

Senate Study Bill 3034 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED GOVERNOR BILL)

A BILL FOR

1 An Act relating to state and local government taxes, budgets,
2 and authority, by modifying provisions relating to the
3 assessment and taxation of property, funding from the secure
4 an advanced vision for education fund, the election of certain
5 county officers, urban renewal areas and urban revitalization
6 areas, establishing a rent reimbursement program, establishing
7 a program for certain first-time homebuyers, establishing
8 a local government shared-services grant fund, making
9 appropriations, and including effective date, applicability,
10 and retroactive applicability provisions.

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

1

DIVISION I

2 PROPERTY TAX REVENUE LIMITATIONS — BOND REVENUE USE LIMITATIONS

3 Section 1. Section 11.11, Code 2026, is amended to read as
4 follows:

5 **11.11 Scope of audits.**

6 The written report of the audit of a governmental subdivision
7 shall include the auditor's opinion as to whether a governmental
8 subdivision's financial statements are presented fairly in
9 all material respects in conformity with generally accepted
10 accounting principles or with ~~an other~~ another comprehensive
11 basis of accounting. As a part of conducting an audit of
12 a governmental subdivision, an evaluation of internal control
13 and tests for compliance with laws and regulations shall be
14 performed. As part of conducting an audit of a governmental
15 subdivision, an examination of the governmental subdivision's
16 compliance with the reporting requirements of section 331.403,
17 subsection 3, or section 384.22, subsection 2, if applicable,
18 shall be performed. As part of conducting an audit of a
19 governmental subdivision for fiscal years beginning on or after
20 July 1, 2027, an examination of the governmental subdivision's
21 compliance with section 24.35 shall be performed, including
22 verification of the circumstances resulting in actual reserve
23 funds exceeding the specified limits.

24 Sec. 2. Section 24.34, Code 2026, is amended to read as
25 follows:

26 **24.34 Unliquidated obligations.**

27 A city, county, or other political subdivision governmental
28 entity, as defined in section 24.35, may establish an encumbrance
29 system for any obligation not liquidated at the close of
30 the fiscal year in which the obligation has been ~~encumbered~~
31 assigned, committed, restricted, or specified as nonspendable.
32 The encumbered obligations may be retained upon the books of the
33 city, county, or other political subdivision until liquidated,
34 all in accordance with generally accepted ~~governmental~~ accounting
35 practices principles, as established by the governmental

1 accounting standards board.

2 Sec. 3. NEW SECTION. **24.35 General fund reserves —**
3 **limitations.**

4 1. For purposes of this section:

5 a. "*Budget year*" is the fiscal year beginning during the
6 calendar year in which a budget is certified.

7 b. "*Current fiscal year*" is the fiscal year ending during the
8 calendar year in which a budget for the budget year is certified.

9 c. "*General fund*" means a governmental entity's fund
10 designated as such by law or the governmental entity's fund from
11 which primary general operations of the governmental entity are
12 funded.

13 d. "*Governmental entity*" means any unit of government
14 or other public body or public corporation, including any
15 intergovernmental entity, that has the power to impose or certify
16 a property tax levy. "*Governmental entity*" does not include a
17 school district.

18 e. "*Unassigned*" means funds that are not restricted,
19 committed, assigned, or nonspendable within the meaning of
20 generally accepted accounting principles, as established by the
21 governmental accounting standards board.

22 2. a. For budgets certified for budget years beginning on or
23 after July 1, 2027, proposed unassigned reserve funds identified
24 within a governmental entity's general fund shall not exceed an
25 amount equal to ten percent of the budgeted expenditures from the
26 governmental entity's general fund for the current fiscal year
27 prior to budgeted transfers from such general fund.

28 b. If the governmental entity's budget does not comply with
29 the requirements of paragraph "a", the department of management
30 shall not certify the governmental entity's taxes back to the
31 county auditor under section 24.17 and the governmental entity
32 shall remedy the violation and recertify the budget.

