there is appropriated from the general
14 fund of the state to the department of education an amount
15 necessary to make all school district property tax replacement
16 payments under this section, as calculated in subsection 2.

17 Sec. 26. Section 257.16D, subsection 2, paragraph a, Code
18 2026, is amended to read as follows:

19 a. There For fiscal years beginning before July 1, 2027,
20 there is appropriated annually from the fund to the department
21 of management an amount necessary to make all foundation base
22 supplement payments under this section. The department of
23 management shall calculate each school district's foundation base
24 supplement payment based on the distribution methodology under
25 paragraph "b".

26 Sec. 27. Section 257.16D, subsection 3, Code 2026, is amended
27 to read as follows:

28 3. Notwithstanding section 8.33, any moneys remaining in the
29 foundation base supplement fund at the end of a fiscal year shall
30 not revert to any other fund but shall remain in the foundation
31 base supplement fund for use as provided in this section for the
32 following fiscal year. However, at the end of the fiscal year
33 beginning July 1, 2026, any moneys remaining in the foundation
34 base supplement fund shall be transferred for deposit in the
35 secure an advanced vision for education fund.

1 Sec. 28. Section 257.31, Code 2026, is amended by adding the
2 following new subsection:

3 NEW SUBSECTION. 19. a. The board of directors of each
4 school district with an unexpended fund balance in the district's
5 management levy fund under section 298A.3 at the conclusion of
6 the fiscal year beginning July 1, 2025, that exceeds an amount
7 equal to the total expenditures from the district's management
8 levy fund for the fiscal year beginning July 1, 2025, shall
9 certify such unexpended fund balance and expenditure amounts,
10 including any reserved or designated amounts in the fund and
11 the purposes therefor, to the school budget review committee by
12 November 15, 2026. The committee shall prescribe the form for
13 such certifications.

14 b. The committee shall conduct a review of the unexpended
15 fund balances and expenditures of school district management levy
16 funds certified under paragraph "a". The committee shall consult
17 with boards of directors of school districts and other relevant
18 persons to determine the appropriateness of establishing district
19 management levy fund unexpended fund balance limitations. By
20 February 1, 2027, the committee shall make recommendations to the
21 general assembly for establishing district management levy fund
22 unexpended fund balance limitations for fiscal years beginning on
23 or after July 1, 2028, including recommendations for limitations
24 based on a percentage of the district's management levy fund
25 expenditures and recommendations for management levy limitations
26 and expenditure requirements for excess funds.

27 Sec. 29. Section 298.2, subsection 1, Code 2026, is amended
28 to read as follows:

29 1. a. A physical plant and equipment levy of not exceeding
30 one dollar and ~~sixty-seven~~ eighteen cents per thousand dollars
31 of assessed valuation in the district is established except
32 as otherwise provided in this subsection. The physical plant
33 and equipment levy consists of the regular physical plant and
34 equipment levy of not exceeding ~~thirty-three~~ twenty-four cents
35 per thousand dollars of assessed valuation in the district

1 and a voter-approved physical plant and equipment levy of not
 2 exceeding ~~one dollar and thirty-four~~ ninety-four cents per
 3 thousand dollars of assessed valuation in the district. However,
 4 the voter-approved physical plant and equipment levy may consist
 5 of a combination of a physical plant and equipment property tax
 6 levy and a physical plant and equipment income surtax as provided
 7 in subsection 4 with the maximum amount levied and imposed
 8 limited to an amount that could be raised by a ~~one dollar and~~
 9 ~~thirty-four~~ ninety-four cent property tax levy. A voter-approved
 10 physical plant and equipment levy approved prior to the effective
 11 date of this division of this Act shall not exceed a rate that is
 12 seventy percent of the rate approved at election.

13 b. For school budget years beginning on or after July 1,
 14 ~~2015~~ 2027, a school district may by resolution of the board of
 15 directors adopted prior to April 30 preceding the budget year
 16 impose a physical plant and equipment levy at a rate in excess
 17 of the levy rate limitations under paragraph "a" if the board
 18 has refunded or refinanced a loan agreement entered into under
 19 section 297.36 and such refunding or refinancing complies with
 20 the maturity period authorized under section 297.36, subsection
 21 1, paragraph "c", and results in a lower amount of interest on
 22 the amount of the loan agreement. However, the rate imposed
 23 by a school district under this paragraph shall not exceed the
 24 rate imposed during the budget year in which the loan agreement
 25 was refunded or refinanced or seventy percent of such levy rate
 26 if the refunding or refinancing occurred in the budget year
 27 beginning July 1, 2026. Authorization to exceed the levy rate
 28 limitations of paragraph "a" shall terminate upon the maturity
 29 of the loan agreement after refunding or refinancing. Upon
 30 adoption of the resolution under this paragraph "b", the board
 31 shall comply with the requirements of section 297.36, subsection
 32 1, paragraph "b".

33 Sec. 30. Section 298.2, subsection 2, Code 2026, is amended
 34 by striking the subsection.

35 Sec. 31. Section 298.4, subsection 1, unnumbered paragraph 1,

1 Code 2026, is amended to read as follows:

2 The Unless prohibited by subsection 1A, paragraph "a", the
3 board of directors of a school district may certify for levy
4 by April 30 of a school year, a tax on all taxable property in
5 the school district for a district management levy, subject to
6 the limitations in subsection 1A, paragraph "b". The revenue
7 from the tax levied in this section shall be placed in the
8 district management levy fund of the school district. The
9 district management levy shall be expended only for the following
10 purposes:

11 Sec. 32. Section 298.4, Code 2026, is amended by adding the
12 following new subsection:

13 NEW SUBSECTION. 1A. a. (1) For the fiscal year beginning
14 July 1, 2028, if a school district's unexpended fund balance, as
15 defined in section 257.2, of the district's management levy fund
16 is equal to or exceeds one hundred eighty percent of the average
17 annual expenditures from the district's management levy fund for
18 the three consecutive fiscal years immediately preceding the base
19 year, the board of directors shall not certify a levy under this
20 section for the fiscal year.

21 (2) For the fiscal year beginning July 1, 2029, if a
22 school district's unexpended fund balance, as defined in section
23 257.2, of the district's management levy fund is equal to or
24 exceeds one hundred seventy-five percent of the average annual
25 expenditures from the district's management levy fund for the
26 three consecutive fiscal years immediately preceding the base
27 year, the board of directors shall not certify a levy under this
28 section for the fiscal year.

29 (3) For the fiscal year beginning July 1, 2030, if a school
30 district's unexpended fund balance, as defined in section 257.2,
31 of the district's management levy fund is equal to or exceeds one
32 hundred seventy percent of the average annual expenditures from
33 the district's management levy fund for the three consecutive
34 fiscal years immediately preceding the base year, the board of
35 directors shall not certify a levy under this section for the

1 fiscal year.

2 (4) For the fiscal year beginning July 1, 2031, if a
3 school district's unexpended fund balance, as defined in section
4 257.2, of the district's management levy fund is equal to or
5 exceeds one hundred sixty-five percent of the average annual
6 expenditures from the district's management levy fund for the
7 three consecutive fiscal years immediately preceding the base
8 year, the board of directors shall not certify a levy under this
9 section for the fiscal year.

10 (5) For the fiscal year beginning July 1, 2032, and each
11 succeeding fiscal year, if a school district's unexpended
12 fund balance, as defined in section 257.2, of the district's
13 management levy fund is equal to or exceeds one hundred sixty
14 percent of the average annual expenditures from the district's
15 management levy fund for the three consecutive fiscal years
16 immediately preceding the base year, the board of directors shall
17 not certify a levy under this section for the fiscal year.

18 b. (1) For the fiscal year beginning July 1, 2028, if a
19 school district is not prohibited from certifying a levy pursuant
20 to paragraph "a", the maximum amount that the board of directors
21 may certify for levy under this section shall be an amount equal
22 to the remainder of one hundred eighty percent of the average
23 annual expenditures from the district's management levy fund for
24 the three consecutive fiscal years immediately preceding the base
25 year minus the district's management levy fund unexpended fund
26 balance for the fiscal year preceding the base year.

27 (2) For the fiscal year beginning July 1, 2029, if a school
28 district is not prohibited from certifying a levy pursuant to
29 paragraph "a", the maximum amount that the board of directors may
30 certify for levy under this section shall be an amount equal to
31 the remainder of one hundred seventy-five percent of the average
32 annual expenditures from the district's management levy fund for
33 the three consecutive fiscal years immediately preceding the base
34 year minus the district's management levy fund unexpended fund
35 balance for the fiscal year preceding the base year.

1 (3) For the fiscal year beginning July 1, 2030, if a school
2 district is not prohibited from certifying a levy pursuant to
3 paragraph "a", the maximum amount that the board of directors
4 may certify for levy under this section shall be an amount equal
5 to the remainder of one hundred seventy percent of the average
6 annual expenditures from the district's management levy fund for
7 the three consecutive fiscal years immediately preceding the base
8 year minus the district's management levy fund unexpended fund
9 balance for the fiscal year preceding the base year.

10 (4) For the fiscal year beginning July 1, 2031, if a school
11 district is not prohibited from certifying a levy pursuant to
12 paragraph "a", the maximum amount that the board of directors may
13 certify for levy under this section shall be an amount equal to
14 the remainder of one hundred sixty-five percent of the average
15 annual expenditures from the district's management levy fund for
16 the three consecutive fiscal years immediately preceding the base
17 year minus the district's management levy fund unexpended fund
18 balance for the fiscal year preceding the base year.

19 (5) For the fiscal year beginning July 1, 2032, and each
20 succeeding fiscal year, if a school district is not prohibited
21 from certifying a levy pursuant to paragraph "a", the maximum
22 amount that the board of directors may certify for levy under
23 this section shall be an amount equal to the remainder of one
24 hundred sixty percent of the average annual expenditures from the
25 district's management levy fund for the three consecutive fiscal
26 years immediately preceding the base year minus the district's
27 management levy fund unexpended fund balance for the fiscal year
28 preceding the base year.

29 Sec. 33. Section 298.18, subsection 1, paragraph d, Code
30 2026, is amended to read as follows:

31 d. (1) The amount estimated and certified to apply on
32 principal and interest for any one year may exceed ~~two~~ dollars
33 ~~and seventy~~ one dollar and eighty-nine cents per thousand dollars
34 of assessed value by the amount approved by the voters of the
35 school corporation, but not exceeding ~~four~~ two dollars and ~~five~~

1 eighty-four cents per thousand dollars of the assessed value
2 of the taxable property within any school corporation, provided
3 that the registered voters of such school corporation have first
4 approved such increased amount at an election held on a date
5 specified in section 39.2, subsection 4, paragraph "c". Amounts
6 approved at election before the effective date of this division
7 of this Act shall not exceed a rate that is seventy percent of
8 the rate approved at election.

9 (2) The levy rate limitations under this paragraph shall not
10 apply to the payment of general obligation bonds approved for
11 issuance at an election held on or before November 4, 2025,
12 that are sold on or after May 1, 2026, and the payment of such
13 bonds shall be subject to the levy rate limitations under section
14 298.18, subsection 1, paragraph "d", Code 2026.

15 Sec. 34. Section 423F.2, subsection 3, paragraph b,
16 subparagraph (1), Code 2026, is amended to read as follows:

17 (1) ~~Prior to distribution of moneys in the secure an advanced~~
18 ~~vision for education fund to school districts, an amount equal~~
19 ~~to the equity transfer amount for the fiscal year minus the~~
20 ~~foundation base transfer amount for the fiscal year shall~~
21 ~~be distributed and credited to the property tax equity and~~
22 ~~relief fund created in section 257.16A, an amount equal to the~~
23 ~~foundation base transfer amount shall be distributed and credited~~
24 ~~to the foundation base supplement fund created in section~~
25 257.16D, general fund of the state to be used for foundation aid
26 resulting from the increase in the regular program foundation
27 base per pupil to one hundred percent of the regular program
28 state cost per pupil and an amount equal to the career academy
29 transfer amount for the fiscal year shall be distributed and
30 credited to the career academy fund created in section 257.51.

31 Sec. 35. Section 423F.2, subsection 3, paragraph b,
32 subparagraph (3), Code 2026, is amended by striking the
33 subparagraph.

34 Sec. 36. Section 423F.3, subsection 1, paragraph a, Code
35 2026, is amended to read as follows:

1 a. Reduction of ~~the bond levies~~ levy under ~~sections~~ section
2 298.18 and ~~298.18A~~ and all other debt levies.

3 Sec. 37. Section 425A.3, subsection 1, Code 2026, is amended
4 to read as follows:

5 1. The family farm tax credit fund shall be apportioned each
6 year in the manner provided in this chapter so as to give a
7 credit against the tax on each eligible tract of agricultural
8 land within the several school districts of the state in which
9 the levy for the general school fund exceeds ~~five dollars and~~
10 ~~forty cents per thousand dollars of assessed value~~ the levy rate
11 under section 257.3, subsection 1, paragraph "a". The amount of
12 the credit on each eligible tract of agricultural land shall be
13 the amount the tax levied for the general school fund exceeds the
14 amount of tax which would be levied on each eligible tract of
15 agricultural land were the levy for the general school fund ~~five~~
16 ~~dollars and forty cents per thousand dollars of assessed value~~
17 the levy rate under section 257.3, subsection 1, paragraph "a",
18 for the previous year. However, in the case of a deficiency in
19 the family farm tax credit fund to pay the credits in full, the
20 credit on each eligible tract of agricultural land in the state
21 shall be proportionate and applied as provided in this chapter.

22 Sec. 38. Section 425A.5, Code 2026, is amended to read as
23 follows:

24 **425A.5 Computation by county auditor.**

25 The family farm tax credit allowed each year shall be computed
26 as follows: On or before April 1, the county auditor shall list
27 by school districts all tracts of agricultural land which are
28 entitled to credit, the taxable value for the previous year, the
29 budget from each school district for the previous year, and the
30 tax rate determined for the general fund of the school district
31 in the manner prescribed in section 444.3 for the previous year,
32 and if the tax rate is in excess of ~~five dollars and forty~~
33 ~~cents per thousand dollars of assessed value~~ the levy rate under
34 section 257.3, subsection 1, paragraph "a", the auditor shall
35 multiply the tax levy which is in excess of ~~five dollars and~~

1 ~~forty cents per thousand dollars of assessed value~~ the levy rate
2 under section 257.3, subsection 1, paragraph "a", by the total
3 taxable value of the agricultural land entitled to credit in the
4 school district, and on or before April 1, certify the total
5 amount of credit and the total number of acres entitled to the
6 credit to the department of revenue.

7 Sec. 39. Section 426.3, Code 2026, is amended to read as
8 follows:

9 **426.3 Where credit given.**

10 The agricultural land credit fund shall be apportioned each
11 year in the manner hereinafter provided so as to give a credit
12 against the tax on each tract of agricultural lands within the
13 several school districts of the state in which the levy for the
14 general school fund exceeds ~~five dollars and forty cents per~~
15 ~~thousand dollars of assessed value~~ the levy rate under section
16 257.3, subsection 1, paragraph "a"; the amount of such credit on
17 each tract of such lands shall be the amount the tax levied for
18 the general school fund exceeds the amount of tax which would be
19 levied on said tract of such lands were the levy for the general
20 school fund ~~five dollars and forty cents per thousand dollars~~
21 ~~of assessed value~~ the levy rate under section 257.3, subsection
22 1, paragraph "a", for the previous year, except in the case of
23 a deficiency in the agricultural land credit fund to pay said
24 credits in full, in which case the credit on each eligible tract
25 of such lands in the state shall be proportionate and shall be
26 applied as hereinafter provided.

27 Sec. 40. Section 426.6, subsection 1, Code 2026, is amended
28 to read as follows:

29 1. The agricultural land tax credit allowed each year shall
30 be computed as follows: On or before April 1, the county auditor
31 shall list by school districts all tracts of agricultural lands
32 which are entitled to credit, together with the taxable value
33 for the previous year, together with the budget from each school
34 district for the previous year, and the tax rate determined for
35 the general fund of the district in the manner prescribed in

1 section 444.3 for the previous year, and if such tax rate is in
2 excess of ~~five dollars and forty cents per thousand dollars of~~
3 ~~assessed value~~ the levy rate under section 257.3, subsection 1,
4 paragraph "a", the auditor shall multiply the tax levy which is
5 in excess of ~~five dollars and forty cents per thousand dollars~~
6 ~~of assessed value~~ the levy rate under section 257.3, subsection
7 1, paragraph "a", by the total taxable value of the agricultural
8 lands entitled to credit in the district, and on or before April
9 1, certify the amount to the department of revenue.

10 Sec. 41. REPEAL. Section 298.18A, Code 2026, is repealed.

11 Sec. 42. ADJUSTMENT OF CALCULATIONS. For property tax
12 credits under chapters 425A and 426 for property taxes due and
13 payable in the fiscal year beginning July 1, 2027, the tax rate
14 determined for the general fund of the school district in the
15 manner prescribed in section 444.3 for the previous year shall
16 be determined using the appropriate property tax levy rate under
17 section 257.3, as amended in this division of this Act.

18 Sec. 43. EFFECTIVE DATE. Except for the section of this
19 division of this Act amending section 257.31, this division of
20 this Act takes effect January 1, 2027.

21 Sec. 44. APPLICABILITY. Except for the section of this
22 division of this Act amending section 257.31, this division
23 of this Act applies to fiscal years and school budget years
24 beginning on or after July 1, 2027.

25 DIVISION IV

26 PROPERTY CLASSIFICATIONS, VALUATIONS, AND ASSESSMENT LIMITATIONS

27 Sec. 45. Section 386.8, Code 2026, is amended to read as
28 follows:

29 **386.8 Operation tax.**

30 A city may establish a self-supported improvement district
31 operation fund, and may certify taxes not to exceed the rate
32 limitation as established in the ordinance creating the district,
33 or any amendment thereto, each year to be levied for the fund
34 against all of the property in the district, for the purpose
35 of paying the administrative expenses of the district, which may

1 include but are not limited to administrative personnel salaries,
 2 a separate administrative office, planning costs including
 3 consultation fees, engineering fees, architectural fees, and
 4 legal fees and all other expenses reasonably associated with the
 5 administration of the district and the fulfilling of the purposes
 6 of the district. The taxes levied for this fund may also be used
 7 for the purpose of paying maintenance expenses of improvements or
 8 self-liquidating improvements for a specified length of time with
 9 one or more options to renew if such is clearly stated in the
 10 petition which requests the council to authorize construction of
 11 the improvement or self-liquidating improvement, whether or not
 12 such petition is combined with the petition requesting creation
 13 of a district. Parcels of property which are assessed as
 14 residential property for property tax purposes are exempt from
 15 the tax levied under this section except residential properties
 16 within a duly designated historic district or property classified
 17 as ~~residential~~ multiresidential property under section 441.21,
 18 subsection ~~14~~ 13, paragraph "a", subparagraph ~~(6)~~ (5). A tax
 19 levied under this section is not subject to the levy limitation
 20 in section 384.1.

21 Sec. 46. Section 386.9, Code 2026, is amended to read as
 22 follows:

23 **386.9 Capital improvement tax.**

24 A city may establish a capital improvement fund for a district
 25 and may certify taxes, not to exceed the rate established by
 26 the ordinance creating the district, or any subsequent amendment
 27 thereto, each year to be levied for the fund against all of the
 28 property in the district, for the purpose of accumulating moneys
 29 for the financing or payment of a part or all of the costs of any
 30 improvement or self-liquidating improvement. However, parcels of
 31 property which are assessed as residential property for property
 32 tax purposes are exempt from the tax levied under this section
 33 except residential properties within a duly designated historic
 34 district or property classified as ~~residential~~ multiresidential
 35 property under section 441.21, subsection ~~14~~ 13, paragraph "a",

1 subparagraph ~~(6)~~ (5). A tax levied under this section is not
2 subject to the levy limitations in section 384.1 or 384.7.

3 Sec. 47. Section 386.10, Code 2026, is amended to read as
4 follows:

5 **386.10 Debt service tax.**

6 A city shall establish a self-supported municipal improvement
7 district debt service fund whenever any self-supported municipal
8 improvement district bonds are issued and outstanding, other than
9 revenue bonds, and shall certify taxes to be levied against all
10 of the property in the district for the debt service fund in
11 the amount necessary to pay interest as it becomes due and the
12 amount necessary to pay, or to create a sinking fund to pay, the
13 principal at maturity of all self-supported municipal improvement
14 district bonds as authorized in section 386.11, issued by the
15 city. However, parcels of property which are assessed as
16 residential property for property tax purposes at the time of the
17 issuance of the bonds are exempt from the tax levied under this
18 section until the parcels are no longer assessed as residential
19 property or until the residential properties are designated as a
20 part of a historic district or property classified as ~~residential~~
21 multiresidential property under section 441.21, subsection 14 13,
22 paragraph "a", subparagraph ~~(6)~~ (5).

23 Sec. 48. Section 404.2, subsection 2, paragraph f, Code 2026,
24 is amended to read as follows:

25 *f.* A statement specifying whether the revitalization is
26 applicable to none, some, or all of the property assessed
27 as residential, multiresidential, agricultural, commercial, or
28 industrial property within the designated area or a combination
29 thereof and whether the revitalization is for rehabilitation and
30 additions to existing buildings or new construction or both. If
31 revitalization is made applicable only to some property within
32 an assessment classification, the definition of that subset of
33 eligible property must be by uniform criteria which further some
34 planning objective identified in the plan. The city shall state
35 how long it is estimated that the area shall remain a designated

1 revitalization area which time shall be longer than one year from
2 the date of designation and shall state any plan by the city to
3 issue revenue bonds for revitalization projects within the area.
4 For a county, a revitalization area shall include only property
5 which will be used as industrial property, commercial property,
6 multiresidential property, or residential property. However, a
7 county shall not provide a tax exemption under this chapter to
8 commercial property, multiresidential property, or residential
9 property which is located within the limits of a city.

10 Sec. 49. Section 404.3, subsection 4, paragraph a, Code 2026,
11 is amended by striking the paragraph and inserting in lieu
12 thereof the following:

13 a. All qualified real estate assessed as any of the following
14 is eligible to receive a one hundred percent exemption from
15 taxation on the actual value added by the improvements:

16 (1) Residential property.