33 3. To ensure uniformity, accuracy, and efficiency in the
34 certification of governmental entity budgets according to the
35 requirements of this section, the department of management shall

1 prescribe the procedures to be used and instruct the appropriate
2 officials of the various governmental entities on implementation
3 of the procedures.

4 Sec. 4. Section 24.48, Code 2026, is amended by adding the
5 following new subsection:

6 NEW SUBSECTION. 6. The authority to suspend property tax
7 levy limitations under this section shall not apply to the
8 limitations of section 444.25, except for the reasons specified
9 under subsection 1, paragraph "b" or "c".

10 Sec. 5. Section 176A.8, subsection 13, Code 2026, is amended
11 by striking the subsection.

12 Sec. 6. NEW SECTION. **444.25 Maximum property tax levy**
13 **dollars.**

14 1. For purposes of this section, unless the context otherwise
15 requires:

16 a. "Budget year" is the fiscal year beginning during the
17 calendar year in which a budget is certified.

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

20 c. "Governmental entity" means any unit of government
21 or other public body or public corporation, including any
22 intergovernmental entity or special purpose district, that
23 has the power to impose or certify a property tax levy.

24 "Governmental entity" does not include a school district.

25 d. "New valuation" means the increase from the current fiscal
26 year to the budget year in taxable valuation, as shown on the
27 assessment roll due to the following, the amount of each as
28 reported under section 331.510 by the county auditor to the
29 department of management:

30 (1) New construction.

31 (2) Additions or improvements to existing structures that are
32 not normal and necessary repairs under section 441.21, subsection
33 8.

34 (3) Net boundary adjustments, including annexation,
35 severance, incorporation, consolidation, or discontinuance as

1 those terms are defined in section 368.1.

2 e. "Property tax levy" means each ad valorem property tax
3 authorized by law to be imposed by a governmental entity, but
4 excluding any levy the revenue from which is specified by law for
5 debt service or required to be used exclusively for the repayment
6 of bonds or other indebtedness. The levy under section 384.1,
7 subsection 2, on tracts of land and improvements thereon used
8 and assessed for agricultural or horticultural purposes, shall be
9 considered a separate property tax levy under this section.

10 2. a. (1) For the budget year beginning July 1, 2027, and
11 each budget year thereafter, the maximum aggregate amount of
12 property tax dollars that may be certified for levy among all
13 property tax levies imposed by a governmental entity shall not
14 exceed an amount equal to the sum of one hundred two percent
15 of the aggregate amount of property tax dollars certified for
16 levy by the governmental entity among all property tax levies
17 imposed by the governmental entity for the current fiscal year
18 plus the sum of the new valuation growth amount for each of the
19 governmental entity's property tax levies for the budget year.

20 (2) The new valuation growth amount for each property tax
21 levy is equal to the product of the following:

22 (a) A levy rate per one thousand dollars of assessed value
23 equal to one thousand multiplied by the quotient of one hundred
24 two percent of the aggregate amount of property tax dollars
25 certified for the levy by the governmental entity for the current
26 fiscal year divided by the remainder of the total assessed value
27 used to calculate such taxes for the property tax levy within the
28 governmental entity for the budget year minus value attributable
29 to new valuation.

30 (b) The amount of assessed value used to calculate such taxes
31 for the property tax levy within the governmental entity for the
32 budget year attributable to new valuation.

33 b. If the budget year includes a voter-approved property
34 tax levy that was not approved for imposition in the current
35 fiscal year, the maximum aggregate amount of property tax dollars

1 for the governmental entity under paragraph "a" for the budget
2 year shall be increased by the amount of the voter approved
3 property tax levy approved at election for the budget year. If
4 the current fiscal year includes a voter-approved property tax
5 levy that is not approved for imposition in the budget year,
6 the maximum aggregate amount of property tax dollars for the
7 governmental entity under paragraph "a" for the budget year shall
8 be reduced by the amount of the voter approved property tax levy
9 for the current fiscal year.

10 c. The amount of property tax dollars calculated under this
11 section includes those amounts budgeted by the governmental
12 entity as replacement taxes under chapter 437A or 437B, if
13 applicable.

14 3. For purposes of this section, if the governmental entity's
15 taxes for a property tax levy were not certified back by the
16 department of management under section 24.17 for the current
17 fiscal year due to an act or omission of the governmental entity,
18 the current fiscal year's property tax dollars certified for levy
19 for that property tax levy shall be equal to the amount certified
20 for levy for the fiscal year immediately preceding the current
21 fiscal year.

22 4. If a governmental entity certifies a budget that violates
23 this section, the department of management shall reduce each of
24 the applicable governmental entity's property tax levies on a pro
25 rata basis so that the governmental entity is in compliance with
26 this section.

27 5. This section shall not be construed as removing or
28 otherwise affecting the property tax limitations, including levy
29 rate and use limitations, otherwise provided by law for any
30 property tax levy of the governmental entity.

31 Sec. 7. NEW SECTION. **444.26 Use of bonds and indebtedness**
32 **for general operations — prohibition.**

33 1. For purposes of this section:

34 a. "General operations" means services or activities
35 generally funded from the governmental entity's general fund,

1 are amended to read as follows:

2 (a) An amount equal to the product of the assessment
3 limitation percentage applicable to residential property under
4 subsection 4 for that assessment year multiplied by the actual
5 value of the property that exceeds zero dollars but does not
6 exceed one two hundred fifty thousand dollars.

7 (b) An amount equal to ninety percent of the actual value
8 of the property for that assessment year that exceeds one two
9 hundred fifty thousand dollars.

10 Sec. 10. Section 441.21, subsection 5, paragraph e,
11 subparagraphs (1), (2), and (3), Code 2026, are amended to read
12 as follows:

13 ~~(1) For the fiscal year beginning July 1, 2023, there is~~
14 ~~appropriated from the general fund of the state to the department~~
15 ~~of revenue the sum of one hundred twenty-two million three~~
16 ~~hundred fifty thousand dollars to be used for payments under this~~
17 ~~paragraph calculated as a result of the assessment limitations~~
18 ~~imposed under paragraph "b", subparagraph (2), subparagraph~~
19 ~~division (a), and paragraph "c", subparagraph (2), subparagraph~~
20 ~~division (a).~~ For each fiscal year beginning on or after July
21 1, 2024, but before July 1, 2027, there is appropriated from
22 the general fund of the state to the department of revenue the
23 sum of one hundred twenty-five million dollars to be used for
24 payments under this paragraph calculated as a result of the
25 assessment limitations imposed under paragraph "b", subparagraph
26 (2), subparagraph division (a), and paragraph "c", subparagraph
27 (2), subparagraph division (a).

28 (2) For fiscal years beginning on or after July 1, 2023, but
29 before July 1, 2027, each county treasurer shall be paid by the
30 department of revenue an amount calculated under subparagraph
31 (4) for the applicable fiscal year. If an amount appropriated
32 for the fiscal year is insufficient to make all payments as
33 calculated under subparagraph (4), the director of revenue shall
34 prorate the payments to the county treasurers and shall notify
35 the county auditors of the pro rata percentage on or before

1 September 30.

2 (3) On or before July 1 of each applicable fiscal year,
3 the assessor shall report to the county auditor that portion
4 of the total actual value of all commercial property and
5 industrial property in the county that is subject to the
6 assessment limitations imposed under paragraph "b", subparagraph
7 (2), subparagraph division (a), and paragraph "c", subparagraph
8 (2), subparagraph division (a), for the assessment year used to
9 calculate the taxes due and payable in that fiscal year.

10 Sec. 11. Section 441.21, subsection 5, paragraph e,
11 subparagraph (4), unnumbered paragraph 1, Code 2026, is amended
12 to read as follows:

13 On or before September 1 of each applicable fiscal year,
14 the county auditor shall prepare a statement, based on the
15 report received in subparagraph (3) and information transmitted
16 to the county auditor under chapter 434, listing for each taxing
17 district in the county:

18 Sec. 12. RETROACTIVE APPLICABILITY. The following apply
19 retroactively to assessment years beginning on or after January
20 1, 2026:

21 1. The section of this division of this Act amending
22 section 441.21, subsection 5, paragraph "b", subparagraph (2),
23 subparagraph divisions (a) and (b).