17 (2) Commercial property if the commercial property consists
18 of three or more separate living quarters with at least
19 seventy-five percent of the space used for residential purposes.

20 (3) Multiresidential property if the multiresidential
21 property consists of three or more separate living quarters with
22 at least seventy-five percent of the space used for residential
23 purposes.

24 Sec. 50. Section 404.3A, Code 2026, is amended to read as
25 follows:

26 **404.3A Residential development area exemption.**

27 Notwithstanding the schedules provided for in section 404.3,
28 all qualified real estate assessed as residential property
29 or multiresidential property, excluding property classified
30 as ~~residential~~ multiresidential property under section 441.21,
31 subsection ~~14~~ 13, paragraph "a", subparagraph ~~(6)~~ (5), in an
32 area designated under section 404.1, subsection 5, is eligible
33 to receive an exemption from taxation on the first seventy-five
34 thousand dollars of actual value added by the improvements. The
35 exemption is for a period of five years.

1 Sec. 51. Section 404.3D, Code 2026, is amended to read as
2 follows:

3 **404.3D Exemptions for residential and multiresidential**
4 **property.**

5 For revitalization areas established under this chapter on or
6 after July 1, 2024, and for first-year exemption applications for
7 property located in a revitalization area in existence on July
8 1, 2024, filed on or after July 1, 2024, an exemption authorized
9 under this chapter for property that is residential property or
10 multiresidential property shall not apply to property tax levies
11 imposed by a school district.

12 Sec. 52. Section 441.21, subsection 1, paragraph b,
13 subparagraph (1), Code 2026, is amended to read as follows:

14 (1) The actual value of all property subject to assessment
15 and taxation shall be the fair and reasonable market value of
16 such property except as otherwise provided in this section.
17 "Market value" is defined as the fair and reasonable exchange
18 in the year in which the property is listed and valued between
19 a willing buyer and a willing seller, neither being under any
20 compulsion to buy or sell and each being familiar with all the
21 facts relating to the particular property. Sale prices of the
22 property or comparable property in normal transactions reflecting
23 market value, and the probable availability or unavailability of
24 persons interested in purchasing the property, shall be taken
25 into consideration in arriving at its market value. In arriving
26 at market value, sale prices of property in abnormal transactions
27 not reflecting market value shall not be taken into account,
28 or shall be adjusted to eliminate the effect of factors which
29 distort market value, including but not limited to built-to-suit
30 construction, sale-leaseback transactions, leased fee sales,
31 sales to immediate family of the seller between related parties,
32 foreclosure or other forced sales, contract sales, discounted
33 purchase transactions or purchase of adjoining land or other land
34 to be operated as a unit.

35 Sec. 53. Section 441.21, subsection 1, paragraph e, Code

1 2026, is amended to read as follows:

2 e. The actual value of agricultural property shall be
3 determined on the basis of productivity and net earning capacity
4 of the property determined on the basis of its use for
5 agricultural purposes capitalized at a rate of seven percent
6 and applied uniformly among counties and among classes of
7 property. However, for assessment years beginning on or after
8 January 1, 2027, structures on agricultural land constructed on
9 or after January 1, 2027, that are not agricultural dwellings
10 shall not be included in determination of productivity and
11 net earning capacity of agricultural property and shall not be
12 allocated any portion of the total county productivity value so
13 determined. However, such structures shall be treated similarly
14 to agricultural structures constructed before January 1, 2027,
15 when applying any equalization order of the department. Such
16 agricultural structures shall instead be valued according to the
17 structure's replacement cost less depreciation and obsolescence
18 and the structure's assessed value subject to taxation prior
19 to application of any assessment limitation under subsection 4
20 shall be equal to the product of the structure's value multiplied
21 by the agricultural factor, as determined in 701 IAC 102.3(2)
22 or succeeding rule of the department. Any formula or method
23 employed to determine productivity and net earning capacity of
24 property shall be adopted in full by rule.

25 Sec. 54. Section 441.21, subsection 2, Code 2026, is amended
26 to read as follows:

27 2. In the event market value of the property being assessed
28 cannot be readily established in the foregoing manner, then
29 the assessor may determine the value of the property using the
30 other uniform and recognized appraisal methods including its
31 productive and earning capacity, if any, industrial conditions,
32 its cost, physical and functional depreciation and obsolescence
33 and replacement cost, and all other factors which would assist
34 in determining the fair and reasonable market value of the
35 property but the actual value shall not be determined by use of

1 only one such factor. The following shall not be taken into
2 consideration: Special value or use value of the property to
3 its present owner, and the goodwill or value of a business which
4 uses the property as distinguished from the value of the property
5 as property. In addition, for assessment years beginning on or
6 after January 1, 2018, and unless otherwise required for property
7 valued by the department of revenue pursuant to chapters 428,
8 437, and 438, the assessor shall not take into consideration
9 and shall not request from any person sales or receipts data,
10 expense data, balance sheets, bank account information, or other
11 data related to the financial condition of a business operating
12 in whole or in part on the property if the property is both
13 classified as commercial or industrial property and owned and
14 used by the owner of the business. However, in assessing
15 property that is rented or leased to low-income individuals and
16 families as authorized by section 42 of the Internal Revenue
17 Code, as amended, and which section limits the amount that the
18 individual or family pays for the rental or lease of units
19 in the property, the assessor shall, unless the owner elects
20 to withdraw the property from the assessment procedures for
21 section 42 property, use the productive and earning capacity from
22 the actual rents received as a method of appraisal and shall
23 take into account the extent to which that use and limitation
24 reduces the market value of the property. The assessor shall
25 not consider any tax credit equity or other subsidized financing
26 as income provided to the property in determining the assessed
27 value. The property owner shall notify the assessor when
28 property is withdrawn from section 42 eligibility under the
29 Internal Revenue Code or if the owner elects to withdraw the
30 property from the assessment procedures for section 42 property
31 under this subsection. The property shall not be subject to
32 section 42 assessment procedures for the assessment year for
33 which section 42 eligibility is withdrawn or an election is
34 made. This notification must be provided to the assessor no
35 later than March 1 of the assessment year or the owner will

1 be subject to a penalty of five hundred dollars for that
 2 assessment year. The penalty shall be collected at the same
 3 time and in the same manner as regular property taxes. An
 4 election to withdraw from the assessment procedures for section
 5 42 property is irrevocable. Property that is withdrawn from the
 6 assessment procedures for section 42 property shall be classified
 7 and assessed as ~~residential~~ multiresidential property unless the
 8 property otherwise fails to meet the requirements of subsection
 9 ~~14~~ 13. Upon adoption of uniform rules by the department
 10 of revenue or succeeding authority covering assessments and
 11 valuations of such properties, the valuation on such properties
 12 shall be determined in accordance with such rules and in
 13 accordance with forms and guidelines contained in the real
 14 property appraisal manual prepared by the department as updated
 15 from time to time for assessment purposes to assure uniformity,
 16 but such rules, forms, and guidelines shall not be inconsistent
 17 with or change the foregoing means of determining the actual,
 18 market, taxable, and assessed values.

19 Sec. 55. Section 441.21, subsections 4 and 5, Code 2026, are
 20 amended to read as follows:

21 4. For valuations established as of January 1, ~~1979~~ 2026, the
 22 percentage of actual value at which agricultural and residential
 23 property shall be assessed shall be ~~the quotient of the dividend~~
 24 ~~and divisor as defined in this section~~ determined under this
 25 subsection.

26 a. ~~(1)~~ The percentage of actual value at which agricultural
 27 property shall be assessed shall be the quotient of the dividend
 28 and divisor as defined in this paragraph. The dividend ~~for~~
 29 ~~each class of property~~ shall be the dividend as determined for
 30 ~~each class of~~ agricultural property for valuations established
 31 as of January 1, ~~1978~~ 2025, as determined under the applicable
 32 law for that assessment year, adjusted by the product obtained
 33 by multiplying the percentage determined for that year by the
 34 amount of any additions or deletions to actual value, excluding
 35 those resulting from the revaluation of existing properties, as

1 reported by the assessors on the abstracts of assessment for 1978
2 2025, plus ~~six~~ three percent of the amount so determined.

3 ~~(2) However, if the difference between the dividend so~~
4 ~~determined for either class of property and the dividend for~~
5 ~~that class of property for valuations established as of January~~
6 ~~1, 1978, adjusted by the product obtained by multiplying the~~
7 ~~percentage determined for that year by the amount of any~~
8 ~~additions or deletions to actual value, excluding those resulting~~
9 ~~from the revaluation of existing properties, as reported by~~
10 ~~the assessors on the abstracts of assessment for 1978, is less~~
11 ~~than six percent, the 1979 dividend for the other class of~~
12 ~~property shall be the dividend as determined for that class~~
13 ~~of property for valuations established as of January 1, 1978,~~
14 ~~adjusted by the product obtained by multiplying the percentage~~
15 ~~determined for that year by the amount of any additions or~~
16 ~~deletions to actual value, excluding those resulting from the~~
17 ~~revaluation of existing properties, as reported by the assessors~~
18 ~~on the abstracts of assessment for 1978, plus a percentage of~~
19 ~~the amount so determined which is equal to the percentage by~~
20 ~~which the dividend as determined for the other class of property~~
21 ~~for valuations established as of January 1, 1978, adjusted by~~
22 ~~the product obtained by multiplying the percentage determined~~
23 ~~for that year by the amount of any additions or deletions to~~
24 ~~actual value, excluding those resulting from the revaluation~~
25 ~~of existing properties, as reported by the assessors on the~~
26 ~~abstracts of assessment for 1978, is increased in arriving at the~~
27 ~~1979 dividend for the other class of property.~~

28 ~~(3) For valuations established for assessment years beginning~~
29 ~~on or after January 1, 2022, the calculation of the dividend~~
30 ~~for residential property under this subsection shall exclude the~~
31 ~~value of all property described in subsection 14, paragraph "a",~~
32 ~~subparagraphs (2), (3), (4), (5), and (6), and the property~~
33 ~~described in subsection 14, paragraph "a", subparagraph (7), that~~
34 ~~contains three or more separate dwelling units.~~

35 ~~b. (1) The divisor for each class of property shall be~~

1 the total actual value of all such agricultural property in
 2 the state in the preceding year, as reported by the assessors
 3 on the abstracts of assessment submitted for ~~1978~~ 2025, as
 4 determined under the applicable law for that assessment year,
 5 plus the amount of value added to said total actual value by
 6 the revaluation of existing properties in ~~1979~~ 2026 as equalized
 7 by the director of revenue pursuant to section 441.49. The
 8 director shall utilize information reported on abstracts of
 9 assessment submitted pursuant to section 441.45 in determining
 10 such percentage. For valuations established as of January
 11 1, 2027, and each assessment year thereafter, the percentage
 12 of actual value as equalized by the department of revenue as
 13 provided in section 441.49 at which agricultural property shall
 14 be assessed shall be calculated in accordance with the methods
 15 provided in this paragraph.

16 ~~(2) For valuations established for assessment years beginning~~
 17 ~~on or after January 1, 2022, the calculation of the divisor~~
 18 ~~for residential property under this subsection shall exclude the~~
 19 ~~value of all property described in subsection 14, paragraph "a",~~
 20 ~~subparagraphs (2), (3), (4), (5), and (6), and the property~~
 21 ~~described in subsection 14, paragraph "a", subparagraph (7), that~~
 22 ~~contains three or more separate dwelling units.~~

23 ~~e. (1) For valuations established as of January 1, 1980,~~
 24 ~~and each assessment year thereafter beginning before January~~
 25 ~~1, 2013, the percentage of actual value as equalized by the~~
 26 ~~director of revenue as provided in section 441.49 at which~~
 27 ~~agricultural and residential property shall be assessed shall~~
 28 ~~be calculated in accordance with the methods provided in this~~
 29 ~~subsection, including the limitation of increases in agricultural~~
 30 ~~and residential assessed values to the percentage increase of~~
 31 ~~the other class of property if the other class increases less~~
 32 ~~than the allowable limit adjusted to include the applicable and~~
 33 ~~current values as equalized by the director of revenue, except~~
 34 ~~that any references to six percent in this subsection shall be~~
 35 ~~four percent.~~

1 ~~(2) For valuations established as of January 1, 2013, and~~
2 ~~each assessment year thereafter, the percentage of actual value~~
3 ~~as equalized by the department of revenue as provided in~~
4 ~~section 441.49 at which agricultural and residential property~~
5 ~~shall be assessed shall be calculated in accordance with the~~
6 ~~methods provided in this subsection, including the limitation of~~
7 ~~increases in agricultural and residential assessed values to the~~
8 ~~percentage increase of the other class of property if the other~~
9 ~~class increases less than the allowable limit adjusted to include~~
10 ~~the applicable and current values as equalized by the department~~
11 ~~of revenue, except that any references to six percent in this~~
12 ~~subsection shall be three percent.~~

13 b. (1) For valuations established for the assessment year
14 beginning January 1, 2025, the percentage of actual value
15 as equalized by the department of revenue as provided in
16 section 441.49 at which residential property shall be assessed
17 shall be forty-four and five thousand three hundred forty-five
18 ten-thousandths percent.

19 (2) For valuations established for the assessment year
20 beginning January 1, 2026, and the assessment year beginning
21 January 1, 2027, the percentage of actual value as equalized by
22 the department of revenue as provided in section 441.49 at which
23 residential property shall be assessed shall be seventy-two and
24 one-half percent.

25 (3) For valuations established for the assessment year
26 beginning January 1, 2028, the percentage of actual value as
27 equalized by the department of revenue as provided in section
28 441.49 at which residential property shall be assessed shall be
29 seventy-five and one-fourth percent.

30 (4) For valuations established for the assessment year
31 beginning January 1, 2029, the percentage of actual value as
32 equalized by the department of revenue as provided in section
33 441.49 at which residential property shall be assessed shall be
34 seventy-eight percent.

35 (5) For valuations established for the assessment year

1 beginning January 1, 2030, the percentage of actual value as
2 equalized by the department of revenue as provided in section
3 441.49 at which residential property shall be assessed shall be
4 eighty and three-fourths percent.

5 (6) For valuations established for the assessment year
6 beginning January 1, 2031, the percentage of actual value as
7 equalized by the department of revenue as provided in section
8 441.49 at which residential property shall be assessed shall be
9 eighty-three and one-half percent.

10 (7) For valuations established for the assessment year
11 beginning January 1, 2032, the percentage of actual value as
12 equalized by the department of revenue as provided in section
13 441.49 at which residential property shall be assessed shall be
14 eighty-six and one-fourth percent.

15 (8) For valuations established for the assessment year
16 beginning January 1, 2033, the percentage of actual value as
17 equalized by the department of revenue as provided in section
18 441.49 at which residential property shall be assessed shall be
19 eighty-nine percent.

20 (9) For valuations established for the assessment year
21 beginning January 1, 2034, the percentage of actual value as
22 equalized by the department of revenue as provided in section
23 441.49 at which residential property shall be assessed shall be
24 ninety-one and three-fourths percent.

25 (10) For valuations established for the assessment year
26 beginning January 1, 2035, the percentage of actual value as
27 equalized by the department of revenue as provided in section
28 441.49 at which residential property shall be assessed shall be
29 ninety-four and one-half percent.

30 (11) For valuations established for the assessment year
31 beginning January 1, 2036, the percentage of actual value as
32 equalized by the department of revenue as provided in section
33 441.49 at which residential property shall be assessed shall be
34 ninety-seven and one-fourth percent.

35 (12) For valuations established for the assessment year

1 beginning January 1, 2037, and each assessment year thereafter,
2 the percentage of actual value as equalized by the department
3 of revenue as provided in section 441.49 at which residential
4 property shall be assessed shall be one hundred percent.

5 5. a. (1) ~~For valuations established as of January 1, 1979,~~
6 ~~property valued by the department of revenue pursuant to chapter~~
7 ~~437 shall be considered as one class of property and shall be~~
8 ~~assessed as a percentage of its actual value. The percentage~~
9 ~~shall be determined by the director of revenue in accordance~~
10 ~~with the provisions of this section. For valuations established~~
11 ~~as of January 1, 1979, the percentage shall be the quotient~~
12 ~~of the dividend and divisor as defined in this section. The~~
13 ~~dividend shall be the total actual valuation established for 1978~~
14 ~~by the department of revenue, plus ten percent of the amount so~~
15 ~~determined. The divisor for property valued by the department~~
16 ~~of revenue pursuant to chapter 437 shall be the valuation~~
17 ~~established for 1978, plus the amount of value added to the total~~
18 ~~actual value by the revaluation of the property by the department~~
19 ~~of revenue as of January 1, 1979. For valuations established as~~
20 ~~of January 1, 1980, property valued by the department of revenue~~
21 ~~pursuant to chapter 437 shall be assessed at a percentage of~~
22 ~~its actual value. The percentage shall be determined by the~~
23 ~~director of revenue in accordance with the provisions of this~~
24 ~~section. For valuations established as of January 1, 1980, the~~
25 ~~percentage shall be the quotient of the dividend and divisor as~~
26 ~~defined in this section. The dividend shall be the total actual~~
27 ~~valuation established for 1979 by the department of revenue, plus~~
28 ~~eight percent of the amount so determined. The divisor for~~
29 ~~property valued by the department of revenue pursuant to chapter~~
30 ~~437 shall be the valuation established for 1979, plus the amount~~
31 ~~of value added to the total actual value by the revaluation~~
32 ~~of the property by the department of revenue as of January 1,~~
33 ~~1980. For valuations established as of January 1, 1981, and each~~
34 ~~year thereafter, the percentage of actual value at which property~~
35 ~~valued by the department of revenue pursuant to chapter 437 shall~~

1 ~~be assessed shall be calculated in accordance with the methods~~
2 ~~provided herein, except that any references to ten percent in~~
3 ~~this subsection shall be eight percent.~~

4 ~~(2)~~ (1) For valuations established on or after January 1,
5 2013, property valued by the department of revenue pursuant to
6 chapter 434 shall be assessed at a portion of its actual value
7 determined in the same manner at which property assessed as
8 commercial property is assessed under paragraph "b" for the same
9 assessment year.

10 ~~(3)~~ (2) For valuations established for the assessment year
11 beginning January 1, 2025, the percentage of actual value at
12 which property valued by the department of revenue pursuant to
13 chapters 428 and 438 shall be assessed shall be ninety-eight
14 percent.

15 ~~(4)~~ (3) For valuations established for the assessment year
16 beginning January 1, 2026, and each assessment year thereafter,
17 the percentage of actual value at which property valued by the
18 department of revenue pursuant to chapters 428, 437, and 438
19 shall be assessed shall be ~~ninety-six~~ one hundred percent.

20 ~~(5)~~ For valuations established for the assessment year
21 beginning January 1, 2027, the percentage of actual value at
22 which property valued by the department of revenue pursuant to
23 chapters 428 and 438 shall be assessed shall be ~~ninety-four~~
24 percent.

25 ~~(6)~~ For valuations established for the assessment year
26 beginning January 1, 2028, the percentage of actual value at
27 which property valued by the department of revenue pursuant
28 to chapters 428 and 438 shall be assessed shall be ~~ninety-two~~
29 percent.

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

34 b. For valuations established on or after January 1, 2013,
35 ~~commercial~~ Commercial property, excluding properties referred to

1 in section 427A.1, subsection 9, shall be assessed at a portion
2 of its actual value, as determined in this paragraph "b".

3 ~~(1) For valuations established for the assessment year~~
4 ~~beginning January 1, 2013, the percentage of actual value as~~
5 ~~equalized by the department of revenue as provided in section~~
6 ~~441.49 at which commercial property shall be assessed shall~~
7 ~~be ninety-five percent. For valuations established for the~~
8 ~~assessment year beginning January 1, 2014, and each assessment~~
9 ~~year thereafter beginning before January 1, 2022, the percentage~~
10 ~~of actual value as equalized by the department of revenue as~~
11 ~~provided in section 441.49 at which commercial property shall be~~
12 ~~assessed shall be ninety percent.~~

13 ~~(2)~~ (1) For valuations established for the assessment year
14 beginning January 1, 2022, and each assessment year thereafter
15 beginning before January 1, 2026, the portion of actual value at
16 which each property unit of commercial property shall be assessed
17 shall be the sum of the following:

18 (a) An amount equal to the product of the assessment
19 limitation percentage applicable to residential property under
20 subsection 4 for that assessment year multiplied by the actual
21 value of the property that exceeds zero dollars but does not
22 exceed one hundred fifty thousand dollars.

23 (b) An amount equal to ninety percent of the actual value of
24 the property for that assessment year that exceeds one hundred
25 fifty thousand dollars.

26 (2) For valuations established for the assessment year
27 beginning January 1, 2026, and each assessment year thereafter,
28 the percentage of actual value as equalized by the department
29 of revenue as provided in section 441.49 at which commercial
30 property shall be assessed shall be one hundred percent.

31 ~~c. For valuations established on or after January 1, 2013,~~
32 ~~industrial Industrial property, excluding properties referred to~~
33 ~~in section 427A.1, subsection 9, shall be assessed at a portion~~
34 ~~of its actual value, as determined in this paragraph "c".~~

35 ~~(1) For valuations established for the assessment year~~

~~1 beginning January 1, 2013, the percentage of actual value as
2 equalized by the department of revenue as provided in section
3 441.49 at which industrial property shall be assessed shall
4 be ninety-five percent. For valuations established for the
5 assessment year beginning January 1, 2014, and each assessment
6 year thereafter beginning before January 1, 2022, the percentage
7 of actual value as equalized by the department of revenue as
8 provided in section 441.49 at which industrial property shall be
9 assessed shall be ninety percent.~~

10 ~~(2)~~ (1) For valuations established for the assessment year
11 beginning January 1, 2022, and each assessment year thereafter
12 beginning before January 1, 2026, the portion of actual value at
13 which each property unit of industrial property shall be assessed
14 shall be the sum of the following:

15 (a) An amount equal to the product of the assessment
16 limitation percentage applicable to residential property under
17 subsection 4 for that assessment year multiplied by the actual
18 value of the property that exceeds zero dollars but does not
19 exceed one hundred fifty thousand dollars.

20 (b) An amount equal to ninety percent of the actual value of
21 the property for that assessment year that exceeds one hundred
22 fifty thousand dollars.

23 (2) For valuations established for the assessment year
24 beginning January 1, 2026, and each assessment year thereafter,
25 the percentage of actual value as equalized by the department
26 of revenue as provided in section 441.49 at which industrial
27 property shall be assessed shall be one hundred percent.

28 d. For valuations established for the assessment year
29 beginning January 1, 2019, and each assessment year thereafter
30 beginning before January 1, 2026, the percentages or portions of
31 actual value at which property is assessed, as determined under
32 this subsection, shall not be applied to the value of wind energy
33 conversion property valued under section 427B.26 the construction
34 of which is approved by the Iowa utilities commission on or after
35 July 1, 2018.

1 e. (1) ~~For the fiscal year beginning July 1, 2023, there is~~
2 ~~appropriated from the general fund of the state to the department~~
3 ~~of revenue the sum of one hundred twenty-two million three~~
4 ~~hundred fifty thousand dollars to be used for payments under this~~
5 ~~paragraph calculated as a result of the assessment limitations~~
6 ~~imposed under paragraph "b", subparagraph (2), subparagraph~~
7 ~~division (a), and paragraph "c", subparagraph (2), subparagraph~~
8 ~~division (a). For each fiscal year beginning on or after July~~
9 ~~1, 2024, but before July 1, 2027, there is appropriated from~~
10 ~~the general fund of the state to the department of revenue the~~
11 ~~sum of one hundred twenty-five million dollars to be used for~~
12 ~~payments under this paragraph calculated as a result of the~~
13 ~~assessment limitations imposed under paragraph "b", subparagraph~~
14 ~~(2), subparagraph division (a), Code 2026, and paragraph "c",~~
15 ~~subparagraph (2), subparagraph division (a), Code 2026.~~

16 (2) For fiscal years beginning on or after July 1, 2023, but
17 before July 1, 2027, each county treasurer shall be paid by the
18 department of revenue an amount calculated under subparagraph
19 (4) for the applicable fiscal year. If an amount appropriated
20 for the fiscal year is insufficient to make all payments as
21 calculated under subparagraph (4), the director of revenue shall
22 prorate the payments to the county treasurers and shall notify
23 the county auditors of the pro rata percentage on or before
24 September 30.

25 (3) On or before July 1 of each applicable fiscal year,
26 the assessor shall report to the county auditor that portion
27 of the total actual value of all commercial property and
28 industrial property in the county that is subject to the
29 assessment limitations imposed under paragraph "b", subparagraph
30 (2), subparagraph division (a), Code 2026, and paragraph "c",
31 subparagraph (2), subparagraph division (a), Code 2026, for the
32 assessment year used to calculate the taxes due and payable in
33 that fiscal year.

34 (4) On or before September 1 of each applicable fiscal year,
35 the county auditor shall prepare a statement, based on the

1 report received in subparagraph (3) and information transmitted
2 to the county auditor under chapter 434, listing for each taxing
3 district in the county:

4 (a) The product of the portion of the total actual value
5 of all commercial property, industrial property, and property
6 valued by the department under chapter 434 in the county
7 that is subject to the assessment limitations imposed under
8 paragraph "b", subparagraph (2), subparagraph division (a), Code
9 2026, and paragraph "c", subparagraph (2), subparagraph division
10 (a), Code 2026, for the applicable assessment year used to
11 calculate taxes which are due and payable in the applicable
12 fiscal year multiplied by the difference, stated as a percentage,
13 between ninety percent and the assessment limitation percentage
14 applicable to residential property under subsection 4 for the
15 applicable assessment year.

16 (b) The tax levy rate per one thousand dollars of assessed
17 value for each taxing district for the applicable fiscal year.

18 (c) The amount of the payment for each county is equal to
19 the amount determined pursuant to subparagraph division (a),
20 multiplied by the tax rate specified in subparagraph division
21 (b), and then divided by one thousand dollars.

22 (5) The county auditor shall certify and forward one copy of
23 the statement described in subparagraph (4) to the department of
24 revenue not later than September 1 of each fiscal year.

25 (6) The amounts determined under this paragraph shall be paid
26 by the department to the county treasurers in equal installments
27 in September and March of each year. The county treasurer shall
28 apportion the payments among the eligible taxing districts in the
29 county and the amounts received by each taxing authority shall be
30 treated the same as property taxes paid.

31 *f.* For the purposes of this subsection, unless the context
32 otherwise requires:

33 (1) "*Contiguous parcels*" means any of the following:

34 (a) Parcels that share a common boundary.

35 (b) Parcels within the same building or structure regardless

1 of whether the parcels share a common boundary.

2 (c) Permanent improvements to the land that are situated
3 on one or more parcels of land that are assessed and taxed
4 separately from the permanent improvements if the parcels of land
5 upon which the permanent improvements are situated share a common
6 boundary.

7 (2) "Parcel" means the same as defined in section 445.1.
8 "Parcel" also means that portion of a parcel assigned a
9 classification of commercial property or industrial property
10 pursuant to ~~section 441.21~~, subsection 14, paragraph "b", Code
11 2026.

12 (3) "Property unit" means a parcel or contiguous parcels
13 all of which are located within the same county, with the same
14 property tax classification, are owned by the same person, and
15 are operated by that person for a common use and purpose.

16 Sec. 56. Section 441.21, subsection 8, paragraph b, Code
17 2026, is amended to read as follows:

18 b. Notwithstanding paragraph "a", any construction or
19 installation of a solar energy system on property classified
20 as agricultural, residential, multiresidential, commercial, or
21 industrial property shall not increase the actual, assessed, and
22 taxable values of the property for five full assessment years.

23 Sec. 57. Section 441.21, subsections 9 and 10, Code 2026, are
24 amended to read as follows:

25 9. Not later than November 1, ~~1979~~ 2026, and November 1
26 of each subsequent year, the director shall certify to the
27 county auditor of each county the percentages of actual value
28 at which ~~residential property, agricultural property, commercial~~
29 ~~property, industrial property, property valued by the department~~
30 ~~of revenue pursuant to chapters 428 and 438, property valued by~~
31 ~~the department of revenue pursuant to chapter 434, and property~~
32 ~~valued by the department of revenue pursuant to chapter 437 in~~
33 ~~each assessing jurisdiction in the county~~ each classification of
34 property shall be assessed for taxation, ~~including for assessment~~
35 ~~years beginning on or after January 1, 2022, the percentages~~

1 ~~used to apply the assessment limitations under subsection 5,~~
 2 ~~paragraphs "b" and "c".~~ The county auditor shall proceed
 3 to determine the assessed values of ~~agricultural property,~~
 4 ~~residential property, commercial property, industrial property,~~
 5 ~~property valued by the department of revenue pursuant to chapters~~
 6 ~~428 and 438, property valued by the department of revenue~~
 7 ~~pursuant to chapter 434, and property valued by the department~~
 8 ~~of revenue pursuant to chapter 437 by applying such percentages~~
 9 to the current actual value of such property, as reported to
 10 the county auditor by the assessor, and the assessed values so
 11 determined shall be the taxable values of such properties upon
 12 which the levy shall be made.

13 10. The percentages percentage of actual value computed by
 14 the department of revenue under subsection 4 for agricultural
 15 ~~property, residential property, commercial property, industrial~~
 16 ~~property, property valued by the department of revenue pursuant~~
 17 ~~to chapters 428 and 438, property valued by the department~~
 18 ~~of revenue pursuant to chapter 434, and property valued by~~
 19 ~~the department of revenue pursuant to chapter 437, including~~
 20 ~~for assessment years beginning on or after January 1, 2022,~~
 21 ~~the percentages used to apply the assessment limitations under~~
 22 ~~subsection 5, paragraphs "b" and "c", and used to determine~~
 23 assessed values of ~~those classes of~~ agricultural property ~~do~~ does
 24 not constitute a rule as defined in section 17A.2, subsection 11.

25 Sec. 58. Section 441.21, subsection 13, paragraph a,
 26 unnumbered paragraph 1, Code 2026, is amended to read as follows:

27 Beginning with valuations established on or after January 1,
 28 ~~2016~~ 2027, ~~but before January 1, 2022,~~ all of the following
 29 shall be valued as a separate class of property known as
 30 multiresidential property and, excluding properties referred
 31 to in section 427A.1, subsection 9, shall be assessed at a
 32 percentage of its actual value, as determined in this subsection:

33 Sec. 59. Section 441.21, subsection 13, paragraph b, Code
 34 2026, is amended by striking the paragraph and inserting in lieu
 35 thereof the following:

1 b. (1) For valuations established for the assessment year
2 beginning January 1, 2027, the percentage of actual value as
3 equalized by the department of revenue as provided in section
4 441.49 at which multiresidential property shall be assessed shall
5 be seventy-two and one-half percent.

6 (2) For valuations established for the assessment year
7 beginning January 1, 2028, the percentage of actual value as
8 equalized by the department of revenue as provided in section
9 441.49 at which multiresidential property shall be assessed shall
10 be seventy-five and one-fourth percent.

11 (3) For valuations established for the assessment year
12 beginning January 1, 2029, the percentage of actual value as
13 equalized by the department of revenue as provided in section
14 441.49 at which multiresidential property shall be assessed shall
15 be seventy-eight percent.

16 (4) For valuations established for the assessment year
17 beginning January 1, 2030, the percentage of actual value as
18 equalized by the department of revenue as provided in section
19 441.49 at which multiresidential property shall be assessed shall
20 be eighty and three-fourths percent.

21 (5) For valuations established for the assessment year
22 beginning January 1, 2031, the percentage of actual value as
23 equalized by the department of revenue as provided in section
24 441.49 at which multiresidential property shall be assessed shall
25 be eighty-three and one-half percent.

26 (6) For valuations established for the assessment year
27 beginning January 1, 2032, the percentage of actual value as
28 equalized by the department of revenue as provided in section
29 441.49 at which multiresidential property shall be assessed shall
30 be eighty-six and one-fourth percent.

31 (7) For valuations established for the assessment year
32 beginning January 1, 2033, the percentage of actual value as
33 equalized by the department of revenue as provided in section
34 441.49 at which multiresidential property shall be assessed shall
35 be eighty-nine percent.

1 (8) For valuations established for the assessment year
2 beginning January 1, 2034, the percentage of actual value as
3 equalized by the department of revenue as provided in section
4 441.49 at which multiresidential property shall be assessed shall
5 be ninety-one and three-fourths percent.

6 (9) For valuations established for the assessment year
7 beginning January 1, 2035, the percentage of actual value as
8 equalized by the department of revenue as provided in section
9 441.49 at which multiresidential property shall be assessed shall
10 be ninety-four and one-half percent.

11 (10) For valuations established for the assessment year
12 beginning January 1, 2036, the percentage of actual value as
13 equalized by the department of revenue as provided in section
14 441.49 at which multiresidential property shall be assessed shall
15 be ninety-seven and one-fourth percent.

16 (11) For valuations established for the assessment year
17 beginning January 1, 2037, and each assessment year thereafter,
18 the percentage of actual value as equalized by the department of
19 revenue as provided in section 441.49 at which multiresidential
20 property shall be assessed shall be one hundred percent.

21 Sec. 60. Section 441.21, subsection 13, paragraph c, Code
22 2026, is amended to read as follows:

23 c. Beginning with valuations established on or after January
24 1, ~~2016~~ 2027, ~~but before January 1, 2022~~, for parcels for
25 which a portion of the parcel satisfies the requirements for
26 classification as multiresidential property pursuant to paragraph
27 "a", subparagraph (5) or (6), the assessor shall assign to that
28 portion of the parcel the classification of multiresidential
29 property and to such other portions of the parcel the property
30 classification for which such other portions qualify.

31 Sec. 61. Section 441.21, subsection 13, Code 2026, is amended
32 by adding the following new paragraph:

33 NEW PARAGRAPH. f. For purposes of equalization under
34 sections 441.47 through 441.49, multiresidential property shall
35 be considered residential property.

1 Sec. 62. Section 441.21, subsection 14, Code 2026, is amended
2 to read as follows:

3 14. ~~a.~~ Beginning with valuations established on or after
4 January 1, ~~2022~~ 2027, ~~all of the following property primarily~~
5 used or intended for human habitation containing two or fewer
6 dwelling units shall be classified and valued as residential
7 property.

8 ~~(1) Property primarily used or intended for human habitation~~
9 ~~containing two or fewer dwelling units.~~

10 ~~(2) Mobile home parks.~~

11 ~~(3) Manufactured home communities.~~

12 ~~(4) Land-leased communities.~~

13 ~~(5) Assisted living facilities.~~

14 ~~(6) A parcel primarily used or intended for human habitation~~
15 ~~containing three or more separate dwelling units. If a portion~~
16 ~~of such a parcel is used or intended for a purpose that, if~~
17 ~~the primary use, would be classified as commercial property or~~
18 ~~industrial property, each such portion, including a proportionate~~
19 ~~share of the land included in the parcel, if applicable, shall~~
20 ~~be assigned the appropriate classification pursuant to paragraph~~
21 ~~"b".~~

22 ~~(7) For a parcel that is primarily used or intended for~~
23 ~~use as commercial property or industrial property, that portion~~
24 ~~of the parcel that is used or intended for human habitation,~~
25 ~~regardless of the number of dwelling units contained on the~~
26 ~~parcel, including a proportionate share of the land included~~
27 ~~in the parcel, if applicable. The portion of such a parcel~~
28 ~~used or intended for use as commercial property or industrial~~
29 ~~property, including a proportionate share of the land included~~
30 ~~in the parcel, if applicable, shall be assigned the appropriate~~
31 ~~classification pursuant to paragraph "b".~~

32 ~~b.~~ Beginning with valuations established on or after January
33 1, ~~2022~~, for parcels for which a portion of the parcel satisfies
34 the requirements for classification as residential property
35 pursuant to paragraph "a", subparagraph (6) or (7), the assessor

1 shall assign to that portion of the parcel the classification of
2 residential property and to such other portions of the parcel the
3 property classification for which such other portions qualify.

4 ~~e. Property that is rented or leased to low-income
5 individuals and families as authorized by section 42 of the
6 Internal Revenue Code, and that has not been withdrawn from
7 section 42 assessment procedures under subsection 2 of this
8 section, or a hotel, motel, inn, or other building where rooms or
9 dwelling units are usually rented for less than one month shall
10 not be classified as residential property under this subsection.~~

11 ~~d. As used in this subsection:~~

12 ~~(1) "Assisted living facility" means property for providing
13 assisted living as defined in section 231C.2. "Assisted living
14 facility" also includes a health care facility, as defined in
15 section 135C.1, an elder group home, as defined in section
16 231B.1, a child foster care facility under chapter 237, or
17 property used for a hospice program as defined in section 135J.1.~~

18 ~~(2) "Dwelling unit" means an apartment, group of rooms, or
19 single room which is occupied as separate living quarters or, if
20 vacant, is intended for occupancy as separate living quarters,
21 in which a tenant can live and sleep separately from any other
22 persons in the building.~~

23 ~~(3) "Land-leased community" means the same as defined in
24 sections 335.30A and 414.28A.~~

25 ~~(4) "Manufactured home community" means the same as a
26 land-leased community.~~

27 ~~(5) "Mobile home park" means the same as defined in section
28 435.1.~~

29 Sec. 63. Section 558.46, Code 2026, is amended by adding the
30 following new subsection:

31 NEW SUBSECTION. 4A. For the purposes of this section,
32 "residential property" includes multiresidential property.

33 Sec. 64. SAVINGS PROVISION. This division of this Act,
34 pursuant to section 4.13, does not affect the operation of, or
35 prohibit the application of, prior provisions of section 441.21,

1 or rules adopted under chapter 17A to administer prior provisions
2 of section 441.21, for assessment years beginning before January
3 1, 2026, or for duties, powers, protests, appeals, proceedings,
4 actions, or remedies attributable to an assessment year beginning
5 before January 1, 2026, including property taxes due and payable
6 in a fiscal year as the result of an assessment year beginning
7 before January 1, 2026.

8 Sec. 65. EFFECTIVE DATE. The following take effect January
9 1, 2027:

10 1. The section of this division of this Act amending section
11 386.8.

12 2. The section of this division of this Act amending section
13 386.9.

14 3. The section of this division of this Act amending section
15 386.10.

16 4. The section of this division of this Act amending section
17 404.2, subsection 2, paragraph "f".

18 5. The section of this division of this Act amending section
19 404.3, subsection 4, paragraph "a".

20 6. The section of this division of this Act amending section
21 404.3A.

22 7. The section of this division of this Act amending section
23 404.3D.

24 8. The section of this division of this Act amending section
25 441.21, subsection 2.

26 9. The section of this division of this Act amending section
27 441.21, subsection 8, paragraph "b".

28 10. The sections of this division of this Act amending
29 section 441.21, subsection 13.

30 11. The section of this division of this Act amending section
31 441.21, subsection 14.

32 12. The section of this division of this Act amending section
33 558.46.

34 Sec. 66. RETROACTIVE APPLICABILITY. Except as otherwise
35 provided in this division of this Act, this division of this Act

1 applies retroactively to assessment years beginning on or after
2 January 1, 2026.

3 Sec. 67. APPLICABILITY. The following apply to assessment
4 years beginning on or after January 1, 2027:

5 1. The section of this division of this Act amending section
6 386.8.

7 2. The section of this division of this Act amending section
8 386.9.

9 3. The section of this division of this Act amending section
10 386.10.

11 4. The section of this division of this Act amending section
12 404.2, subsection 2, paragraph "f".

13 5. The section of this division of this Act amending section
14 404.3, subsection 4, paragraph "a".

15 6. The section of this division of this Act amending section
16 404.3A.

17 7. The section of this division of this Act amending section
18 404.3D.

19 8. The section of this division of this Act amending section
20 441.21, subsection 2.

21 9. The section of this division of this Act amending section
22 441.21, subsection 8, paragraph "b".

23 10. The sections of this division of this Act amending
24 section 441.21, subsection 13.

25 11. The section of this division of this Act amending section
26 441.21, subsection 14.

27 12. The section of this division of this Act amending section
28 558.46.

29 DIVISION V

30 DISABLED VETERAN AND HOMESTEAD CREDITS AND EXEMPTIONS

31 Sec. 68. Section 25B.7, subsection 2, paragraph a, Code 2026,
32 is amended to read as follows:

33 α . Homestead tax credit pursuant to section 425.1, and
34 sections 425.2 through 425.13, ~~and section 425.15.~~

35 Sec. 69. Section 425.1, subsection 2, Code 2026, is amended

1 by striking the subsection and inserting in lieu thereof the
2 following:

3 2. a. The homestead credit fund shall be apportioned each
4 year so as to give a credit against the tax on each eligible
5 homestead in the state equal to the amounts specified pursuant to
6 paragraph "b" or "c", as applicable.

7 b. (1) If the owner of a homestead allowed a credit under
8 this subchapter is any of the following, the homestead credit
9 allowed on the homestead shall be the entire amount of tax levied
10 on the homestead:

11 (a) A veteran of any of the military forces of the United
12 States who acquired the homestead under 38 U.S.C. §21.801, 21.802
13 prior to August 6, 1991, or under 38 U.S.C. §2101, 2102.

14 (b) A veteran as defined in section 35.1 with a permanent
15 service-connected disability rating of one hundred percent, as
16 certified by the United States department of veterans affairs,
17 or a permanent and total disability rating based on individual
18 unemployability that is compensated at the one hundred percent
19 disability rate, as certified by the United States department of
20 veterans affairs.

21 (c) A former member of the national guard of any state
22 who otherwise meets the service requirements of section 35.1,
23 subsection 2, paragraph "b", subparagraph (2) or (7), with a
24 permanent service-connected disability rating of one hundred
25 percent, as certified by the United States department of veterans
26 affairs, or a permanent and total disability rating based on
27 individual unemployability that is compensated at the one hundred
28 percent disability rate, as certified by the United States
29 department of veterans affairs.

30 (d) An individual who is a surviving spouse or a child and
31 who is receiving dependency and indemnity compensation pursuant
32 to 38 U.S.C. §1301 et seq., as certified by the United States
33 department of veterans affairs.

34 (2) (a) For an owner described in subparagraph (1),
35 subparagraph division (a), (b), or (c), the credit allowed shall

1 be continued to the estate of an owner who is deceased or the
2 surviving spouse and any child, as defined in section 234.1,
3 who are the beneficiaries of a deceased owner, so long as the
4 surviving spouse remains unmarried.

5 (b) An individual described in subparagraph (1), subparagraph
6 division (d), is no longer eligible for the credit upon
7 termination of dependency and indemnity compensation under 38
8 U.S.C. §1301 et seq.

9 (3) An owner or a beneficiary of an owner who elects to
10 secure the credit provided in this paragraph is not eligible for
11 the credit provided in paragraph "c" or any other real property
12 tax credit or exemption provided by law for veterans of military
13 service.

14 (4) If an owner acquires a different homestead, the credit
15 allowed under this paragraph may be claimed on the new homestead
16 unless the owner fails to meet the other requirements of this
17 paragraph.

18 (5) (a) Except as provided in subparagraph division (b),
19 the list of the names and addresses of individuals allowed
20 a credit under this paragraph and maintained by the county
21 recorder, county treasurer, county assessor, city assessor, or
22 other government body is confidential information and shall
23 not be disseminated to any person unless otherwise ordered by
24 a court or released by the lawful custodian of the records
25 pursuant to state or federal law. The county recorder, county
26 treasurer, county assessor, city assessor, or other government
27 body responsible for maintaining the names and addresses of
28 individuals allowed a credit under this paragraph may display
29 such credit on individual paper records and individual electronic
30 records, including display on an internet site.

31 (b) Upon request, a county recorder, county assessor, city
32 assessor, or other entity may share information as described in
33 subparagraph division (a) to a county veterans service officer
34 for purposes of providing information on benefits and services
35 available to veterans and their families.

1 (6) (a) For an owner who makes an application to secure the
2 credit provided in this paragraph before July 1, 2026, and for
3 the beneficiary of such an owner, "homestead" shall mean the same
4 as defined in section 425.11 for each succeeding assessment year.