24 2. The section of this division of this Act amending
25 section 441.21, subsection 5, paragraph "c", subparagraph (2),
26 subparagraph divisions (a) and (b).

27 DIVISION III

28 PROPERTY TAX EXEMPTIONS AND CREDITS

29 Sec. 13. Section 2.48, subsection 3, paragraph f,
30 subparagraphs (1) and (2), Code 2026, are amended to read as
31 follows:

32 (1) The homestead property tax exemption and ~~credit~~ under
33 chapter 425, subchapter I.

34 (2) The ~~elderly and disabled~~ property tax growth credit under
35 chapter 425, subchapter II.

1 Sec. 14. Section 10A.518, subsection 2, paragraph b, Code
2 2026, is amended to read as follows:

3 b. The rules shall require the installation of smoke
4 detectors in existing single-family rental units and
5 multiple-unit residential buildings. Existing single-family
6 dwelling units shall be equipped with approved smoke detectors.
7 A person who files for a homestead ~~credit~~ exemption pursuant to
8 chapter 425, subchapter I, shall certify that the single-family
9 dwelling unit for which the ~~credit~~ exemption is filed has a smoke
10 detector installed in compliance with this section, or that one
11 will be installed within thirty days of the date the filing for
12 the ~~credit~~ exemption is made. The director shall adopt rules and
13 establish appropriate procedures to administer this subsection.

14 Sec. 15. Section 10A.518, subsection 3, paragraph b, Code
15 2026, is amended to read as follows:

16 b. The rules shall require the installation of carbon
17 monoxide alarms in existing single-family rental units and
18 multiple-unit residential buildings that have a fuel-fired
19 heater or appliance, a fireplace, or an attached garage.
20 Existing single-family dwellings that have a fuel-fired heater
21 or appliance, a fireplace, or an attached garage shall be
22 equipped with approved carbon monoxide alarms. For purposes
23 of this paragraph, "*approved carbon monoxide alarm*" means a
24 carbon monoxide alarm that meets the standards established by
25 the underwriters' laboratories or is approved by the director as
26 established by rule under subsection 5. A person who files for
27 a homestead ~~credit~~ exemption pursuant to chapter 425, subchapter
28 I, shall certify that the single-family dwelling for which the
29 ~~credit~~ exemption is filed and that has a fuel-fired heater
30 or appliance, a fireplace, or an attached garage, has carbon
31 monoxide alarms installed in compliance with this section, or
32 that such alarms will be installed within thirty days of the date
33 the filing for the ~~credit~~ exemption is made. The director shall
34 adopt rules and establish appropriate procedures to administer
35 this subsection.

1 Sec. 16. Section 25B.7, subsection 2, Code 2026, is amended
2 by striking the subsection.

3 Sec. 17. Section 103.22, subsection 7, Code 2026, is amended
4 to read as follows:

5 7. Prohibit an owner of property from performing work on the
6 owner's principal residence, if such residence is an existing
7 dwelling rather than new construction and is not an apartment
8 that is attached to any other apartment or building, as those
9 terms are defined in section 499B.2, and is not larger than
10 a single-family dwelling, or require such owner to be licensed
11 under this chapter. In order to qualify for inapplicability
12 pursuant to this subsection, a residence shall qualify for the
13 homestead tax ~~credit~~ exemption.

14 Sec. 18. Section 105.11, subsection 3, Code 2026, is amended
15 to read as follows:

16 3. Prohibit an owner of property from performing work on the
17 owner's principal residence, if such residence is an existing
18 dwelling rather than new construction and is not larger than a
19 single-family dwelling, or farm property, excluding commercial or
20 industrial installations or installations in public use buildings
21 or facilities, or require such owner to be licensed under this
22 chapter. In order to qualify for inapplicability pursuant to
23 this subsection, a residence shall qualify for the homestead tax
24 ~~credit~~ exemption.