5 (b) For an owner who makes an application to secure the
6 credit provided in this paragraph on or after July 1, 2026, and
7 for the beneficiary of such an owner, "homestead" shall mean the
8 same as provided in section 425.11, except the homestead shall
9 not include appurtenances and shall not exceed one-half acre.

10 (7) For purposes of this paragraph, "permanent and total
11 disability rating based on individual unemployability" means
12 a condition under which a person has either a permanent
13 service-connected disability rating of sixty percent or two
14 or more permanent service-connected disability conditions in
15 which one of the conditions has at least a forty percent
16 rating and the combined rating for all the conditions is at
17 least seventy percent, and the person has an administrative
18 adjustment added to the service-connected disability rating,
19 due to individual unemployability, such that the United States
20 department of veterans affairs rates the veteran permanently and
21 totally disabled for purposes of disability compensation.

22 c. (1) For assessment years beginning prior to January 1,
23 2026, unless eligible under section 425.15, Code 2026, an amount
24 equal to the actual levy on the first four thousand eight hundred
25 fifty dollars of actual value for each homestead.

26 (2) For the assessment year beginning January 1, 2026, and
27 each assessment year thereafter, unless eligible under paragraph
28 "b", zero.

29 Sec. 70. Section 425.1A, subsection 1, Code 2026, is amended
30 to read as follows:

31 1. The following exemptions from taxation shall be allowed
32 ~~in addition to following application of the homestead credit~~
33 exemption under subsection 1A and the exemption under subsection
34 1B, if applicable, for an owner that has attained the age of
35 sixty-five years by January 1 of the assessment year:

1 a. For the assessment year beginning January 1, 2023, the
2 eligible homestead, not to exceed three thousand two hundred
3 fifty dollars in taxable value.

4 b. For ~~the assessment year~~ years beginning on or after
5 January 1, 2024, and ~~each succeeding assessment year~~, the
6 eligible homestead, not to exceed six thousand five hundred
7 dollars in taxable value.

8 Sec. 71. Section 425.1A, Code 2026, is amended by adding the
9 following new subsections:

10 NEW SUBSECTION. 1A. a. For the assessment year beginning
11 January 1, 2026, an exemption from taxation of twenty-five
12 percent of taxable value, not to exceed an exemption of one
13 hundred seventy-five thousand dollars in taxable value, shall be
14 allowed on each eligible homestead.

15 b. For the assessment year beginning January 1, 2027, an
16 exemption from taxation of twenty-seven and one-half percent
17 of taxable value, not to exceed an exemption of one hundred
18 ninety-two thousand five hundred dollars in taxable value, shall
19 be allowed on each eligible homestead.

20 c. For the assessment year beginning January 1, 2028, an
21 exemption from taxation of thirty percent of taxable value, not
22 to exceed an exemption of two hundred ten thousand dollars in
23 taxable value, shall be allowed on each eligible homestead.

24 d. For the assessment year beginning January 1, 2029, an
25 exemption from taxation of thirty-two and one-half percent
26 of taxable value, not to exceed an exemption of two hundred
27 twenty-seven thousand five hundred dollars in taxable value,
28 shall be allowed on each eligible homestead.

29 e. For the assessment year beginning January 1, 2030, an
30 exemption from taxation of thirty-five percent of taxable value,
31 not to exceed an exemption of two hundred forty-five thousand
32 dollars in taxable value, shall be allowed on each eligible
33 homestead.

34 f. For the assessment year beginning January 1, 2031, an
35 exemption from taxation of thirty-seven and one-half percent

1 of taxable value, not to exceed an exemption of two hundred
2 sixty-two thousand five hundred dollars in taxable value, shall
3 be allowed on each eligible homestead.

4 g. For the assessment year beginning January 1, 2032, an
5 exemption from taxation of forty percent of taxable value, not
6 to exceed an exemption of two hundred eighty thousand dollars in
7 taxable value, shall be allowed on each eligible homestead.

8 h. For the assessment year beginning January 1, 2033, an
9 exemption from taxation of forty-two and one-half percent of
10 taxable value, not to exceed an exemption of two hundred
11 ninety-seven thousand five hundred dollars in taxable value,
12 shall be allowed on each eligible homestead.

13 i. For the assessment year beginning January 1, 2034, an
14 exemption from taxation of forty-five percent of taxable value,
15 not to exceed an exemption of three hundred fifteen thousand
16 dollars in taxable value, shall be allowed on each eligible
17 homestead.

18 j. For the assessment year beginning January 1, 2035, an
19 exemption from taxation of forty-seven and one-half percent of
20 taxable value, not to exceed an exemption of three hundred
21 thirty-two thousand five hundred dollars in taxable value, shall
22 be allowed on each eligible homestead.

23 k. (1) Except as provided in subparagraph (2), for each
24 assessment year beginning on or after January 1, 2036, an
25 exemption from taxation of fifty percent of taxable value, not
26 to exceed an exemption of three hundred fifty thousand dollars in
27 taxable value, shall be allowed on each eligible homestead.

28 (2) (a) For an owner that has attained the age of sixty
29 years but has not yet attained the age of seventy by January 1 of
30 the assessment year, the amount of the exemption shall be sixty
31 percent of taxable value, not to exceed an exemption of three
32 hundred fifty thousand dollars in taxable value.

33 (b) For an owner that has attained the age of seventy years
34 but has not yet attained the age of eighty by January 1 of the
35 assessment year, the amount of the exemption shall be seventy

1 percent of taxable value, not to exceed an exemption of three
2 hundred fifty thousand dollars in taxable value.

3 (c) For an owner that has attained the age of eighty years
4 but has not yet attained the age of ninety by January 1 of the
5 assessment year, the amount of the exemption shall be eighty
6 percent of taxable value, not to exceed an exemption of three
7 hundred fifty thousand dollars in taxable value.

8 (d) For an owner that has attained the age of ninety years
9 but has not yet attained the age of one hundred by January 1 of
10 the assessment year, the amount of the exemption shall be ninety
11 percent of taxable value, not to exceed an exemption of three
12 hundred fifty thousand dollars in taxable value.

13 (e) For an owner that has attained the age of one hundred
14 years by January 1 of the assessment year, the amount of the
15 exemption shall be one hundred percent of taxable value, not to
16 exceed an exemption of three hundred fifty thousand dollars in
17 taxable value.

18 NEW SUBSECTION. 1B. a. For purposes of this subsection:

19 (1) "Mortgage" means the same as defined in section 554.9102.

20 (2) "Unencumbered homestead" means a homestead as defined in
21 section 425.11, but excluding appurtenances and that portion of
22 the land upon which the dwelling house is situated that exceeds
23 one-half acre, owned by an individual that has attained the age
24 of sixty-five years by January 1 of the applicable assessment
25 year and for which no mortgage or other indebtedness or account
26 secured by an interest in the homestead exists on January 1 of
27 the assessment year.

28 b. (1) For the assessment year beginning January 1, 2026,
29 if the homestead is an unencumbered homestead, an exemption from
30 taxation of twenty-five percent of the taxable value following
31 application of the exemption under subsection 1A, but before the
32 exemption under subsection 1, if applicable.

33 (2) For the assessment year beginning January 1, 2027,
34 if the homestead is an unencumbered homestead, an exemption
35 from taxation of fifty percent of the taxable value following

1 application of the exemption under subsection 1A, but before the
2 exemption under subsection 1, if applicable.

3 (3) For the assessment year beginning January 1, 2028, if
4 the homestead is an unencumbered homestead, an exemption from
5 taxation of seventy-five percent of the taxable value following
6 application of the exemption under subsection 1A, but before the
7 exemption under subsection 1, if applicable.

8 (4) For each assessment year beginning on or after January
9 1, 2029, if the homestead is an unencumbered homestead, an
10 exemption from taxation of one hundred percent of the taxable
11 value following application of the exemption under subsection 1A,
12 but before the exemption under subsection 1, if applicable.

13 c. The exemption under this subsection shall not apply
14 to voter-approved levies or property tax levies, or portions
15 thereof, that are for the payment of voter-approved bonds
16 or other voter-approved indebtedness. For purposes of this
17 subsection, "voter-approved levy" means a levy under chapter
18 28E, subchapter II, section 260C.22, section 260C.28, chapter
19 300, section 384.7, chapter 386, section 422D.5, and the
20 voter-approved physical plant and equipment levy under section
21 298.2.

22 Sec. 72. Section 425.1A, subsection 2, Code 2026, is amended
23 to read as follows:

24 2. Section 25B.7, subsection 1, shall not apply to the
25 property tax ~~exemption~~ exemptions provided in this section.

26 Sec. 73. Section 425.2, subsections 1 and 2, Code 2026, are
27 amended to read as follows:

28 1. A person who wishes to qualify for the homestead credit
29 or exemptions allowed under this subchapter shall obtain the
30 appropriate forms for filing ~~for the credit~~ from the assessor.
31 The forms shall include the ability to claim the credit under
32 section 425.1 and the exemptions under section 425.1A.

33 However, a separate form shall be required for claiming a credit
34 under section 425.1, subsection 2, paragraph "b". The person
35 claiming the credit or exemption shall file a verified statement

1 and designation of homestead with the assessor for the year for
2 which the person is first claiming the credit or exemption. The
3 claim shall be filed not later than July 1 of the year for which
4 the person is claiming the credit or exemption. A claim filed
5 after July 1 of the year for which the person is claiming the
6 credit or exemption shall be considered as a claim filed for the
7 following year.

8 2. Upon the filing and allowance of the claim, the claim
9 shall be allowed on that homestead for successive years without
10 further filing as long as the property is legally or equitably
11 owned and used as a homestead by that person or that person's
12 spouse on July 1 of each of those successive years, and the owner
13 of the property being claimed as a homestead declares residency
14 in Iowa for purposes of income taxation, and the property is
15 occupied by that person or that person's spouse for at least
16 six months in each of those calendar years in which the fiscal
17 year begins. When the property is sold or transferred, the
18 buyer or transferee who wishes to qualify shall refile for the
19 credit or exemption. However, when the property is transferred
20 as part of a distribution made pursuant to chapter 598, the
21 transferee who is the spouse retaining ownership of the property
22 is not required to refile for the credit or exemption. Property
23 divided pursuant to chapter 598 shall not be modified following
24 the division of the property. An owner who ceases to use a
25 property for a homestead or intends not to use it as a homestead
26 for at least six months in a calendar year shall provide written
27 notice to the assessor by July 1 following the date on which the
28 use is changed. A person who sells or transfers a homestead
29 or the personal representative of a deceased person who had a
30 homestead at the time of death, shall provide written notice to
31 the assessor that the property is no longer the homestead of the
32 former claimant.

33 Sec. 74. Section 425.2, subsection 4, Code 2026, is amended
34 by striking the subsection.

35 Sec. 75. Section 425.2, subsections 5 and 6, Code 2026, are

1 amended to read as follows:

2 5. Any person sixty-five years of age or older or any person
3 who is disabled may request, in writing, from the appropriate
4 assessor forms for filing ~~for homestead tax credit~~. Any person
5 sixty-five years of age or older or who is disabled may complete
6 the form, which shall include a statement of homestead, and mail
7 or return it to the appropriate assessor. The signature of
8 the claimant on the statement shall be considered the claimant's
9 acknowledgment that all statements and facts entered on the form
10 are correct to the best of the claimant's knowledge.

11 6. Upon adoption of a resolution by the county board of
12 supervisors, any person may request, in writing, from the
13 appropriate assessor forms for the filing ~~for homestead tax~~
14 ~~credit~~. The person may complete the form, which shall include a
15 statement of homestead, and mail or return it to the appropriate
16 assessor. The signature of the claimant on the statement of
17 homestead shall be considered the claimant's acknowledgment that
18 all statements and facts entered on the form are correct to the
19 best of the claimant's knowledge.

20 Sec. 76. Section 425.8, subsection 1, Code 2026, is amended
21 to read as follows:

22 1. The director of revenue shall prescribe the form for the
23 making of a verified statement and designation of homestead,
24 the form for the supporting affidavits required herein, and such
25 other forms as may be necessary for the proper administration of
26 this subchapter. Whenever necessary, the department of revenue
27 shall forward to the county auditors of the several counties in
28 the state the prescribed sample forms, and the county auditors
29 shall furnish blank forms prepared in accordance therewith with
30 the assessment rolls, books, and supplies delivered to the
31 assessors. The department of revenue shall prescribe and the
32 county auditors shall provide on the forms ~~for claiming the~~
33 ~~homestead credit~~ a statement to the effect that the owner
34 realizes that the owner must give written notice to the assessor
35 when the owner changes the use of the property.

1 Sec. 77. Section 425.11, subsection 1, paragraph d,
2 subparagraph (1), unnumbered paragraph 1, Code 2026, is amended
3 to read as follows:

4 The homestead includes the dwelling house which the owner, in
5 good faith, is occupying as a home on July 1 of the year for
6 which the credit or exemption is claimed and occupies as a home
7 for at least six months during the calendar year in which the
8 fiscal year begins, except as otherwise provided.

9 Sec. 78. Section 425.11, subsection 1, paragraph d,
10 subparagraph (3), Code 2026, is amended to read as follows:

11 (3) It must not embrace more than one dwelling house, but
12 where a homestead has more than one dwelling house situated
13 thereon, the exemption and or credit provided for in this
14 subchapter shall apply to the home and buildings used by the
15 owner, but shall not apply to any other dwelling house and
16 buildings appurtenant.

17 Sec. 79. Section 425.11, subsection 1, paragraph e,
18 subparagraph (2), Code 2026, is amended to read as follows:

19 (2) For the purpose of this subchapter, the word "owner"
20 shall be construed to mean a bona fide owner and not one for
21 the purpose only of availing the person of the benefits of this
22 subchapter. In order to qualify for the homestead tax credit
23 and or exemption, evidence of ownership shall be on file in the
24 office of the clerk of the district court or recorded in the
25 office of the county recorder at the time the owner files with
26 the assessor a verified statement of the homestead claimed by the
27 owner as provided in section 425.2.

28 Sec. 80. Section 483A.24, subsection 20, Code 2026, is
29 amended to read as follows:

30 20. Upon payment of a fee established by rules adopted
31 pursuant to section 483A.1 for a lifetime trout fishing license,
32 the department shall issue a lifetime trout fishing license to a
33 person who is at least sixty-five years of age or to a person who
34 qualifies for the disabled veteran homestead credit under section
35 ~~425.15~~ 425.1, subsection 2, paragraph "b". The department shall

1 prepare an application to be used by a person requesting a
2 lifetime trout fishing license under this subsection.

3 Sec. 81. REPEAL. Section 425.15, Code 2026, is repealed.

4 Sec. 82. IMPLEMENTATION. Homestead owners who have filed for
5 or that are receiving homestead credits or exemptions under
6 chapter 425, subchapter I, before the effective date of this
7 division of this Act shall continue to receive such credits and
8 exemptions for which the owner is eligible for assessment years
9 beginning on or after January 1, 2026, without refileing, and, if
10 the owner is eligible, shall receive the exemption under section
11 425.1A, subsection 1A, as enacted in this division of this Act,
12 without filing for such exemption.

13 Sec. 83. RETROACTIVE APPLICABILITY. This division of this
14 Act applies retroactively to assessment years beginning on or
15 after January 1, 2026.

16 DIVISION VI

17 MILITARY SERVICE PROPERTY TAX EXEMPTION

18 Sec. 84. Section 426A.11, subsection 2, Code 2026, is amended
19 to read as follows:

20 2. a. The property, not to exceed one thousand eight hundred
21 fifty-two dollars in taxable value for assessment years beginning
22 before January 1, 2023, of an honorably separated, retired,
23 furloughed to a reserve, placed on inactive status, or discharged
24 veteran, as defined in section 35.1, subsection 2, paragraph "a"
25 or "b".

26 b. The property, not to exceed four thousand dollars in
27 taxable value for the assessment years beginning on or after
28 January 1, 2023, but before January 1, 2026, of an honorably
29 separated, retired, furloughed to a reserve, placed on inactive
30 status, or discharged veteran, as defined in section 35.1,
31 subsection 2, paragraph "a" or "b".

32 c. The property, not to exceed the following amounts in
33 taxable value, of an honorably separated, retired, furloughed to
34 a reserve, placed on inactive status, or discharged veteran, as
35 defined in section 35.1, subsection 2, paragraph "a" or "b":

1 obtained by dividing one hundred five percent of the current
2 fiscal year's actual property tax dollars certified for such levy
3 by the remainder of the total assessed value used to calculate
4 such taxes for the budget year minus value attributable to new
5 valuation.

6 b. For purposes of this subsection, "budget year", "current
7 fiscal year", and "new valuation" mean the same as defined in
8 section 331.423.

9 Sec. 88. Section 357F.8, Code 2026, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 3. a. For fiscal years beginning on or
12 after July 1, 2027, any property tax levy imposed for the
13 district under this chapter that is limited by law to a specific
14 property tax levy rate per one thousand dollars of assessed value
15 shall not exceed a levy rate per one thousand dollars of assessed
16 value that is equal to one thousand multiplied by the quotient
17 obtained by dividing one hundred five percent of the current
18 fiscal year's actual property tax dollars certified for such levy
19 by the remainder of the total assessed value used to calculate
20 such taxes for the budget year minus value attributable to new
21 valuation.

22 b. For purposes of this subsection, "budget year", "current
23 fiscal year", and "new valuation" mean the same as defined in
24 section 331.423.

25 Sec. 89. Section 357G.8, Code 2026, is amended by adding the
26 following new subsection:

27 NEW SUBSECTION. 3. a. For fiscal years beginning on or
28 after July 1, 2027, any property tax levy imposed for the
29 district under this chapter that is limited by law to a specific
30 property tax levy rate per one thousand dollars of assessed value
31 shall not exceed a levy rate per one thousand dollars of assessed
32 value that is equal to one thousand multiplied by the quotient
33 obtained by dividing one hundred five percent of the current
34 fiscal year's actual property tax dollars certified for such levy
35 by the remainder of the total assessed value used to calculate

1 such taxes for the budget year minus value attributable to new
2 valuation.

3 b. For purposes of this subsection, "budget year", "current
4 fiscal year", and "new valuation" mean the same as defined in
5 section 384.1.

6 Sec. 90. NEW SECTION. **422D.5A Levy limitation.**

7 1. For fiscal years beginning on or after July 1, 2027, any
8 property tax levy imposed under this chapter that is limited
9 by law to a specific property tax levy rate per one thousand
10 dollars of assessed value shall not exceed a levy rate per one
11 thousand dollars of assessed value that is equal to one thousand
12 multiplied by the quotient obtained by dividing one hundred five
13 percent of the current fiscal year's actual property tax dollars
14 certified for such levy by the remainder of the total assessed
15 value used to calculate such taxes for the budget year minus
16 value attributable to new valuation.

17 2. For purposes of this section, "budget year", "current
18 fiscal year", and "new valuation" mean the same as defined in
19 section 331.423.

20 DIVISION VIII

21 PROPERTY TAX LEVY RATES

22 Sec. 91. Section 176A.10, subsection 2, Code 2026, is amended
23 by striking the subsection.

24 Sec. 92. Section 312.2, subsection 5, paragraph a, Code 2026,
25 is amended to read as follows:

26 a. The treasurer of state, before making any allotments to
27 counties under this section, shall reduce the allotment to a
28 county for the secondary road fund by the amount by which the
29 total funds that the county transferred or provided during the
30 prior fiscal year under section 331.429, subsection 1, paragraphs
31 "a", "b", "d", and "e", are less than ~~seventy-five~~ fifty-one
32 percent of the sum of the following:

33 (1) From the general fund of the county, the dollar
34 equivalent of a tax of ~~sixteen and seven-eighths~~ eleven and
35 thirteen-sixteenths cents per thousand dollars of assessed value

1 on all taxable property in the county.

2 (2) From the rural services fund of the county, the dollar
3 equivalent of a tax of ~~three~~ two dollars and ~~three-eighths~~ of
4 ~~a cent~~ ten and twenty-one eightieths cents per thousand dollars
5 of assessed value on all taxable property not located within the
6 corporate limits of a city in the county.

7 Sec. 93. NEW SECTION. **444.25 Maximum property tax levy**
8 **rates — adjustments.**

9 1. For purposes of this section:

10 a. "Budget year" is the fiscal year beginning during the
11 calendar year in which a budget is certified.

12 b. "Current fiscal year" is the fiscal year ending during the
13 calendar year in which a budget for the budget year is certified.

14 c. "Rate-limited property tax levy" includes any ad valorem
15 property tax levy limited by law to a specific property tax levy
16 rate per one thousand dollars of assessed value used to calculate
17 taxes, but does not include the school district foundation levy
18 under section 257.3, the county general services levy under
19 section 331.423, subsection 1, the county rural services levy
20 under section 331.423, subsection 2, the city general fund
21 levy under section 384.1, subsection 3, the physical plant and
22 equipment levies under section 298.2, the school district bond
23 tax under section 298.18, any levy under chapter 28M, a levy
24 under section 384.12, subsection 1, paragraph "a", levied for
25 operation and maintenance of a municipal transit system, a levy
26 under section 384.12, subsection 1, paragraph "b", levied for
27 operation and maintenance of a regional transit district, a levy
28 for the office of the assessor under section 441.16, a levy
29 for a county agricultural extension under section 176A.10, any
30 levy under chapter 347 or 347A, any levy under chapter 386,
31 and any levy under chapter 357F, 357G, or 422D. In addition,
32 "rate-limited property tax levy" does not include levy rates used
33 in the calculations under section 312.2, subsection 5, paragraph
34 "a".

35 2. For the fiscal year beginning July 1, 2027, each

1 rate-limited property tax levy may only be imposed if the
 2 governmental entity imposed such levy for the fiscal year
 3 beginning July 1, 2026, and shall, by operation of this section,
 4 be limited to a levy rate per one thousand dollars of assessed
 5 value that is equal to one thousand multiplied by the quotient
 6 of one hundred two percent of the current fiscal year's actual
 7 property tax dollars certified for such levy divided by the
 8 total assessed value used to calculate such taxes for the budget
 9 year, but not less than a levy rate per one thousand dollars of
 10 assessed value that results in an amount of actual property tax
 11 dollars certified for levy for such levy equal to one hundred and
 12 one-half percent of the actual property tax dollars certified for
 13 such levy for the fiscal year beginning July 1, 2026.