25 Sec. 19. Section 216.12, subsection 1, paragraph e, Code
26 2026, is amended to read as follows:

27 e. The rental or leasing of a housing accommodation in a
28 building which contains housing accommodations for not more than
29 four families living independently of each other, if the owner
30 resides in one of the housing accommodations for which the owner
31 qualifies for the homestead tax ~~credit~~ exemption under ~~section~~
32 425.1 chapter 425, subchapter I.

33 Sec. 20. Section 321.1, subsection 6C, Code 2026, is amended
34 to read as follows:

35 6C. "*Bona fide residence*" or "*bona fide address*" means the

1 current street or highway address of an individual's residence.
2 The bona fide residence of a person with more than one dwelling
3 is the dwelling for which the person claims a homestead tax
4 ~~credit~~ exemption under chapter 425, subchapter I, if applicable.
5 The bona fide residence of a homeless person is a primary
6 nighttime residence meeting one of the criteria listed in section
7 48A.2, subsection 3.

8 Sec. 21. Section 331.401, subsection 1, paragraphs e and f,
9 Code 2026, are amended to read as follows:

10 e. Adopt resolutions authorizing the county assessor to
11 provide forms for homestead tax exemption and ~~credit~~ claimants as
12 provided in section 425.2 and military service tax exemptions as
13 provided in section 426A.14.

14 f. Examine and allow or disallow claims for homestead
15 tax exemption and ~~credit~~ in accordance with ~~section 425.3~~
16 chapter 425, subchapter I, and claims for military service tax
17 exemption in accordance with chapter 426A. The board, by a single
18 resolution, may allow or disallow the exemptions recommended by
19 the assessor.

20 Sec. 22. Section 331.512, subsection 3, Code 2026, is amended
21 to read as follows:

22 3. Carry out duties relating to the homestead tax exemption
23 and ~~credit~~ and agricultural land tax credit as provided in
24 chapters 425 and 426.

25 Sec. 23. Section 331.559, subsection 11, Code 2026, is
26 amended to read as follows:

27 11. Carry out duties relating to the administration of the
28 homestead tax exemption and ~~credit~~ and other credits as provided
29 in ~~sections 425.4, 425.5, 425.7, 425.9, 425.10, and 425.25~~
30 chapter 425.

31 Sec. 24. Section 404.3, subsection 1, Code 2026, is amended
32 to read as follows:

33 1. All qualified real estate assessed as residential property
34 is eligible to receive an exemption from taxation based on the
35 actual value added by the improvements. The exemption is for a

1 period of ten years. The amount of the exemption is equal to a
2 percent of the actual value added by the improvements, determined
3 as follows: One hundred fifteen percent of the value added by
4 the improvements. However, the amount of the actual value added
5 by the improvements which shall be used to compute the exemption
6 shall not exceed twenty thousand dollars and the granting of the
7 exemption shall not result in the actual value of the qualified
8 real estate being reduced below the actual value on which the
9 homestead ~~credit~~ exemption is computed under section 425.1.

10 Sec. 25. Section 425.1, Code 2026, is amended by striking the
11 section and inserting in lieu thereof the following:

12 **425.1 Property tax exemption.**

13 1. For each assessment year beginning on or after January
14 1, 2026, an exemption from taxation shall be allowed on each
15 eligible homestead as follows:

16 a. Except as provided in paragraph "b", the eligible
17 homestead, not to exceed four thousand eight hundred fifty
18 dollars in taxable value.

19 b. (1) If the owner of the homestead is any of the
20 following, the exemption allowed on the homestead shall be the
21 entire taxable value of the homestead:

22 (a) A veteran of any of the military forces of the United
23 States who acquired the homestead under 38 U.S.C. §21.801,
24 21.802, prior to August 6, 1991, or under 38 U.S.C. §2101, 2102.

25 (b) A veteran as defined in section 35.1 with a permanent
26 service-connected disability rating of one hundred percent, as
27 certified by the United States department of veterans affairs,
28 or a permanent and total disability rating based on individual
29 unemployability that is compensated at the one hundred percent
30 disability rate, as certified by the United States department of
31 veterans affairs.