14 3. For the fiscal year beginning July 1, 2028, and each
 15 fiscal year thereafter, rate-limited property tax levies may
 16 be imposed by any governmental entity otherwise authorized by
 17 law, regardless of whether the governmental entity imposed the
 18 levy for the fiscal year beginning July 1, 2026, at rates not
 19 to exceed those established by the general assembly by statute
 20 following receipt and consideration of the report submitted by
 21 the legislative interim committee requested to be established by
 22 the legislative council in this division of this Act.

23 Sec. 94. NEW SECTION. **444.26 Use of bonds and indebtedness**
 24 **for general operations — prohibition.**

25 1. For purposes of this section:

26 a. "*Exempt finance lease*" means a finance lease of the
 27 governmental entity if the aggregate principal amount of all
 28 finance leases of the governmental entity is less than one and
 29 one-fourth percent of the governmental entity's general fund
 30 budget for the most recently completed fiscal year.

31 b. "*General operations*" means services or activities
 32 generally funded from the governmental entity's general fund,
 33 which are necessary for the operation of the governmental entity,
 34 including salaries and benefits, or which are for the health
 35 and welfare of the governmental entity's citizens or primarily

1 intended to benefit all residents of the governmental entity, but
2 excluding services financed by statutory funds other than a debt
3 service fund.

4 c. "Indebtedness" includes but is not limited to leases
5 and finance leases, excluding exempt finance leases, for
6 public safety vehicles, maintenance vehicles and equipment,
7 sanitation vehicles and equipment, transit vehicles, public works
8 vehicles and machinery, recreation equipment and facilities,
9 and information technology and office equipment, but does not
10 include subscription-based information technology arrangements
11 for software.

12 2. On or after July 1, 2026, a city or county shall not issue
13 bonds or other indebtedness payable from an ad valorem property
14 tax levy for the purpose of funding the general operations of
15 the city or general operations of the county, as applicable, or
16 otherwise use proceeds from the sale of bonds or issuance of
17 other indebtedness to fund general operations.

18 3. The department of management shall adopt rules under
19 chapter 17A to implement this section.

20 Sec. 95. PROPERTY TAXATION RATES — STUDY COMMITTEE.

21 1. a. The legislative council is requested to establish a
22 legislative study committee during the 2026 legislative interim
23 and the 2027 legislative interim to examine appropriate rates of
24 property taxation imposed by governmental entities following the
25 adjustments to assessment limitations and levy rate limitations
26 made in this Act and determine an alternative methodology and
27 period of time to increase the percentage of actual value at
28 which residential and multiresidential property are subject to
29 tax under section 441.21, subsections 4 and 13, from seventy-five
30 percent to one hundred percent.

31 b. The study committee shall consist of the following voting
32 members of the general assembly:

33 (1) Two members of the senate appointed by the majority
34 leader of the senate.

35 (2) One member of the senate appointed by the minority leader

1 of the senate.

2 (3) Two members of the house of representatives appointed by
3 the speaker of the house of representatives.

4 (4) One member of the house of representatives appointed by
5 the minority leader of the house of representatives.

6 2. The committee shall make recommendations to and file a
7 report with the general assembly relating to the appropriate
8 rates of property taxation imposed by governmental entities
9 and appropriate assessment limitations for residential and
10 multiresidential property following enactment of this Act, no
11 later than January 15, 2028.

12 Sec. 96. EFFECTIVE DATE. The following take effect January
13 1, 2027:

14 1. The section of this division of this Act amending section
15 176A.10.

16 2. The section of this division of this Act amending section
17 312.2.

18 Sec. 97. APPLICABILITY. The following apply to fiscal years
19 beginning on or after July 1, 2027:

20 1. The section of this division of this Act amending section
21 176A.10.

22 2. The section of this division of this Act amending section
23 312.2.

24 DIVISION IX

25 LOCAL SALES AND SERVICES TAX

26 Sec. 98. Section 423B.1, subsection 5, paragraph d, Code
27 2026, is amended to read as follows:

28 d. The rate of a local sales and services tax shall be either
29 one percent or one and one-half percent.

30 Sec. 99. Section 423B.1, subsection 6, paragraph a,
31 subparagraph (1), Code 2026, is amended to read as follows:

32 (1) (a) A local option tax may be repealed or the rate of
33 ~~the local vehicle tax~~ increased or decreased or the use of a
34 local option tax revenue changed after an election at which a
35 majority of those voting on the question of repeal or rate or use

1 change favors the repeal or rate or use change.

2 (b) The date on which the repeal, rate change, or use change
3 is to take effect shall not be earlier than ninety days following
4 the election. The election at which the question of repeal, ~~or~~
5 rate change, or use change is offered shall be called and held
6 in the same manner and under the same conditions as provided
7 in subsections 4 and 5 for the election on the imposition of
8 the local option tax. However, in the case of a local sales
9 and services tax where the tax has not been imposed countywide,
10 the question of repeal or imposition, rate change, or use change
11 shall be voted on only by the registered voters of the areas
12 of the county where the tax has been imposed or has not been
13 imposed, as appropriate.

14 (c) The governing body of the city or unincorporated area
15 where the local sales and services tax is imposed may, upon
16 its own motion, request the county commissioner of elections
17 to hold an election in the city, or portion thereof located
18 in the county, or unincorporated area, as appropriate, on the
19 question of the change in use of local sales and services tax
20 revenues. The election may be held at any time but not sooner
21 than sixty days following publication of the ballot proposition.
22 If a majority of those voting in the city, or portion thereof
23 located in the county, or unincorporated area on the change in
24 use favors the change, the governing body of that area shall
25 change the use to which the revenues shall be used. The Subject
26 to paragraph "d", and section 423B.7, subsection 7, paragraph
27 "b", the ballot proposition shall list the present use of the
28 revenues, the proposed use, and the date after which revenues
29 received will be used for the new use.

30 Sec. 100. Section 423B.1, subsection 6, Code 2026, is amended
31 by adding the following new paragraph:

32 NEW PARAGRAPH. d. For amendments to local sales and services
33 tax revenue purpose statements approved at election on or after
34 the effective date of this division of this Act, if the existing
35 revenue purpose statement expressly provides for an amount or

1 percentage of revenue for uses related to road construction,
2 repair, or maintenance, the amended revenue purpose statement
3 shall require amounts or percentages of revenue equal to or
4 greater than those in the existing revenue purpose statement for
5 such uses.

6 Sec. 101. EFFECTIVE DATE. This division of this Act, being
7 deemed of immediate importance, takes effect upon enactment.

8 DIVISION X

9 ADJUSTMENTS TO MOTOR VEHICLE REGISTRATION FEES AND FUEL TAXES

10 Sec. 102. Section 321.116, Code 2026, is amended to read as
11 follows:

12 **321.116 Battery electric and plug-in hybrid electric motor**
13 **vehicle fees.**

14 1. For each battery electric motor vehicle subject to an
15 annual registration fee under section 321.109, subsection 1,
16 paragraph "a", and operated on the public highways of this state,
17 the owner shall pay an annual battery electric motor vehicle
18 registration fee, which shall be in addition to the annual
19 registration fee imposed for the vehicle under section 321.109,
20 subsection 1, paragraph "a". For purposes of this subsection,
21 "battery electric motor vehicle" means a motor vehicle equipped
22 with electrical drivetrain components and not equipped with an
23 internal combustion engine, that is propelled exclusively by one
24 or more electrical motors using electrical energy stored in a
25 battery or other energy storage device that can be recharged by
26 plugging into an electrical outlet or electric vehicle charging
27 station. ~~The amount of the fee shall be~~ is one hundred thirty
28 dollars, subject to adjustment pursuant to section 321.118.

29 2. For each plug-in hybrid electric motor vehicle subject
30 to an annual registration fee under section 321.109, subsection
31 1, paragraph "a", and operated on the public highways of this
32 state, the owner shall pay an annual plug-in hybrid electric
33 motor vehicle registration fee, which shall be in addition to
34 the annual registration fee imposed for the vehicle under section
35 321.109, subsection 1, paragraph "a". For purposes of this

1 subsection, "plug-in hybrid electric motor vehicle" means a
2 motor vehicle equipped with electrical drivetrain components, an
3 internal combustion engine, and a battery or other energy storage
4 device that can be recharged by plugging into an electrical
5 outlet or electric vehicle charging station. ~~The amount of~~
6 ~~the fee shall be~~ is sixty-five dollars, subject to adjustment
7 pursuant to section 321.118.

8 Sec. 103. Section 321.117, subsection 2, Code 2026, is
9 amended to read as follows:

10 2. In addition to the fee required for a motorcycle under
11 subsection 1, the owner of a motorcycle that is a battery
12 electric motor vehicle or plug-in hybrid electric motor vehicle,
13 as those terms are defined in section 321.116, shall pay an
14 annual electric motorcycle registration fee. ~~The amount of the~~
15 ~~fee shall be~~ is nine dollars, subject to adjustment pursuant to
16 section 321.118.

17 Sec. 104. NEW SECTION. **321.118 Electric motor vehicle**
18 **registration fee adjustments.**

19 1. a. The electric motor vehicle registration fees imposed
20 under section 321.116 and section 321.117, subsection 2, shall
21 be adjusted annually beginning July 1 in accordance with this
22 section to reflect the increase, if any, in the consumer price
23 index for all urban consumers.

24 b. Notwithstanding paragraph "a", a fee shall not be adjusted
25 if any of the following occur:

26 (1) The general assembly nullifies the adjustment by joint
27 resolution, signed by the governor on or before April 30
28 preceding the adjustment.

29 (2) The fee was adjusted under this section each of the
30 preceding three years.

31 (3) The change in the consumer price index for all urban
32 consumers for the calendar year ending on the most recent
33 December 31 was zero or less than zero.

34 2. a. On or before January 15 each year, the department
35 shall calculate the adjusted fees in accordance with subsection

1 3 and submit a report with the adjusted fees in an electronic
2 format to all of the following:

3 (1) The general assembly. Copies of the report shall also
4 be sent by electronic mail to the co-chairpersons of the joint
5 appropriations subcommittee on transportation, infrastructure,
6 and capitals, the chairpersons of the senate and house standing
7 committees on transportation, and the chairpersons of the senate
8 and house standing committees on ways and means.

9 (2) The director of the department of management.

10 b. The report required by this subsection may be submitted
11 jointly with the department of revenue's report required under
12 section 452A.3A.

13 3. a. The department shall calculate the adjusted fees
14 by multiplying the applicable fee in effect with one of the
15 following, as applicable:

16 (1) The sum of one plus the percentage change, expressed as
17 a decimal, in the consumer price index for all urban consumers
18 for the calendar year ending on the most recent December 31, as
19 published in the federal register by the United States department
20 of labor, bureau of labor statistics, if the change is more than
21 zero percent but less than three percent.

22 (2) One and three one-hundredths, if the percentage change in
23 the consumer price index for all urban consumers for the calendar
24 year ending on the most recent December 31, as published in the
25 federal register by the United States department of labor, bureau
26 of labor statistics, is three percent or more.

27 b. (1) The adjusted fees shall be rounded to the nearest
28 whole dollar.

29 (2) When rounded to the nearest whole dollar, if the
30 adjusted annual electric motorcycle registration fee under
31 section 321.117, subsection 2, does not result in an increase,
32 the department shall use the unrounded adjusted fee as the fee in
33 effect when the department calculates the next adjusted fee.

34 4. The department shall adopt rules pursuant to chapter 17A
35 to administer this section.

1 Sec. 105. Section 452A.3, Code 2026, is amended by adding the
2 following new subsection:

3 NEW SUBSECTION. 01. The excise taxes imposed in this section
4 are subject to adjustment pursuant to section 452A.3A.

5 Sec. 106. NEW SECTION. **452A.3A Excise tax adjustments.**

6 1. a. The excise taxes imposed under sections 452A.3 and
7 452A.41 shall be adjusted annually in accordance with this
8 section to reflect the increase, if any, in the consumer
9 price index for all urban consumers. The adjusted excise taxes
10 shall be imposed for twelve months beginning each July 1 after
11 the adjusted excise tax is calculated pursuant to this section.

12 b. Notwithstanding paragraph "a", an excise tax shall not be
13 adjusted if any of the following occur:

14 (1) The general assembly nullifies the adjustment by joint
15 resolution, signed by the governor on or before April 30
16 preceding the adjustment.

17 (2) The excise tax was adjusted under this section each of
18 the preceding three years.

19 (3) The change in the consumer price index for all urban
20 consumers for the calendar year ending on the most recent
21 December 31 was zero or less than zero.

22 2. a. On or before January 15 each year, the department
23 shall calculate the adjusted excise taxes in accordance with
24 subsection 3 and submit a report with the adjusted excise taxes
25 in an electronic format to all of the following:

26 (1) The general assembly. Copies of the report shall also
27 be sent by electronic mail to the co-chairpersons of the joint
28 appropriations subcommittee on transportation, infrastructure,
29 and capitals, the chairpersons of the senate and house standing
30 committees on transportation, and the chairpersons of the senate
31 and house standing committees on ways and means.

32 (2) The director of the department of management.

33 b. The report required by this subsection may be submitted
34 jointly with the department of transportation's report required
35 under section 321.118.

1 3. a. The department shall calculate the adjusted excise
2 taxes by multiplying the applicable excise tax in effect for the
3 twelve-month period ending on June 30 with one of the following,
4 as applicable:

5 (1) The sum of one plus the percentage change, expressed as
6 a decimal, in the consumer price index for all urban consumers
7 for the calendar year ending on the most recent December 31, as
8 published in the federal register by the United States department
9 of labor, bureau of labor statistics, if the change is more than
10 zero percent but less than three percent.

11 (2) One and three one-hundredths, if the percentage change in
12 the consumer price index for all urban consumers for the calendar
13 year ending on the most recent December 31, as published in the
14 federal register by the United States department of labor, bureau
15 of labor statistics, is three percent or more.

16 b. The adjusted excise taxes imposed shall be rounded to the
17 nearest one-tenth of one cent.

18 Sec. 107. Section 452A.41, subsection 1, Code 2026, is
19 amended to read as follows:

20 1. An excise tax of two and six-tenths cents is imposed on
21 each kilowatt hour of electric fuel delivered or placed into
22 the battery or other energy storage device of an electric motor
23 vehicle at a location in this state other than a residence. This
24 excise tax is subject to adjustment pursuant to section 452A.3A.

25 Sec. 108. EFFECTIVE DATE. This division of this Act takes
26 effect January 1, 2027.

27 DIVISION XI

28 OFFICE OF THE ASSESSOR — BUDGET AND LEVY

29 Sec. 109. Section 441.16, subsection 2, Code 2026, is amended
30 by adding the following new paragraph:

31 NEW PARAGRAPH. c. For fiscal years beginning on or after
32 July 1, 2027, expenses of the office of the assessor, the
33 examining board, and the board of review related to duties or
34 expenses authorized to be paid using funds levied under sections
35 96.31, 97B.9, and 97C.10 shall not be paid from the levy under

1 subsection 5.

2 Sec. 110. Section 441.16, subsection 5, paragraph a, Code
3 2026, is amended to read as follows:

4 a. (1) (a) Any For fiscal years beginning before July 1,
5 2027, any tax for the maintenance of the office of assessor and
6 other assessment procedure shall be levied only upon the property
7 in the area assessed by the assessor, and such tax levy shall
8 not exceed sixty-seven and one-half cents per thousand dollars of
9 assessed value in the assessing area.

10 (b) For the fiscal year beginning July 1, 2027, any tax for
11 the maintenance of the office of assessor and other assessment
12 procedure shall be levied only upon the property in the area
13 assessed by the assessor, and such tax levy shall not exceed
14 a rate per one thousand dollars of assessed value in the
15 assessing area that is equal to one thousand multiplied by the
16 quotient of one hundred two percent of the current fiscal year's
17 actual property tax dollars certified for such levy, excluding
18 the amounts attributable to the types of expenses described in
19 subsection 2, paragraph "c", divided by the total assessed value
20 used to calculate such taxes for the budget year.

21 (c) For each fiscal year beginning on or after July 1, 2028,
22 any tax for the maintenance of the office of assessor and other
23 assessment procedure shall be levied only upon the property in
24 the area assessed by the assessor, and such tax levy shall not
25 exceed a rate per one thousand dollars of assessed value in the
26 assessing area that is equal to one thousand multiplied by the
27 quotient of one hundred two percent of the current fiscal year's
28 actual property tax dollars certified for such levy divided by
29 the total assessed value used to calculate such taxes for the
30 budget year.

31 (d) For purposes of this subparagraph, "budget year" and
32 "current fiscal year" mean the same as defined in section
33 331.423.

34 (2) The county treasurer shall credit the sums received from
35 such levy to a separate fund to be known as the assessment

1 expense fund and from which fund all expenses incurred under this
2 chapter shall be paid. In the case of a county where there
3 is more than one assessor the treasurer shall maintain separate
4 assessment expense funds for each assessor.

5 Sec. 111. Section 441.16, subsection 6, Code 2026, is amended
6 to read as follows:

7 6. The assessor shall not issue requisitions so as to
8 increase the total expenditures budgeted for the operation of
9 the assessor's office. However, for purposes of promoting
10 operational efficiency, the assessor shall, except as provided
11 in subsection 2, paragraph "c", have authority to transfer funds
12 budgeted for specific items for the operation of the assessor's
13 office from one unexpended balance to another; such transfer
14 shall not be made so as to increase the total amount budgeted
15 for the operation of the office of assessor, and no funds
16 shall be used to increase the salary of the assessor or the
17 salaries of permanent deputy assessors. The assessor shall issue
18 requisitions for the examining board and for the board of review
19 on order of the chairperson of each board and for costs and
20 expenses incident to assessment appeals, only on order of the
21 city legal department, in the case of cities and of the county
22 attorney in the case of counties.

23 Sec. 112. EFFECTIVE DATE. This division of this Act takes
24 effect January 1, 2027.

25 Sec. 113. APPLICABILITY. This division of this Act applies
26 to property taxes due and payable in fiscal years beginning on or
27 after July 1, 2027.

28 DIVISION XII

29 REGIONAL TRANSIT DISTRICT LEVY

30 Sec. 114. Section 28M.5, subsection 1, Code 2026, is amended
31 to read as follows:

32 1. a. The commission, with the approval of the board of
33 supervisors of participating counties and the city council
34 of participating cities in the chapter 28E agreement, may,
35 subject to paragraph "b", levy annually a tax not to exceed

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

14 b. For each fiscal year beginning on or after July 1,
 15 2027, the sum of property tax dollars levied for the regional
 16 transit district under this subsection and property tax dollars
 17 received by the regional transit district from participating
 18 cities and counties shall not exceed an amount equal to one
 19 hundred five percent of the sum of property tax dollars levied
 20 for the regional transit district under this subsection for
 21 the immediately preceding fiscal year and property tax dollars
 22 received by the regional transit district from participating
 23 cities and counties for the immediately preceding fiscal year.

24 Sec. 115. Section 384.12, subsection 1, Code 2026, is amended
 25 to read as follows:

26 1. a. A tax for the operation and maintenance of a municipal
 27 transit system ~~or for operation and maintenance of a regional~~
 28 ~~transit district,~~ and for the creation of a reserve fund for the
 29 system ~~or district,~~ in an amount not to exceed ~~ninety-five~~ eighty
 30 cents per thousand dollars of assessed value each year, when the
 31 revenues from the transit system ~~or district~~ are insufficient for
 32 such purposes. In addition to the levy rate limitation, for
 33 each fiscal year beginning on or after July 1, 2027, the sum
 34 of property tax dollars levied for the municipal transit system
 35 under this paragraph shall not exceed an amount equal to one

1 hundred five percent of the sum of property tax dollars levied
2 for the municipal transit system under this paragraph for the
3 immediately preceding fiscal year.

4 b. A tax for the operation and maintenance of a regional
5 transit district, and for the creation of a reserve fund for the
6 district under chapter 28M, in an amount not to exceed eighty
7 cents per thousand dollars of assessed value each year, when the
8 revenues from the district are insufficient for such purposes.

9 Sec. 116. EFFECTIVE DATE. This division of this Act takes
10 effect January 1, 2027.

11 Sec. 117. APPLICABILITY. This division of this Act applies
12 to property taxes due and payable in fiscal years beginning on or
13 after July 1, 2027.

14 DIVISION XIII

15 UTILITY REPLACEMENT TAX TASK FORCE

16 Sec. 118. Section 437A.15, subsection 7, paragraph b, Code
17 2026, is amended to read as follows:

18 b. The task force shall study the accuracy of the taxes
19 imposed under this chapter and chapter 437B, ways to modernize
20 the administration of such taxes, methods of simplifying
21 administration of the replacement taxes, elimination of property
22 taxes imposed under this chapter or chapter 437B, simplification
23 of thresholds for replacement tax rate adjustments while
24 retaining tax stability, the effects of the replacement such
25 taxes under this chapter and chapter 437B on local taxing
26 authorities, local taxing districts, consumers, and taxpayers
27 through January 1, 2024 December 31, 2026, including ways to
28 maintain continuity for local taxing districts and consumers and
29 ways to provide a competitive and equitable tax environment for
30 taxpayers. If the task force recommends modifications to the
31 replacement tax that will further the purposes of tax neutrality
32 for local taxing authorities, local taxing districts, taxpayers,
33 and consumers, consistent with the stated purposes of this
34 chapter taxes, the department of management shall transmit those
35 recommendations to the general assembly.

1 on each such account on a date no later than March 15.

2 Sec. 123. Section 24.2A, subsection 3, Code 2026, is amended
3 to read as follows:

4 3. The department of management shall prescribe the form
5 for the report required under subsection 2, paragraph "a", the
6 statements required to be mailed under subsection 2, paragraph
7 "b", or provided under subsection 2, paragraph "c", and the
8 public hearing notice required under subsection 4, paragraph "b".