32 (c) A former member of the national guard of any state
33 who otherwise meets the service requirements of section 35.1,
34 subsection 2, paragraph "b", subparagraph (2) or (7), with a
35 permanent service-connected disability rating of one hundred

1 percent, as certified by the United States department of veterans
2 affairs, or a permanent and total disability rating based on
3 individual unemployability that is compensated at the one hundred
4 percent disability rate, as certified by the United States
5 department of veterans affairs.

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

10 (2) (a) For an owner described in subparagraph (1),
11 subparagraph division (a), (b), or (c), the exemption allowed
12 shall be continued to the estate of an owner who is deceased or
13 the surviving spouse and any child, as defined in section 234.1,
14 who are the beneficiaries of a deceased owner, so long as the
15 surviving spouse remains unmarried.

16 (b) An individual described in subparagraph (1), subparagraph
17 division (d), is no longer eligible for the exemption upon
18 termination of dependency and indemnity compensation under 38
19 U.S.C. §1301 et seq.

20 (3) An owner or a beneficiary of an owner who elects to
21 secure the exemption provided in this paragraph is not eligible
22 for the exemption provided in paragraph "a" or any other real
23 property tax credit or exemption provided by law for veterans of
24 military service.

25 (4) If an owner acquires a different homestead, the exemption
26 allowed under this paragraph may be claimed on the new homestead
27 unless the owner fails to meet the other requirements of this
28 paragraph.

29 (5) (a) Except as provided in subparagraph division (b),
30 the list of the names and addresses of individuals allowed an
31 exemption under this paragraph and maintained by the county
32 recorder, county treasurer, county assessor, city assessor, or
33 other governmental body is confidential information and shall
34 not be disseminated to any person unless otherwise ordered by
35 a court or released by the lawful custodian of the records

1 pursuant to state or federal law. The county recorder, county
2 treasurer, county assessor, city assessor, or other governmental
3 body responsible for maintaining the names and addresses of
4 individuals allowed an exemption under this paragraph may
5 display such exemption on individual paper records and individual
6 electronic records, including display on an internet site.

7 (b) Upon request, a county recorder, county assessor, city
8 assessor, or other entity may share information as described in
9 subparagraph division (a) to a county veterans service officer
10 for purposes of providing information on benefits and services
11 available to veterans and their families.

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

24 2. Section 25B.7 shall not apply to the property tax
25 exemption provided in this subchapter.

26 3. Homestead credit claims approved under chapter 425,
27 subchapter I, Code 2026, prior to and valid on the effective
28 date of this division of this Act shall result in a homestead
29 exemption under this subchapter I without further filing by the
30 claimant if the claimant meets the criteria for the exemption
31 and the assessor has appropriate information to verify such
32 eligibility.

33 Sec. 26. Section 425.2, Code 2026, is amended to read as
34 follows:

35 **425.2 Qualifying for credit exemption.**

1 1. A person who wishes to qualify for the homestead
2 ~~credit~~ exemption allowed under this subchapter shall obtain the
3 appropriate forms for filing for the ~~credit~~ exemption from the
4 assessor. The person claiming the ~~credit~~ exemption shall file a
5 verified statement and designation of homestead with the assessor
6 for the year for which the person is first claiming the ~~credit~~
7 exemption. The claim shall be filed not later than July 1 of
8 the year for which the person is claiming the ~~credit~~ exemption.
9 A claim filed after July 1 of the year for which the person
10 is claiming the ~~credit~~ exemption shall be considered as a claim
11 filed for the following year.

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

1 3. In case the owner of the homestead is in active service
2 in the armed forces of this state or of the United States, or is
3 sixty-five years of age or older, or is disabled, the statement
4 and designation may be signed and delivered by any member of
5 the owner's family, by the owner's guardian or conservator, or
6 by any other person who may represent the owner under power of
7 attorney. If the owner of the homestead is married, the spouse
8 may sign and deliver the statement and designation. The director
9 of health and human services or the director's designee may make
10 application for the benefits of this subchapter as the agent for
11 and on behalf of persons receiving assistance under chapter 249.