9 Sec. 124. Section 24.2A, subsection 4, paragraph b,
10 subparagraph (4), subparagraph division (a), Code 2026, is
11 amended to read as follows:

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

15 Sec. 125. Section 24.3, unnumbered paragraph 1, Code 2026, is
16 amended to read as follows:

17 A municipality shall not certify or levy in any fiscal year
18 any tax on property subject to taxation unless and until the
19 following estimates have been made, filed, and considered, and
20 for school districts, the ~~individual~~ statements have been mailed
21 or posted, as applicable, and public hearings held, as provided
22 in this chapter:

23 Sec. 126. Section 331.434, subsection 3, Code 2026, is
24 amended to read as follows:

25 3. Following, and not until, the requirements of section
26 24.2A are completed, the board shall set a time and place for
27 a public hearing on the budget before the final certification
28 date and shall publish notice of the hearing not less than ten
29 nor more than twenty days prior to the hearing in the county
30 newspapers selected under chapter 349. A summary of the proposed
31 budget and a description of the procedure for protesting the
32 county budget under section 331.436, in the form prescribed by
33 the director of the department of management, shall be included
34 in the notice. Proof of publication of the notice under this
35 subsection 3 shall be filed with and preserved by the county

1 auditor. A levy is not valid unless and until the notice
2 is published and ~~individual~~ statements under section 24.2A are
3 mailed or posted. The department of management shall prescribe
4 the form for the public hearing notice for use by counties.

5 Sec. 127. Section 331.435, subsection 2, Code 2026, is
6 amended to read as follows:

7 2. The board shall prepare and adopt a budget amendment in
8 the same manner as the original budget as provided in section
9 331.434, but excluding the requirements for ~~mailing individual~~
10 statements under section 24.2A, and the amendment is subject
11 to protest as provided in section 331.436, except that the
12 director of the department of management may by rule provide that
13 amendments of certain types or up to certain amounts may be made
14 without public hearing and without being subject to protest. A
15 county budget for the ensuing fiscal year shall be amended by May
16 31 to allow time for a protest hearing to be held and a decision
17 rendered before June 30. An amendment of a budget after May 31
18 which is properly appealed but without adequate time for hearing
19 and decision before June 30 is void.

20 Sec. 128. Section 384.17, Code 2026, is amended to read as
21 follows:

22 **384.17 Levy by county.**

23 At the time required by law, the county board of supervisors
24 shall levy the taxes necessary for each city fund for the
25 following fiscal year. The levy must be as shown in the adopted
26 city budget and as certified by the clerk, subject to any changes
27 made after a protest hearing, and any additional tax rates
28 approved at a city election. A city levy is not valid until
29 proof of publication or posting of notice of a budget hearing
30 under section 384.16, subsection 3, is filed with the county
31 auditor and ~~individual~~ statements are mailed or posted under
32 section 24.2A.

33 Sec. 129. Section 384.18, subsection 2, Code 2026, is amended
34 to read as follows:

35 2. A budget amendment must be prepared and adopted in the

1 same manner as the original budget, as provided in section
2 384.16, excluding the requirement for the mailing of individual
3 statements under section 24.2A, and is subject to protest as
4 provided in section 384.19, except that the committee may by rule
5 provide that amendments of certain types or up to certain amounts
6 may be made without public hearing and without being subject to
7 protest. A city budget shall be amended by May 31 of the current
8 fiscal year to allow time for a protest hearing to be held and
9 a decision rendered before June 30. The amendment of a budget
10 after May 31, which is properly appealed but without adequate
11 time for hearing and decision before June 30 is void.

12 Sec. 130. APPLICABILITY. This division of this Act applies
13 to taxpayer statements under section 24.2A for budgets for fiscal
14 years beginning on or after July 1, 2027.

15 DIVISION XV

16 REAL ESTATE TRANSFER TAX FORMS

17 Sec. 131. Section 428A.7, Code 2026, is amended to read as
18 follows:

19 **428A.7 Forms provided by director of revenue.**

20 The director of revenue shall prescribe the form of the
21 declaration of value and shall include an appropriate place
22 for the inclusion of special facts and circumstances relating
23 to the actual sales price in real estate transfers including
24 but not limited to factors that distort market value such as
25 built-to-suit sales, sale-leaseback sales, leased fee sales,
26 and the abnormal transactions identified in section 441.21,
27 subsection 1, paragraph "b", subparagraph (1). The director
28 shall provide an adequate number of the declaration of value
29 forms to each county recorder in the state. If the declaration
30 of value form requires or provides for the inclusion of the
31 social security number or federal tax identification number of
32 a seller or buyer, the department shall provide that the social
33 security number or federal tax identification number remains
34 confidential and cannot be obtained by public examination.

35 DIVISION XVI

1 DIVISION OF REVENUE — DATA CENTERS

2 Sec. 132. Section 403.19, subsection 2, paragraph a, Code
3 2026, is amended to read as follows:

4 a. That portion of the taxes each year in excess of such
5 amount shall be allocated to and when collected be paid into
6 a special fund of the municipality to pay the principal of and
7 interest on loans, moneys advanced to, or indebtedness, whether
8 funded, refunded, assumed, or otherwise, including bonds issued
9 under the authority of section 403.9, subsection 1, incurred by
10 the municipality to finance or refinance, in whole or in part, an
11 urban renewal project within the area, and to provide assistance
12 for low and moderate income family housing as provided in section
13 403.22. However, except as provided in paragraph "b", taxes
14 for the regular and voter-approved physical plant and equipment
15 levy of a school district imposed pursuant to section 298.2,
16 foundation property taxes of a school district imposed under
17 section 257.3 levied against property that is a qualified data
18 center or upon which a qualified data center is operated, and
19 taxes for the instructional support program of a school district
20 imposed pursuant to section 257.19, taxes for the payment of
21 bonds and interest of each taxing district, and taxes imposed
22 under section 346.27, subsection 22, related to joint county-city
23 buildings shall be collected against all taxable property within
24 the taxing district without limitation by the provisions of
25 this subsection. For purposes of this paragraph, "qualified
26 data center" means a data center, as defined in section 423.3,
27 subsection 95, for which site preparation activities, as defined
28 in section 423.3, subsection 95, began on or after the effective
29 date of this division of this Act.

30 Sec. 133. EFFECTIVE DATE. This division of this Act, being
31 deemed of immediate importance, takes effect upon enactment.

32 Sec. 134. APPLICABILITY. This division of this Act applies
33 to property taxes due and payable in fiscal years beginning on or
34 after July 1, 2027.

35 DIVISION XVII

1 MOBILE HOME, MANUFACTURED HOME, AND MODULAR HOME TAXES

2 Sec. 135. Section 29C.24, subsection 3, paragraph a,
3 subparagraph (6), Code 2026, is amended to read as follows:

4 (6) The assessment of property taxes by the department of
5 revenue under sections 428.24 through 428.26, 428.28, and 428.29,
6 or chapters 434, ~~435~~, and 437 through 438, or by a local assessor
7 under another provision of law, on property brought into the
8 state to aid in the performance of disaster or emergency-related
9 work during a disaster response period if such property does not
10 remain in the state after the conclusion of the disaster response
11 period.

12 Sec. 136. Section 321.24, subsection 1, Code 2026, is amended
13 to read as follows:

14 1. Upon receipt of the application for title and payment of
15 the required fees for a motor vehicle, trailer, or semitrailer,
16 the county treasurer or the department shall, when satisfied
17 as to the application's genuineness and regularity, and, in the
18 case of a mobile home or manufactured home, that taxes are
19 not owing under chapter 423 or under chapter 435, Code 2026,
20 issue a certificate of title and, except for a mobile home
21 or manufactured home, a registration receipt, and shall file
22 the application, the manufacturer's or importer's certificate,
23 the certificate of title, or other evidence of ownership, as
24 prescribed by the department. The registration receipt shall
25 be delivered to the owner and shall contain upon its face the
26 date issued, the name and address of the owner, the registration
27 number assigned to the vehicle, the amount of the fee paid, the
28 type of fuel used, a description of the vehicle as determined by
29 the department, and a form for notice of transfer of the vehicle.
30 The name and address of any lessee of the vehicle shall not be
31 printed on the registration receipt or certificate of title. Up
32 to three owners may be listed on the registration receipt and
33 certificate of title.

34 Sec. 137. Section 321.30, subsection 1, paragraph j, Code
35 2026, is amended to read as follows:

1 j. In the case of a mobile home or manufactured home, that
2 taxes are owing under chapter 435, Code 2026, for a previous
3 year.

4 Sec. 138. Section 321.46, subsection 2, Code 2026, is amended
5 to read as follows:

6 2. Upon filing the application for a new initial registration
7 and a new title, the applicant shall pay a title fee of thirty
8 dollars, an annual registration fee prorated for the remaining
9 unexpired months of the registration year, and a fee for new
10 registration if applicable. A manufacturer applying for a
11 certificate of title pursuant to section 322G.12 shall pay a
12 title fee of twenty dollars. However, a title fee shall not be
13 charged to a manufactured or mobile home retailer applying for a
14 certificate of title for a used mobile home or manufactured home,
15 titled in Iowa, as required under section 321.45, subsection
16 4. The county treasurer, if satisfied of the genuineness and
17 regularity of the application, and in the case of a mobile home
18 or manufactured home, that taxes are not owing under chapter
19 435, Code 2026, and that the applicant has complied with all
20 the requirements of this chapter, shall issue a new certificate
21 of title and, except for a mobile home, manufactured home, or a
22 vehicle returned to and accepted by a manufacturer as described
23 in section 322G.12, a registration card to the purchaser or
24 transferee, shall cancel the prior registration for the vehicle,
25 and shall forward the necessary copies to the department on the
26 date of issuance, as prescribed in section 321.24. Mobile homes
27 or manufactured homes titled under chapter 448 that have been
28 subject under section 446.18 to a public bidder sale in a county
29 shall be titled in the county's name, with no fee, and the county
30 treasurer shall issue the title.

31 Sec. 139. Section 321.101, subsection 2, Code 2026, is
32 amended to read as follows:

33 2. The department shall cancel a certificate of title that
34 appears to have been improperly issued or fraudulently obtained
35 or, in the case of a mobile home or manufactured home, if

1 taxes were owing under chapter 435, Code 2026, at the time the
2 certificate was issued and have not been paid. However, before
3 the certificate to a mobile home or manufactured home for which
4 taxes were owing can be canceled, notice and opportunity to pay
5 the taxes must be given to the person to whom the certificate
6 was issued. Upon cancellation of a certificate of title, the
7 department shall notify the county treasurer who issued it, who
8 shall enter the cancellation upon the records. The department
9 shall also notify the person to whom the certificate of title
10 was issued, as well as each lienholder who has a perfected
11 lien, of the cancellation and shall demand the surrender of the
12 certificate of title, but the cancellation shall not affect the
13 validity of any perfected lien.

14 Sec. 140. Section 321.123, subsection 2, paragraph b, Code
15 2026, is amended to read as follows:

16 b. A travel trailer may be stored under section 321.134,
17 provided the travel trailer is not used for human habitation for
18 any period during storage and is not moved upon the highways
19 of the state. ~~A travel trailer stored under section 321.134 is~~
20 ~~not subject to a manufactured or mobile home tax assessed under~~
21 ~~chapter 435.~~

22 Sec. 141. Section 331.429, subsection 1, paragraphs a and b,
23 Code 2026, are amended to read as follows:

24 a. Transfers from the general fund not to exceed in any year
25 the dollar equivalent of a tax of sixteen and seven-eighths
26 cents per thousand dollars of assessed value on all taxable
27 property in the county multiplied by the ratio of current taxes
28 actually collected and apportioned for the general basic levy
29 to the total general basic levy for the current year, and an
30 amount equivalent to the moneys derived by the general fund from
31 military service tax credits under chapter 426A, ~~manufactured~~
32 ~~or mobile home taxes under section 435.22~~, and delinquent taxes
33 for prior years collected and apportioned to the general basic
34 fund in the current year, multiplied by the ratio of sixteen
35 and seven-eighths cents to three dollars and fifty cents. The

1 limit on transfers in this paragraph applies only to property tax
2 revenue and is not a limit on transfers of revenue generated from
3 sources other than property taxes.

4 b. Transfers from the rural services fund not to exceed in
5 any year the dollar equivalent of a tax of three dollars and
6 three-eighths cents per thousand dollars of assessed value on
7 all taxable property not located within the corporate limits of
8 a city in the county multiplied by the ratio of current taxes
9 actually collected and apportioned for the rural services basic
10 levy to the total rural services basic levy for the current year
11 and an amount equivalent to the moneys derived by the rural
12 services fund from military service tax credits under chapter
13 ~~426A, manufactured or mobile home taxes under section 435.22,~~
14 and delinquent taxes for prior years collected and apportioned
15 to the rural services basic fund in the current year, multiplied
16 by the ratio of three dollars and three-eighths cents to three
17 dollars and ninety-five cents. The limit on transfers in this
18 paragraph applies only to property tax revenue and is not a
19 limit on transfers of revenue generated from sources other than
20 property taxes.

21 Sec. 142. Section 331.559, subsection 1, Code 2026, is
22 amended by striking the subsection.

23 Sec. 143. Section 331.653, subsection 17, Code 2026, is
24 amended by striking the subsection.

25 Sec. 144. Section 335.30A, subsection 2, Code 2026, is
26 amended to read as follows:

27 2. "*Land-leased community*" means any site, lot, field, or
28 tract of land under common ownership upon which ten or more
29 occupied manufactured homes are harbored, either free of charge
30 or for revenue purposes, and shall include any building,
31 structure, or enclosure used or intended for use as part of the
32 equipment of the land-leased community. The term "*land-leased*
33 *community*" shall not be construed to include homes, buildings,
34 or other structures temporarily maintained by any individual,
35 educational institution, or company on their own premises and

1 used exclusively to house their own labor or students. A
2 manufactured home located in a land-leased community shall be
3 ~~taxed under section 435.22~~ considered for property tax purposes
4 as if the manufactured home were located in a mobile home park.

5 Sec. 145. Section 414.28A, subsection 3, Code 2026, is
6 amended to read as follows:

7 3. A manufactured home located in a land-leased community
8 shall be ~~taxed under section 435.22~~ considered for property tax
9 purposes as if the manufactured home were located in a mobile
10 home park.

11 Sec. 146. Section 427A.1, subsection 1, paragraph c, Code
12 2026, is amended to read as follows:

13 c. Buildings, structures, or improvements, any of which are
14 constructed on or in the land, attached to the land, or placed
15 upon a foundation whether or not attached to the foundation.
16 However, ~~property taxed~~ mobile homes, manufactured homes, and
17 modular homes as defined under chapter 435 located in a mobile
18 home park or manufactured home community, property that is a
19 concrete batch plant as that term is defined in subsection 4,
20 and to the extent provided in subsection 7, property that is
21 transmission property shall not be assessed and taxed as real
22 property.

23 Sec. 147. Section 435.2, Code 2026, is amended to read as
24 follows:

25 **435.2 Placement and taxation.**

26 1. If and while a mobile home is placed outside a mobile home
27 park or manufactured home community, the home is to be assessed
28 and taxed as real estate. If and while a mobile home is placed
29 in a mobile home park or manufactured home community, the home is
30 exempt from property tax.

31 2. If and while a manufactured home is placed in a
32 manufactured home community or a mobile home park, the home
33 must be titled and is ~~subject to the manufactured or mobile~~
34 ~~home square foot~~ exempt from property tax. If and while a
35 manufactured home is placed outside a manufactured home community

1 or a mobile home park, the home must be titled and is to be
2 assessed and taxed as real estate.

3 3. For the purposes of this chapter, a modular home shall
4 not be construed to be a mobile home or manufactured home.
5 If and while a modular home is placed inside or outside a
6 manufactured home community or a mobile home park, the home
7 shall be considered real property and is to be assessed and
8 taxed as real estate. However, if a modular home is placed
9 in a manufactured home community or mobile home park which was
10 in existence on or before January 1, 1998, that modular home
11 shall be ~~subject to~~ exempt from property tax pursuant to ~~section~~
12 ~~435.22~~. This subsection shall not prohibit the location of a
13 modular home within a manufactured home community or mobile home
14 park.

15 Sec. 148. Section 435.23, Code 2026, is amended to read as
16 follows:

17 **435.23 Exemptions — ~~prorating tax inventories~~.**

18 ~~1.~~ The manufacturer's and retailer's inventory of mobile
19 homes, manufactured homes, or modular homes not in use as a place
20 of human habitation shall be exempt from ~~the annual~~ property
21 tax. ~~All travel trailers, fifth-wheel travel trailers, and~~
22 ~~towable recreational vehicles shall be exempt from this tax.~~
23 ~~The homes, travel trailers, fifth-wheel travel trailers, and~~
24 ~~towable recreational vehicles in the inventory of manufacturers~~
25 ~~and retailers shall be exempt from personal property tax.~~

26 ~~2.~~ ~~The homes coming into Iowa from out of state and located~~
27 ~~in a manufactured home community or mobile home park shall be~~
28 ~~liable for the tax computed pro rata to the nearest whole month,~~
29 ~~for the time the home is actually situated in Iowa.~~

30 Sec. 149. Section 435.24, Code 2026, is amended by striking
31 the section and inserting in lieu thereof the following:

32 **435.24 Location of homes and reporting.**

33 1. Upon issuance of a certificate of title or upon
34 transporting the home to a new site or to a location outside
35 of a manufactured home community or mobile home park, the home

1 owner shall file the address, township, and school district of
2 the location where the home is parked with the county assessor's
3 office. Failure to comply is punishable as set out in section
4 435.18.

5 2. Each manufactured home community or mobile home park owner
6 or manager shall notify monthly the county assessor concerning
7 any home arriving in or departing from the manufactured home
8 community or mobile home park. The records of the community
9 or park owner shall be open to inspection by a duly authorized
10 representative of any law enforcement agency. The manufactured
11 home community or mobile home park owner or manager shall make
12 an annual report to the county assessor due June 1 of the homes
13 sited in the manufactured home community or mobile home park,
14 listing the owner and mailing address of each home located in the
15 manufactured home community or mobile home park. The report is
16 delinquent if not filed with the county assessor by June 30.

17 Sec. 150. Section 435.26A, subsection 3, Code 2026, is
18 amended to read as follows:

19 3. After the surrender of a manufactured home's certificate
20 of title under this section, the manufactured home ~~shall continue~~
21 ~~to be taxed under section 435.22~~ and is not eligible for the
22 homestead tax exemption and credit or the military service tax
23 exemption and credit. A foreclosure action on a manufactured
24 home whose title has been surrendered under this section shall
25 be conducted as a real estate foreclosure. A tax lien and its
26 priority shall remain the same on a manufactured home after its
27 certificate of title has been surrendered.

28 Sec. 151. Section 435.27, subsections 1 and 3, Code 2026, are
29 amended to read as follows:

30 1. A mobile home or manufactured home converted to real
31 estate under section 435.26 may be reconverted to a home as
32 provided in this section when it is moved to a manufactured
33 home community or mobile home park or a manufactured or mobile
34 home retailer's inventory. When the home is located within a
35 manufactured home community or mobile home park, the home shall

1 ~~be taxed pursuant to~~ exempt from property tax as provided in
2 ~~section 435.22, subsection 1, paragraph "a"~~ 435.2.

3 3. After compliance with subsection 2 and receipt of the
4 title, the owner shall notify the assessor of the reconversion.
5 The assessor shall remove the assessed valuation of the home from
6 assessment rolls as of the succeeding January 1 when the home
7 becomes ~~subject to~~ exempt from taxation as provided under section
8 ~~435.24~~ 435.2.

9 Sec. 152. Section 445.1, subsection 8, Code 2026, is amended
10 to read as follows:

11 8. "Taxes" means an annual ad valorem tax, a special
12 assessment, a drainage tax, a rate or charge, and taxes on homes
13 pursuant to chapter 435, Code 2026, which are collectible by the
14 county treasurer.

15 Sec. 153. Section 445.5, subsection 6, Code 2026, is amended
16 to read as follows:

17 6. The county treasurer shall deliver to the taxpayer a
18 receipt stating the year of tax, date of payment, a description
19 of the parcel, and the amount of taxes, interest, fees, and costs
20 paid when payment is made by cash tender. A receipt for other
21 payment tender types shall only be delivered upon request. The
22 receipt shall be in full for the first half, second half, or full
23 year amounts unless a payment is made under section 445.36A ~~or~~
24 ~~435.24, subsection 6.~~

25 Sec. 154. Section 445.57, subsection 1, Code 2026, is amended
26 to read as follows:

27 1. On or before the tenth day of each month, the county
28 treasurer shall apportion all taxes collected during the
29 preceding month, except partial payment amounts collected
30 pursuant to section 445.36A, subsection 1, and partial payments
31 collected and not yet designated by the county treasurer for
32 apportionment pursuant to section 445.36A, subsection 2, ~~partial~~
33 ~~payments collected pursuant to section 435.24, subsection 6,~~
34 ~~paragraph "a", and partial payments collected and not yet~~
35 ~~designated by the county treasurer for apportionment pursuant to~~

1 ~~section 435.24, subsection 6, paragraph "b",~~ among the several
2 funds to which they belong according to the amount levied for
3 each fund, and shall apportion the interest, fees, and costs on
4 the taxes to the general fund, and shall enter those amounts
5 upon the treasurer's cash account, and report the amounts to the
6 county auditor.

7 Sec. 155. Section 555B.2, subsection 1, Code 2026, is amended
8 to read as follows:

9 1. A real property owner may remove or cause to be removed
10 a mobile home and other personal property which is unlawfully
11 parked, placed, or abandoned on that real property, and may
12 cause the mobile home and personal property to be placed in
13 storage until the owner of the personal property pays a fair
14 and reasonable charge for removal, storage, or other expense
15 incurred, including reasonable attorney fees, or until a judgment
16 of abandonment is entered pursuant to section 555B.8 provided
17 that there is no lien on the mobile home or personal property
18 other than a tax lien pursuant to chapter 435, Code 2026. For
19 purposes of this chapter, a lien other than a tax lien exists
20 only if the real property owner receives notice of a lien on the
21 standardized registration form completed by a tenant pursuant to
22 section 562B.27, subsection 3, or a lien has been filed in state
23 or county records on a date before the mobile home is considered
24 to be abandoned. The real property owner or the real property
25 owner's agent is not liable for damages caused to the mobile home
26 and personal property by the removal or storage unless the damage
27 is caused willfully or by gross negligence.

28 Sec. 156. Section 555C.1, subsection 5, paragraph b, Code
29 2026, is amended to read as follows:

30 b. A lien of record, other than a tax lien as provided in
31 chapter 435, Code 2026, does not exist against the home. A
32 lien exists only if the real property owner receives notice of a
33 lien on the standardized registration form completed by an owner
34 or occupant pursuant to chapter 562B, or a lien has been filed
35 in the state or county records on a date before the home is

1 considered to be valueless.

2 Sec. 157. Section 555C.3, Code 2026, is amended to read as
3 follows:

4 **555C.3 New title — third party.**

5 If a new title to a valueless home is to be issued to a third
6 party, the county treasurer shall issue a new title, upon receipt
7 of the affidavit required in section 555C.2 and payment of a fee
8 pursuant to section 321.47. Any tax lien levied pursuant to
9 chapter 435, Code 2026, is canceled and the ownership interest
10 of the previous owner or occupant of the valueless home is
11 terminated as of the date of issuance of the new title. The new
12 title owner shall take the title free of all rights and interests
13 even though the manufactured home community or mobile home park
14 owner fails to comply with the requirements of this chapter or
15 any judicial proceedings, if the new title owner acts in good
16 faith.

17 Sec. 158. REPEAL. Sections 435.22, 435.25, 435.29, and
18 435.33, Code 2026, are repealed.

19 Sec. 159. SAVINGS PROVISION. This division of this Act,
20 pursuant to section 4.13, does not affect the operation of
21 or prohibit the application of prior provisions of law or
22 rules adopted to administer the manufactured or mobile home tax
23 assessed under chapter 435 for taxes due and payable before July
24 1, 2026.

25 DIVISION XVIII

26 ELDERLY AND DISABLED PROPERTY TAX CREDIT AND RENT REIMBURSEMENT

27 Sec. 160. Section 25B.7, subsection 2, paragraph b, Code
28 2026, is amended to read as follows:

29 b. Low-income property tax credit and elderly and disabled
30 property tax credit pursuant to sections 425.16 through 425.40,
31 ~~subject to the limitation of section 425.39, subsection 1,~~
32 ~~paragraph "b".~~

33 Sec. 161. Section 425.17, subsection 2, paragraph a, Code
34 2026, is amended to read as follows:

35 a. "Claimant" means any of the following:

1 (1) A person filing a claim for credit under this subchapter
2 who has attained the age of sixty-five years but who has not
3 attained the age of seventy years on or before December 31 of the
4 base year, a person filing a claim for credit or reimbursement
5 under this subchapter who is totally disabled and was totally
6 disabled on or before December 31 of the base year, or a person
7 filing a claim for reimbursement under this subchapter who has
8 attained the age of sixty-five years on or before December 31
9 of the base year and who is domiciled in this state at the time
10 the claim is filed or at the time of the person's death in the
11 case of a claim filed by the executor or administrator of the
12 claimant's estate.

13 (2) A person filing a claim for credit or reimbursement under
14 this subchapter who has attained the age of twenty-three years on
15 or before December 31 of the base year or was a head of household
16 on December 31 of the base year, as defined in the Internal
17 Revenue Code, but has not attained the age or disability status
18 described in subparagraph (1) or the age status and eligibility
19 criteria of subparagraph (3), and is domiciled in this state at
20 the time the claim is filed or at the time of the person's death
21 in the case of a claim filed by the executor or administrator of
22 the claimant's estate, and was not claimed as a dependent on any
23 other person's tax return for the base year.

24 ~~(3) A person filing a claim for credit under this subchapter~~
25 ~~who has attained the age of seventy years on or before December~~
26 ~~31 of the base year, who has a household income of less than two~~
27 ~~hundred fifty percent of the federal poverty level, as defined by~~
28 ~~the most recently revised poverty income guidelines published by~~
29 ~~the United States department of health and human services, and is~~
30 ~~domiciled in this state at the time the claim is filed or at the~~
31 ~~time of the person's death in the case of a claim filed by the~~
32 ~~executor or administrator of the claimant's estate.~~

33 Sec. 162. Section 425.23, subsection 1, paragraph c, Code
34 2026, is amended by striking the paragraph.

35 Sec. 163. Section 425.23, subsection 4, paragraph a, Code

1 2026, is amended to read as follows:

2 a. For the base year beginning in the 1999 calendar year and
3 for each subsequent base year, the dollar amounts set forth in
4 ~~subsection 1, paragraphs "a" and "b", and subsection~~ subsections
5 1 and 3 shall be multiplied by the cumulative adjustment factor
6 for that base year. "Cumulative adjustment factor" means the
7 product of the annual adjustment factor for the 1998 base year
8 and all annual adjustment factors for subsequent base years. The
9 cumulative adjustment factor applies to the base year beginning
10 in the calendar year for which the latest annual adjustment
11 factor has been determined.

12 Sec. 164. Section 425.24, Code 2026, is amended to read as
13 follows:

14 **425.24 Maximum property tax for purpose of credit or**
15 **reimbursement.**

16 ~~For claimants under section 425.17, subsection 2, paragraph~~
17 ~~"a", subparagraphs (1) and (2), and for the calculation under~~
18 ~~section 425.23, subsection 1, paragraph "c", subparagraph (1),~~
19 ~~in~~ In any case in which property taxes due or rent constituting
20 property taxes paid for any household exceeds one thousand
21 five hundred dollars, the amount of property taxes due or rent
22 constituting property taxes paid shall be deemed to have been one
23 thousand five hundred dollars for purposes of this subchapter.

24 Sec. 165. Section 425.39, subsection 1, Code 2026, is amended
25 to read as follows:

26 1. ~~a.~~ The elderly and disabled property tax credit fund is
27 created. There is appropriated annually from the general fund
28 of the state to the department of revenue to be credited to
29 the elderly and disabled property tax credit fund, from funds
30 not otherwise appropriated, an amount sufficient to implement
31 this subchapter for credits for property taxes due for claimants
32 described in section 425.17, subsection 2, paragraph "a",
33 ~~subparagraphs~~ subparagraph (1) and (3), ~~subject to paragraph "b".~~

34 ~~b.~~ ~~Regardless of the amount of the credit determined under~~
35 ~~section 425.23, subsection 1, paragraph "c", the amount paid by~~

~~1 the director of revenue to each county treasurer for credits for
2 claimants described under section 425.17, subsection 2, paragraph
3 "a", subparagraph (3), shall not exceed the amount calculated
4 for the claimant under section 425.23, subsection 1, paragraph
5 "c", subparagraph (1), and section 25B.7, subsection 1, shall not
6 apply to the amount of the credit in excess of the amount paid by
7 the director of revenue.~~

8 Sec. 166. EFFECTIVE DATE. This division of this Act takes
9 effect January 1, 2030.

10 Sec. 167. APPLICABILITY.

11 1. This division of this Act applies to claims under chapter
12 425, subchapter II, for credits against property taxes due and
13 payable in fiscal years beginning on or after July 1, 2030.

14 2. This division of this Act applies to claims under chapter
15 425, subchapter II, for reimbursement for rent constituting
16 property taxes paid in base years beginning on or after January
17 1, 2029.

18 EXPLANATION

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

21 This bill relates to state and local government taxes,
22 financial authority, and budgets.

23 DIVISION I — COUNTY PROPERTY TAXES AND BUDGETS. Code section
24 331.423 establishes a levy rate limitation for the general county
25 services levy and a limitation for the rural county services
26 levy. The bill modifies the general county services levy rate
27 limitation for the fiscal year beginning July 1, 2027, to be
28 a levy rate not to exceed the greater of: (1) a levy rate
29 per \$1,000 of assessed value equal to 1,000 multiplied by the
30 quotient of 102 percent of the current fiscal year's (immediately
31 preceding fiscal year) actual property tax dollars certified for
32 levy for general county services divided by the remainder of the
33 total assessed value used to calculate such taxes for the budget
34 year minus value attributable to new valuation, as defined in
35 the bill; and (2) a levy rate per \$1,000 of assessed value that

1 results in an amount of actual property tax dollars certified
2 for levy for general county services equal to 100.5 percent of
3 the actual property tax dollars certified for such levy for the
4 current fiscal year.

5 For each fiscal year beginning on or after July 1, 2028,
6 the maximum levy rate is the levy rate imposed by the county
7 for the current fiscal year unless the total assessed value,
8 excluding new valuation, used to calculate taxes for general
9 county services for the budget year is equal to or exceeds 102
10 percent of the total assessed value used to calculate taxes for
11 general county services for the current fiscal year, and for the
12 budget year beginning July 1, 2028, only, not less than a levy
13 rate per \$1,000 of assessed value that results in an amount of
14 actual property tax dollars certified for levy equal to 100.5
15 percent of the actual property tax dollars certified for levy for
16 the current fiscal year.

17 If the total assessed value, excluding value attributable
18 to new valuation, used to calculate taxes for general county
19 services for the budget year is equal to or exceeds 102 percent
20 of the total assessed value used to calculate taxes for general
21 county services for the current fiscal year, the levy rate
22 imposed shall not exceed a levy rate per \$1,000 of assessed
23 value that is equal to 1,000 multiplied by the quotient obtained
24 by dividing the product of the budget adjustment factor, as
25 defined in the bill, unless modified by the general assembly on
26 or before January 31 immediately preceding the applicable fiscal
27 year, and which ranges from 102 percent to 105 percent depending
28 upon the amount of annual increase in the consumer price index,
29 multiplied by the current fiscal year's actual property tax
30 dollars certified for levy by the remainder of the total assessed
31 value used to calculate such taxes for the budget year minus
32 value attributable to new valuation.

33 The bill similarly modifies the maximum levy rate for rural
34 county services for fiscal years beginning on or after July 1,
35 2027.

1 This division takes effect January 1, 2027, and applies to
2 county taxes and budgets for fiscal years beginning on or after
3 July 1, 2027.

4 DIVISION II — CITY PROPERTY TAXES AND BUDGETS. Code section
5 384.1 establishes the city general fund levy and limits on
6 the levy rate. The bill modifies the general fund levy rate
7 limitation for the fiscal year beginning July 1, 2027, to be
8 a levy rate not to exceed the greater of: (1) a levy rate
9 per \$1,000 of assessed value equal to 1,000 multiplied by the
10 quotient of 102 percent of the current fiscal year's (immediately
11 preceding fiscal year) actual property tax dollars certified for
12 levy divided by the remainder of the total assessed value used to
13 calculate such taxes for the budget year minus value attributable
14 to new valuation, as defined in the bill; and (2) a levy rate
15 per \$1,000 of assessed value that results in an amount of actual
16 property tax dollars certified for levy equal to 100.5 percent of
17 the actual property tax dollars certified for such levy for the
18 current fiscal year.

19 For each fiscal year beginning on or after July 1, 2028, the
20 maximum levy rate is the levy rate imposed by the city for the
21 current fiscal year unless the total assessed value, excluding
22 new valuation, used to calculate taxes for the budget year is
23 equal to or exceeds 102 percent of the total assessed value
24 used to calculate taxes for the current fiscal year, and for the
25 budget year beginning July 1, 2028, only, not less than a levy
26 rate per \$1,000 of assessed value that results in an amount of
27 actual property tax dollars certified for levy equal to 100.5
28 percent of the actual property tax dollars certified for levy for
29 the current fiscal year.

30 If the total assessed value, excluding value attributable to
31 new valuation, used to calculate taxes for the city general fund
32 for the budget year is equal to or exceeds 102 percent of the
33 total assessed value used to calculate taxes for the current
34 fiscal year, the levy rate imposed shall not exceed a levy rate
35 per \$1,000 of assessed value that is equal to 1,000 multiplied

1 by the quotient obtained by dividing the product of the budget
2 adjustment factor, as defined in the bill, unless modified by the
3 general assembly on or before January 31 immediately preceding
4 the applicable fiscal year, and which ranges from 102 percent
5 to 105 percent depending upon the amount of annual increase in
6 the consumer price index, multiplied by the current fiscal year's
7 actual property tax dollars certified for levy by the remainder
8 of the total assessed value used to calculate such taxes for the
9 budget year minus value attributable to new valuation.

10 The bill also establishes a methodology to determine a maximum
11 levy rate for a city that is not imposing a general fund levy in
12 the current fiscal year.

13 This division takes effect January 1, 2027, and applies to
14 property taxes and budgets for fiscal years beginning on or after
15 July 1, 2027.

16 DIVISION III — SCHOOL TAXES AND BUDGETS. As part of the state
17 school foundation program, for school budget years beginning on
18 or after July 1, 2022, Code section 257.1 establishes the regular
19 program foundation base to be 88.4 percent of the regular program
20 state cost per pupil. Beginning with the budget year beginning
21 July 1, 2027, the bill increases that percentage to 100 percent.

22 Code section 257.3 requires school districts to levy a
23 foundation property tax of \$5.40 per \$1,000 of assessed value on
24 all taxable property in the school district. The bill reduces
25 the foundation property tax levy rate to \$4.48662 per \$1,000 of
26 assessed value for budget years beginning on or after July 1,
27 2027.

28 Code section 257.3 provides an exception to the foundation
29 property tax levy rate of \$5.40 for those school districts that
30 have recently been reorganized. Such districts are provided
31 reduced foundation property tax levy rates for three years
32 following the reorganization. The bill adjusts those reduced
33 rates for reorganizations that take effect on or after July 1,
34 2027, to reflect the reduction made in the bill to the foundation
35 property tax levy imposed by school districts that are not

1 subject to a reorganization and eliminates certain supplemental
2 aid related to such reorganized school district rates for budget
3 years beginning on or after July 1, 2027.

4 The bill eliminates certain property tax adjustment aid under
5 Code section 257.15(2) and (3) for fiscal years beginning on or
6 after July 1, 2027.

7 The bill eliminates the \$24 million general fund appropriation
8 for adjusted additional property tax levy aid under Code section
9 257.15(4) for fiscal years beginning on or after July 1, 2027.
10 The bill also eliminates the annual appropriation of the balance
11 of the property tax equity and relief fund under Code section
12 257.16A for purposes designated under Code section 257.15(4)
13 and requires remaining moneys at the end of a specified fiscal
14 year to be transferred back to the funds from which they were
15 received.

16 The bill eliminates the payment of school district property
17 tax replacement payments for fiscal years beginning on or after
18 July 1, 2027.

19 The bill eliminates the annual appropriation of moneys in the
20 foundation base supplement fund for fiscal years beginning on or
21 after July 1, 2027, and requires the remaining moneys at the end
22 of a specified fiscal year to be transferred for deposit in the
23 secure an advanced vision for education fund.

24 The bill eliminates transfers from the secure an advanced
25 vision for education fund to the property tax equity and relief
26 fund and the foundation base supplement fund for fiscal years
27 beginning on or after July 1, 2027, and instead provides that
28 such amounts shall be credited to the state general fund to be
29 used for increased foundation aid resulting from the increase in
30 the regular program foundation base per pupil to 100 percent of
31 the regular program state cost per pupil.

32 In Code chapters 425A (family farm tax credit) and 426
33 (agricultural land tax credit), the bill replaces references
34 to the school foundation property tax levy rate (\$5.40) with
35 citations to the appropriate provision of the Code section

1 establishing the foundation property tax rate.

2 The bill requires each school district with an unexpended fund
3 balance in the district's management levy fund under Code section
4 298A.3 at the conclusion of the fiscal year beginning July 1,
5 2025, that exceeds an amount equal to the total expenditures from
6 the district's management fund for the fiscal year beginning July
7 1, 2025, to certify such unexpended fund balance and expenditure
8 amounts, including any reserved or designated amounts in the fund
9 and the purposes therefor, to the school budget review committee
10 by November 15, 2026. The committee is then required to conduct
11 a review of the unexpended fund balances and expenditures of
12 school district management levy funds certified under the bill.
13 By February 1, 2027, the committee shall make recommendations
14 to the general assembly for establishing district management
15 levy fund unexpended fund balance limitations for fiscal years
16 beginning on or after July 1, 2028, including recommendations for
17 limitations based on a percentage of the district's management
18 levy fund expenditures and recommendations for management levy
19 limitations and expenditure requirements for excess funds.

20 The bill reduces by approximately 30 percent the maximum levy
21 rates for the regular and voter-approved physical plant and
22 equipment levy under Code section 298.2 and the school district
23 bond tax under Code section 298.18. The bill provides that the
24 reduced levy rate limitations under Code section 298.18(1)(d) do
25 not apply to the payment of general obligation bonds approved
26 for issuance at an election held on or before November 4,
27 2025, that are sold on or after May 1, 2026, but instead are
28 subject to the limits specified under the prior rate limits.
29 The bill also repeals an obsolete provision relating to levy
30 adjustments authorized to occur before June 30, 2007, in Code
31 section 298.18A.

32 The bill also amends Code section 298.4 by providing that for
33 fiscal years beginning on or after July 1, 2028, if a school
34 district's unexpended fund balance of the district's management
35 levy fund is equal to or exceeds a specified percentage of the

1 average annual expenditures from the district's management levy
2 fund for the three consecutive fiscal years immediately preceding
3 the base year, the board of directors may not certify a district
4 management levy for the fiscal year. Additionally, if a school
5 district is not prohibited from certifying a levy under the bill,
6 the maximum amount that the board of directors may certify for
7 levy under the district management levy shall be an amount equal
8 to the remainder of a specified percentage of the average annual
9 expenditures from the district's management levy fund for the
10 three consecutive fiscal years immediately preceding the base
11 year minus the district's management levy fund unexpended fund
12 balance for the fiscal year preceding the base year.

13 Except for the section of the division amending Code section
14 257.31, which relates to the school budget review committee, this
15 division of the bill takes effect January 1, 2027, and applies to
16 fiscal years and school budget years beginning on or after July
17 1, 2027.

18 DIVISION IV — PROPERTY VALUATIONS AND ASSESSMENT

19 LIMITATIONS. Code section 441.21 provides that the actual value
20 of agricultural property shall be determined on the basis of
21 productivity and net earning capacity and that any formula
22 or method employed to determine productivity and net earning
23 capacity of property shall be adopted in full by rule of the
24 department of revenue (IDR). The bill amends that provision
25 by specifying that for assessment years beginning on or after
26 January 1, 2027, structures on agricultural land constructed on
27 or after January 1, 2027, that are not agricultural dwellings
28 shall not be included in determination of productivity and
29 net earning capacity of agricultural property and shall not be
30 allocated any portion of the total county productivity value so
31 determined. Such agricultural structures shall instead be valued
32 according to the structure's replacement cost less depreciation
33 and obsolescence and the structure's assessed value subject to
34 taxation prior to application of any assessment limitation shall
35 be equal to the product of the structure's value multiplied

1 by the agricultural factor, as determined in 701 IAC 102.3(2)
2 or succeeding rule of the department. The bill also provides
3 that such structures shall be treated similarly to agricultural
4 structures constructed before January 1, 2027, when applying any
5 IDR equalization order.

6 The bill modifies the list of examples of abnormal property
7 transactions that are to be excluded from consideration or
8 adjusted to eliminate distortions of market value when valuing
9 property to include built-to-suit construction, sale-leaseback
10 transactions, leased fee sales, and instead of sales to immediate
11 family, sales between related parties.

12 Code section 441.21(4) establishes the calculation for
13 assessment limitations (rollback) for residential property and
14 agricultural property. The bill strikes the calculation of
15 the residential property assessment limitation for assessment
16 years beginning on or after January 1, 2026, and strikes
17 the provision within the agricultural property assessment
18 limitation calculation that limits growth of residential or
19 agricultural property to the growth in the other classification
20 (ag-residential tie). The bill provides that residential
21 property is assessed at 72.5 percent of the property's actual
22 value for assessment years beginning January 1, 2026, and January
23 1, 2027. The bill then increases the percentage of actual value
24 at which residential property is assessed by 2.75 percent each
25 assessment year until the percentage reaches 100 percent for
26 assessment years beginning on or after January 1, 2037. By
27 operation of law and through changes in the bill, all other
28 classifications of property, except for agricultural property,
29 residential property, and multiresidential property, are assessed
30 at 100 percent of actual value for assessment years beginning on
31 or after January 1, 2026.

32 The bill modifies provisions governing the calculation
33 of payments made to local governments under Code section
34 441.21(5)(e) that are made to replace property taxes due to the
35 application of the residential property assessment limitation to

1 certain portions of commercial and industrial property valuations
2 and eliminates the appropriation for such payments for fiscal
3 years beginning on or after July 1, 2027, due to elimination of
4 the assessment limitations.

5 The bill also reestablishes a multiresidential property
6 classification for assessment years beginning on or after
7 January 1, 2027, that includes types of property that were
8 classified as multiresidential property for assessment years
9 beginning before January 1, 2022. Such property is included
10 within the residential property classification under current
11 law. Under the bill, for purposes of equalization under Code
12 sections 441.47 through 441.49, multiresidential property shall
13 be considered residential property. The bill provides that
14 multiresidential property is assessed at 72.5 percent of actual
15 value for the assessment year beginning January 1, 2027. The
16 bill then increases the percentage of actual value at which
17 multiresidential property is assessed by 2.75 percent each
18 assessment year until the percentage reaches 100 percent for
19 assessment years beginning on or after January 1, 2037.

20 Except for provisions relating to the reestablishment of the
21 multiresidential property classification, this division of the
22 bill applies retroactively to assessment years beginning on or
23 after January 1, 2026.