12 ~~4. The form for claiming the credit shall also include the~~
13 ~~ability to claim the exemption under section 425.1A for qualified~~
14 ~~owners. If the claim for the homestead credit is allowed, such~~
15 ~~allowance shall also include allowance of the homestead exemption~~
16 ~~if the owner meets the age criteria for the exemption. The~~
17 ~~homestead exemption shall be allowed for successive years without~~
18 ~~further filing in the same manner as the homestead credit.~~

19 ~~5.~~ 4. Any person sixty-five years of age or older or
20 any person who is disabled may request, in writing, from the
21 appropriate assessor forms for filing for the homestead tax
22 ~~credit~~ exemption. Any person sixty-five years of age or older
23 or who is disabled may complete the form, which shall include a
24 statement of homestead, and mail or return it to the appropriate
25 assessor. The signature of the claimant on the statement shall
26 be considered the claimant's acknowledgment that all statements
27 and facts entered on the form are correct to the best of the
28 claimant's knowledge.

29 ~~6.~~ 5. Upon adoption of a resolution by the county board
30 of supervisors, any person may request, in writing, from the
31 appropriate assessor forms for the filing for homestead tax
32 ~~credit~~ exemption. The person may complete the form, which shall
33 include a statement of homestead, and mail or return it to
34 the appropriate assessor. The signature of the claimant on
35 the statement of homestead shall be considered the claimant's

1 acknowledgment that all statements and facts entered on the form
2 are correct to the best of the claimant's knowledge.

3 Sec. 27. Section 425.3, Code 2026, is amended to read as
4 follows:

5 **425.3 Verification of claims for homestead credit**
6 **exemption.**

7 1. The assessor shall retain a permanent file of current
8 homestead exemption claims filed in the assessor's office. The
9 assessor shall file a notice of transfer of property for which
10 a claim is filed when notice is received from the office of the
11 county recorder.

12 2. The county recorder shall give notice to the assessor of
13 each transfer of title filed in the recorder's office. The
14 notice shall describe the property transferred, the name of the
15 person transferring the title to the property, and the name of
16 the person to whom title to the property has been transferred.

17 3. Not later than July 6 of each year, the assessor shall
18 remit the statements and designation of homesteads to the
19 county auditor with the assessor's recommendation for allowance
20 or disallowance. If the assessor recommends disallowance
21 of a claim, the assessor shall submit the reasons for the
22 recommendation, in writing, to the county auditor.

23 4. The county auditor shall forward the claims to the board
24 of supervisors. The board shall allow or disallow the claims.
25 If the board disallows a claim, it shall send written notice, by
26 mail, to the claimant at the claimant's last known address. The
27 notice shall state the reasons for disallowing the claim. The
28 board is not required to send notice that a claim is disallowed
29 if the claimant voluntarily withdraws the claim.

30 Sec. 28. Section 425.4, Code 2026, is amended to read as
31 follows:

32 **425.4 Certification to ~~treasurer.~~**

33 All claims which have been allowed by the board of supervisors
34 shall be certified on or before August 1, in each year, by the
35 county auditor to the county ~~treasurer, which certificates shall~~

1 ~~list the total amount of dollars, listed by taxing district in~~
2 ~~the county, due for homestead tax exemptions and credits claimed~~
3 ~~and allowed assessor. The county treasurer shall then certify~~
4 ~~to the department of revenue the total amount of dollars, listed~~
5 ~~by taxing district in the county, due for homestead tax credits~~
6 ~~claimed and allowed.~~

7 Sec. 29. Section 425.6, Code 2026, is amended to read as
8 follows:

9 **425.6 Waiver by neglect.**

10 If a person fails to file a claim or to have a claim on file
11 with the assessor for the ~~credits~~ exemption provided in this
12 subchapter, the person is deemed to have waived the homestead
13 exemption and ~~credit~~ for the year in which the person failed to
14 file the claim or to have a claim on file with the assessor.