24 DIVISION V — DISABLED VETERAN AND HOMESTEAD CREDITS AND
25 EXEMPTIONS. Starting with the assessment year beginning January
26 1, 2026, the bill replaces the homestead property tax credit,
27 other than the portion of the credit provided to certain disabled
28 veterans, with a homestead property tax exemption. For the
29 assessment year beginning January 1, 2026, the exemption amount
30 is 25 percent of taxable value, not to exceed \$175,000 in
31 taxable value. The exemption percentage increases by 2.5 percent
32 and the maximum exemption amount increases by \$17,500 each
33 assessment year until the percentage is 50 percent for assessment
34 years beginning on or after January 1, 2036, and the maximum
35 exemption amount is \$350,000. However, for those assessment

1 years beginning on or after January 1, 2036, such exemptions
2 amounts for owners 60 years of age and older are as follows:
3 (1) for an owner that has attained the age of 60 but has not
4 attained the age of 70, 60 percent of taxable value not to exceed
5 an exemption of \$350,000; (2) for an owner that has attained the
6 age of 70 but has not attained the age of 80, 70 percent of
7 taxable value not to exceed an exemption of \$350,000; (3) for an
8 owner that has attained the age of 80 but has not attained the
9 age of 90, 80 percent of taxable value not to exceed an exemption
10 of \$350,000; (4) for an owner that has attained the age of 90
11 but has not attained the age of 100, 90 percent of taxable value
12 not to exceed an exemption of \$350,000; and (5) for an owner that
13 has attained the age of 100, 100 percent of taxable value not to
14 exceed an exemption of \$350,000.

15 The bill specifies that the elderly homestead exemption of
16 \$6,500 in taxable value under current law applies in addition
17 to the homestead exemption established in the bill and the
18 unencumbered homestead exemption established in the bill.

19 The bill establishes a homestead exemption for homesteads
20 that are unencumbered homesteads. The bill defines "unencumbered
21 homestead" to be a homestead as defined in Code section 425.11,
22 but excluding appurtenances and that portion of the land upon
23 which the dwelling house is situated that exceeds one-half acre,
24 owned by an individual that has attained the age of 65 years
25 by January 1 of the applicable assessment year and for which no
26 mortgage or other indebtedness or account secured by an interest
27 in the homestead exists on January 1 of the assessment year. For
28 the assessment year beginning January 1, 2026, the unencumbered
29 homestead exemption is 25 percent of the taxable value following
30 application of the other homestead exemption established in the
31 bill, but before the homestead exemption for persons 65 years
32 of age, if applicable. The exemption percentage increases by 25
33 percent each assessment year until the percentage is 100 percent
34 for assessment years beginning on or after January 1, 2029.
35 The unencumbered homestead exemption, however, does not apply

1 to voter-approved levies, as defined in the bill, or property
2 tax levies, or portions thereof, that are for the payment of
3 voter-approved bonds or other voter-approved indebtedness. The
4 provisions of Code section 25B.7 relating to funding of new
5 property tax credits and exemptions are made inapplicable to the
6 exemptions in the bill.

7 The bill moves the disabled veteran homestead credit from
8 Code section 425.15 to Code section 425.1, and makes changes
9 to the scope of the disabled veteran homestead credit for new
10 applicants. Currently, a disabled veteran with a 100 percent
11 permanent and total disability rating receives a homestead credit
12 on the entire amount of tax levied on the homestead. The bill
13 specifies that a separate application form is required to claim
14 the disabled veteran homestead credit. The bill does not change
15 the homestead credit for an eligible disabled veteran who makes
16 an application for the homestead credit before July 1, 2026. For
17 a disabled veteran who makes an application for the homestead
18 credit on or after July 1, 2026, the bill changes the definition
19 of "homestead" to exclude appurtenances and limits the size of
20 the homestead credit to property on one-half acre.

21 The state continues to reimburse local governments for the
22 homestead credit, which for assessment years beginning on or
23 after January 1, 2026, includes only the disabled veterans
24 homestead credit, but does not reimburse local governments for
25 the homestead exemption under current law and in the bill.

26 The bill provides that homestead owners who have filed for
27 or who are receiving homestead credits or exemptions before
28 the effective date of this division of the bill shall continue
29 to receive such credits and exemptions for which the owner is
30 eligible for assessment years beginning on or after January 1,
31 2026, without refiling, and, if the owner is eligible, shall
32 receive the exemption under Code section 425.1A(1A), as enacted
33 in this division of the bill, without filing for such exemption.

34 This division of the bill applies retroactively to assessment
35 years beginning on or after January 1, 2026.

1 DIVISION VI — MILITARY SERVICE PROPERTY TAX EXEMPTION. Under
2 current law, a veteran receives a property tax exemption of
3 \$4,000 in taxable value on property owned by the veteran.
4 The bill increases the veterans property tax exemption from
5 \$4,000 to the following exemption amounts: for the assessment
6 year beginning January 1, 2026, \$5,000; for the assessment year
7 beginning January 1, 2027, \$6,000; and for assessment years
8 beginning on or after January 1, 2028, \$7,000.

9 This division applies retroactively to assessment years
10 beginning on or after January 1, 2026.

11 DIVISION VII — HOSPITAL AND EMERGENCY MEDICAL SERVICES
12 PROPERTY TAX LEVIES. The bill provides that for fiscal years
13 beginning on or after July 1, 2027, any property tax levy imposed
14 for a county hospital under Code chapter 347 that is limited by
15 law to a specific property tax levy rate per \$1,000 of assessed
16 value shall not exceed a levy rate per \$1,000 of assessed value
17 that is equal to 1,000 multiplied by the quotient obtained by
18 dividing 105 percent of the current fiscal year's actual property
19 tax dollars certified for such levy by the remainder of the total
20 assessed value used to calculate such taxes for the budget year
21 minus value attributable to new valuation. The bill defines
22 "budget year", "current fiscal year", and "new valuation" to mean
23 the same as defined in Code section 331.423, as amended in the
24 bill.

25 The bill establishes similar limitations for levies imposed
26 under Code chapters 347A (county hospitals payable from revenue),
27 357F (emergency medical services districts), 357G (city emergency
28 medical services districts), and 422D (optional taxes for
29 emergency medical services) that are limited by law to a specific
30 property tax levy rate per \$1,000 of assessed value.

31 DIVISION VIII — PROPERTY TAX LEVY RATES. The bill
32 establishes a reduction for rate-limited property tax levies.
33 The bill defines "rate-limited property tax levy" to be any ad
34 valorem property tax levy limited by law to a specific property
35 tax levy rate per \$1,000 of assessed value used to calculate

1 taxes, but does not include the school district foundation levy
2 under Code section 257.3, the county general services levy under
3 Code section 331.423(1), the county rural services levy under
4 Code section 331.423(2), the city general fund levy under Code
5 section 384.1(3), the physical plant and equipment levies under
6 Code section 298.2, the school district bond tax under Code
7 section 298.18, any levy under Code chapter 28M, a levy under
8 Code section 384.12(1)(a) levied for operation and maintenance
9 of a municipal transit system, a levy under Code section
10 384.12(1)(b) levied for operation and maintenance of a regional
11 transit district, a levy for the office of the assessor under
12 Code section 441.16, a levy for a county agricultural extension
13 under section 176A.10, any levy under Code chapter 386, any levy
14 under Code chapter 347 or 347A, and any levy under Code chapter
15 357F, 357G, or 422D. In addition, "rate-limited property tax
16 levy" does not include levy rates used in the calculations under
17 Code section 312.2(5)(a).

18 For the fiscal year beginning July 1, 2027, each rate-limited
19 property tax levy may only be imposed if the governmental entity
20 imposed such levy for the fiscal year beginning July 1, 2026,
21 and shall, by operation of the bill, be limited to a levy
22 rate that is equal to 1,000 multiplied by the quotient of 102
23 percent of the current fiscal year's actual property tax dollars
24 certified for such levy divided by the total assessed value used
25 to calculate such taxes for the budget year, but not less than
26 a levy rate per \$1,000 of assessed value that results in an
27 amount of actual property tax dollars certified for levy for such
28 levy equal to 100.5 percent of the actual property tax dollars
29 certified for such levy for the fiscal year beginning July 1,
30 2026.

31 For the fiscal year beginning July 1, 2028, and each
32 fiscal year thereafter, rate-limited property tax levies may
33 be imposed by any governmental entity otherwise authorized by
34 law, regardless of whether the governmental entity imposed the
35 levy for the fiscal year beginning July 1, 2026, at rates not

1 to exceed those established by the general assembly by statute
2 following receipt and consideration of the report submitted by
3 the legislative interim committee requested to be established by
4 the legislative council in this division of the bill.

5 The bill also provides that, on or after July 1, 2026, a
6 city or county shall not issue bonds or other indebtedness, as
7 defined in the bill, payable from an ad valorem property tax
8 levy for the purpose of funding the general operations of the
9 city or general operations of the county, as applicable, or
10 otherwise use proceeds from the sale of bonds or issuance of
11 other indebtedness to fund general operations. The bill defines
12 "general operations" to mean services or activities generally
13 funded from the governmental entity's general fund, which are
14 necessary for the operation of the governmental entity, including
15 salaries and benefits, or which are for the health and welfare
16 of the governmental entity's citizens or primarily intended to
17 benefit all residents of the governmental entity, but excluding
18 services financed by statutory funds other than a debt service
19 fund.

20 The department of management is required to adopt rules under
21 Code chapter 17A to implement the new Code section governing
22 funding of general operations.

23 The bill reduces levy rates used to make certain calculations
24 related to the secondary road fund allocations under Code section
25 312.2.

26 The bill requests the legislative council to establish a
27 legislative study committee during the 2026 legislative interim
28 and the 2027 legislative interim to examine appropriate rates
29 of property taxation imposed by governmental entities following
30 enactment of the bill and determine an alternative methodology
31 and period of time to increase the percentage of actual value
32 at which residential and multiresidential property are subject
33 to tax from 75 percent to 100 percent. The study committee
34 shall consist of six voting members of the general assembly. Two
35 members shall be appointed by the majority leader of the senate,

1 one member appointed by the minority member of the senate, two
2 members appointed by the speaker of the house of representatives,
3 and one member appointed by the minority leader of the house
4 of representatives. The study committee is required to make
5 recommendations to the general assembly by January 15, 2028.

6 DIVISION IX — LOCAL SALES AND SERVICES TAX. Code chapter 423B
7 authorizes a local sales and services tax to be imposed at a rate
8 of 1 percent. The bill authorizes the local sales and services
9 tax to be imposed at either 1 percent or 1.5 percent. The bill
10 also provides that for amendments to local sales and services
11 tax revenue purpose statements approved at election on or after
12 the effective date of this division of the bill, if the existing
13 revenue purpose statement expressly provides for an amount or
14 percentage of revenue for uses related to road construction,
15 repair, or maintenance, the amended revenue purpose statement
16 shall require amounts or percentages of revenue equal to or
17 greater than those in the existing revenue purpose statement.

18 This division of the bill takes effect upon enactment.

19 DIVISION X — ADJUSTMENTS TO MOTOR VEHICLE REGISTRATION FEES
20 AND FUEL TAXES. Under current law, in addition to the required
21 annual registration fee, the owner of a battery electric motor
22 vehicle or a plug-in hybrid electric motor vehicle, including
23 a motorcycle, must pay an additional electric motor vehicle
24 registration fee each year. The additional fee for a battery
25 electric motor vehicle is \$130, the additional fee for a plug-in
26 hybrid electric motor vehicle is \$65, and the additional fee for
27 an electric motorcycle is \$9.

28 The bill requires the department of transportation (DOT)
29 to adjust these fees beginning July 1 each year to account
30 for increases in the consumer price index (CPI) for all urban
31 consumers. The DOT must calculate the adjusted fees using
32 a formula based on the change in CPI. The fees must increase
33 with a positive change in CPI, up to 3 percent, rounded to
34 the nearest dollar. However, if the general assembly nullifies
35 the adjustment by joint resolution signed by the governor on

1 or before April 30, or if the CPI is zero or negative for
2 the prior year ending December 31, the applicable adjusted fees
3 in effect at the time of the calculation are not adjusted.
4 Similarly, if a fee increased for three consecutive years prior
5 to the calculation, the fee must not be adjusted in the fourth
6 year. If, when rounded to the nearest dollar, the adjusted
7 annual electric motorcycle registration fee does not result in an
8 increase, the DOT is required to use the unrounded adjusted fee
9 as the fee in effect when the DOT calculates the next adjusted
10 fee.

11 Under current law, the excise tax on each gallon of motor
12 fuel, other than ethanol blended gasoline classified as E-15
13 or higher, is 30 cents. The excise tax on each gallon of
14 special fuel for diesel engines of motor vehicles, other than
15 biodiesel blended fuel classified as B-20 or higher, is 32.5
16 cents. The excise taxes on each gallon of ethanol blended
17 gasoline classified as E-15 or higher and biodiesel blended
18 fuel classified as B-20 or higher are based on the distribution
19 percentage of those fuels compared to the distribution of other
20 gasoline and special fuels, and range from 24 cents to 30 cents,
21 and 29.5 cents to 32.5 cents, respectively. The excise tax is
22 8 cents per gallon on the use of aviation gasoline, 5 cents
23 per gallon on special fuel for aircraft, 30 cents per gallon
24 on liquefied petroleum gas used as a special fuel, 31 cents per
25 gallon on compressed natural gas used as a special fuel, 32.5
26 cents per gallon on liquefied natural gas used as a special fuel,
27 and 65 cents per gallon on hydrogen used as a special fuel.
28 Other than electricity used at a person's residence, the excise
29 tax is 2.6 cents on each kilowatt hour of electric fuel delivered
30 or placed into the battery or other energy storage device of an
31 electric motor vehicle. The bill requires IDR to adjust these
32 excise taxes to account for increases in the CPI each year.

33 The bill requires IDR to calculate the adjusted excise taxes
34 using a formula based on the change in CPI. The adjusted excise
35 taxes must increase with a positive change in CPI, up to 3

1 percent, rounded to the nearest one-tenth of 1 cent. However, if
2 the general assembly nullifies the adjustment by joint resolution
3 signed by the governor on or before April 30, or if the CPI
4 is zero or negative for the prior year ending December 31, the
5 applicable excise taxes in effect at the time of the calculation
6 are not adjusted. Similarly, if an excise tax increased for
7 three consecutive years prior to the calculation, the excise tax
8 must not be adjusted in the fourth year.

9 By January 15 each year, DOT and IDR must calculate and report
10 the adjusted fees and excise taxes, respectively, to the general
11 assembly and the director of the department of management. The
12 reports may be submitted jointly.

13 Pursuant to Code section 452A.59, IDR is empowered to
14 adopt administrative rules relating to the administration and
15 enforcement of Code chapter 452A, including as amended by the
16 bill, as IDR deems necessary.

17 Article VII, section 8, of the Constitution of the State
18 of Iowa requires all motor vehicle registration fees and
19 excise taxes on motor vehicle fuel, other than the cost of
20 administration, to be used exclusively for the construction,
21 maintenance, and supervision of the public highways exclusively
22 within Iowa, or for the payment of bonds issued for such
23 purposes. Code section 312.2 provides the formula for
24 distribution of the road use tax fund.

25 This division of the bill takes effect January 1, 2027.

26 DIVISION XI — OFFICE OF THE ASSESSOR — BUDGET AND LEVY. Code
27 section 441.16(5) authorizes a \$0.675 per \$1,000 of assessed
28 value property tax levy for the maintenance of the office of the
29 assessor and other assessment procedure. The bill provides that
30 for fiscal years beginning on or after July 1, 2027, expenses of
31 the office of the assessor, the examining board, and the board
32 of review related to duties or expenses authorized to be paid
33 using funds levied under Code sections 96.31, 97B.9, and 97C.10
34 shall not be paid from the levy under Code section 441.16(5).
35 The bill also provides that the levy under Code section 441.16(5)

1 for the fiscal year beginning July 1, 2027, shall not exceed
2 a rate per \$1,000 of assessed value that is equal to 1,000
3 multiplied by the quotient of 102 percent of the current fiscal
4 year's actual property tax dollars certified for such levy,
5 excluding amounts attributable to specified types of expenses
6 under Code sections 97B.9 and 97C.10 and insurance expenses, tort
7 claims, and judgments, divided by the total assessed value used
8 to calculate such taxes for the budget year. The bill then
9 provides that for each fiscal year beginning on or after July 1,
10 2028, any tax for the maintenance of the office of assessor and
11 other assessment procedure shall be levied only upon the property
12 in the area assessed by the assessor, and such tax levy shall
13 not exceed a rate per \$1,000 of assessed value in the assessing
14 area that is equal to 1,000 multiplied by the quotient of 102
15 percent of the current fiscal year's actual property tax dollars
16 certified for such levy divided by the total assessed value used
17 to calculate such taxes for the budget year.

18 This division takes effect January 1, 2027, and applies to
19 property taxes due and payable in fiscal years beginning on or
20 after July 1, 2027.

21 DIVISION XII — REGIONAL TRANSIT DISTRICT LEVY. Code section
22 28M.5 authorizes a regional transit district to levy a property
23 tax not to exceed \$0.95 per \$1,000 of assessed value. The
24 bill lowers that levy to \$0.80 per \$1,000 of assessed value
25 and makes corresponding changes to other provisions of law
26 governing the levy rates for municipal transit systems and
27 regional transit districts. In addition, the bill establishes
28 an annual limitation on the total amount of property taxes that
29 a regional transit district may receive. For each fiscal year
30 beginning on or after July 1, 2027, the total amount of property
31 taxes for support of a regional transit district shall not exceed
32 105 percent of the total amount of property taxes for support
33 of the regional transit district for the immediately preceding
34 fiscal year.

35 The bill also lowers the \$0.95 city levy for the operation

1 and maintenance of a municipal transit system to \$0.80 and
2 establishes an annual limitation on the total amount of property
3 taxes levied by a city for such purpose to be an amount not
4 to exceed 105 percent of the amount levied for the immediately
5 preceding fiscal year.

6 This division takes effect January 1, 2027, and applies to
7 property taxes due and payable in fiscal years beginning on or
8 after July 1, 2027.

9 DIVISION XIII — UTILITY REPLACEMENT TAX TASK FORCE. Code
10 section 437A.15(7) establishes a utility replacement tax task
11 force. The bill modifies the duties of the task force to
12 study the accuracy of the taxes imposed under Code chapters
13 437A and 437B, ways to modernize the administration of such
14 taxes, methods of simplifying administration of the replacement
15 taxes, elimination of property taxes imposed under Code chapter
16 437A or 437B, simplification of thresholds for replacement
17 tax rate adjustments while retaining tax stability, and the
18 effects of such taxes on local taxing authorities, local taxing
19 districts, consumers, and taxpayers through December 31, 2026,
20 including ways to maintain continuity for local taxing districts
21 and consumers and ways to provide a competitive and equitable
22 tax environment for taxpayers. If the task force recommends
23 modifications to the replacement taxes, the department of
24 management shall transmit those recommendations to the general
25 assembly. This division of the bill takes effect upon enactment.

26 DIVISION XIV — LOCAL GOVERNMENT BUDGET STATEMENTS. Code
27 section 24.2A requires the county auditor to mail statements
28 containing certain county, city, and school district budget and
29 property tax information to each property owner or taxpayer. For
30 budgets for fiscal years beginning on or after July 1, 2027,
31 the bill authorizes those statements to be to be posted on the
32 political subdivision's internet site by March 15 in lieu of
33 mailing individual statements. Additionally, if the political
34 subdivision maintains a social media account on one or more
35 social media applications, the statement or an electronic link to

1 the statement shall be posted on each such account on a date no
2 later than March 15.

3 DIVISION XV — REAL ESTATE TRANSFER TAX FORMS. The bill amends
4 Code section 428A.7 governing real estate transfer tax forms
5 for the declaration of value prescribed by the department of
6 revenue by specifying examples of the types of special facts and
7 circumstances that may distort market value.

8 DIVISION XVI — DIVISION OF REVENUE — DATA CENTERS. The bill
9 excludes the school district foundation property tax imposed
10 under Code section 257.3 from the division of revenue under
11 Code section 403.19 (tax increment financing) for taxes levied
12 against a qualified data center. The bill defines "qualified
13 data center" to be a data center, as defined in Code section
14 423.3(95), for which site preparation activities, as defined in
15 Code section 423.3(95), began on or after the effective date of
16 the division of the bill, which is effective upon enactment. The
17 bill prohibits such foundation property tax from being divided
18 and paid into the municipality's special fund for the payment
19 of urban renewal indebtedness but instead requires the tax to
20 be levied, collected, and paid to the school district in the
21 same manner as all other property taxes. The exclusion in the
22 bill applies to property taxes due and payable in fiscal years
23 beginning on or after July 1, 2027.

24 DIVISION XVII — MOBILE HOME, MANUFACTURED HOME, AND MODULAR
25 HOME TAXES. Code chapter 435 imposes a square footage tax on
26 mobile homes and manufactured homes placed in a mobile home park
27 or manufactured home community. The bill strikes the portions
28 of Code chapter 435 imposing the square footage tax and provides
29 instead that such homes are exempt from property tax. However,
30 the bill does not modify the provisions of law governing the
31 taxation of mobile homes and manufactured homes placed outside
32 of manufactured home communities and mobile home parks, which are
33 assessed and taxed in the same manner as other real property.
34 Additionally, the bill provides that modular homes placed in
35 a manufactured home community or mobile home park in existence

1 on or before January 1, 1998, which are subject to the square
2 footage tax under current law, are exempt from property tax. The
3 bill also makes corresponding changes to several other provisions
4 of law that relate to Code chapter 435. This division of
5 the bill does not affect the operation of, or prohibit the
6 application of, prior provisions of law or rules adopted to
7 administer the manufactured or mobile home tax assessed under
8 Code chapter 435 for taxes due and payable before July 1, 2026.

9 DIVISION XVIII — ELDERLY AND DISABLED PROPERTY TAX CREDIT AND
10 RENT REIMBURSEMENT. One category of claimant of the additional
11 homestead credit for certain elderly and disabled individuals
12 under Code chapter 425, subchapter II, is an individual who has
13 attained the age of 70 years with a household income of less
14 than 250 percent of the federal poverty level. Such claimant's
15 credit is calculated, in part, based on the growth in the amount
16 of taxes owed by the claimant (property tax freeze). The bill
17 eliminates that provision for individuals 70 years of age and
18 older and accordingly allows such credit amount to be calculated
19 under the provision applicable to individuals age 65 and older
20 based on certain income thresholds indexed to inflation.

21 Except for the property tax freeze calculation under Code
22 section 425.23(1)(c) that was repealed in the bill, current law
23 limits the maximum amount of the additional homestead property
24 tax credit or reimbursement for rent constituting property taxes
25 paid to \$1,000. The bill increases that maximum amount to
26 \$1,500.

27 This division of the bill takes effect January 1, 2030, and
28 includes applicability provisions.