15 Sec. 30. Section 425.7, subsection 3, Code 2026, is amended
16 to read as follows:

17 3. a. If the department of revenue determines that a claim
18 for homestead exemption and ~~credit~~ has been allowed by the
19 board of supervisors which is not justifiable under the law
20 and not substantiated by proper facts, the department may, at
21 any time within thirty-six months from July 1 of the year in
22 which the claim is allowed, set aside the allowance. Notice
23 of the disallowance shall be given to the county auditor of
24 the county in which the claim has been improperly granted and
25 a written notice of the disallowance shall also be addressed to
26 the claimant at the claimant's last known address. The claimant
27 or board of supervisors may appeal to the director of revenue
28 within thirty days from the date of the notice of disallowance.
29 The director shall grant a hearing and if, upon the hearing,
30 the director determines that the disallowance was incorrect, the
31 director shall set aside the disallowance. The director shall
32 notify the claimant and the board of supervisors of the result
33 of the hearing. The claimant or the board of supervisors may
34 seek judicial review of the action of the director of revenue in
35 accordance with chapter 17A.

1 b. If a claim is disallowed by the department of revenue
2 and not appealed to the director of revenue or appealed to the
3 director of revenue and thereafter upheld upon final resolution,
4 including any judicial review, any amounts of exemptions allowed
5 ~~and credits allowed and paid from the homestead credit fund~~
6 including the penalty, if any, become a lien upon the property
7 on which the exemption ~~or credit~~ was originally granted, if
8 still in the hands of the claimant, and not in the hands
9 of a bona fide purchaser, and any amount so erroneously paid
10 including the penalty, if any, shall be collected by the county
11 treasurer in the same manner as other taxes ~~and the collections~~
12 ~~shall be returned to the department of revenue and credited~~
13 ~~to the homestead credit fund. The director of revenue may~~
14 ~~institute legal proceedings against a homestead credit claimant~~
15 ~~for the collection of payments made on disallowed credits and the~~
16 ~~penalty, if any. If a person makes a false claim or affidavit~~
17 ~~with fraudulent intent to obtain the homestead exemption or~~
18 ~~credit, the person is guilty of a fraudulent practice and the~~
19 ~~claim shall be disallowed in full. If the credit has been paid,~~
20 ~~the amount of the credit plus a penalty equal to twenty-five~~
21 ~~percent of the amount of credit plus interest, at the rate~~
22 ~~in effect under section 421.7, from the time of payment shall~~
23 ~~be collected by the county treasurer in the same manner as~~
24 ~~other property taxes, penalty, and interest are collected and~~
25 ~~when collected shall be paid to the director of revenue. If~~
26 a homestead exemption ~~or credit~~ is disallowed and the claimant
27 failed to give written notice to the assessor as required by
28 section 425.2 when the property ceased to be used as a homestead
29 by the claimant, a civil penalty equal to five percent of the
30 amount of the disallowed exemption ~~or credit~~ is assessed against
31 the claimant.

32 Sec. 31. Section 425.8, subsection 1, Code 2026, is amended
33 to read as follows:

34 1. The director of revenue shall prescribe the form for the
35 making of a verified statement and designation of homestead,

1 the form for the supporting affidavits required herein, and such
2 other forms as may be necessary for the proper administration of
3 this subchapter. Whenever necessary, the department of revenue
4 shall forward to the county auditors of the several counties in
5 the state the prescribed sample forms, and the county auditors
6 shall furnish blank forms prepared in accordance therewith with
7 the assessment rolls, books, and supplies delivered to the
8 assessors. The department of revenue shall prescribe and the
9 county auditors shall provide on the forms for claiming the
10 homestead ~~credit~~ exemption a statement to the effect that the
11 owner realizes that the owner must give written notice to the
12 assessor when the owner changes the use of the property.

13 Sec. 32. Section 425.10, Code 2026, is amended to read as
14 follows:

15 **425.10 Reversal of allowed claim.**

16 In the event any claim is allowed, and subsequently reversed
17 on appeal, any exemption and ~~credit~~ made under the claim shall
18 be void. The amount of tax resulting from the erroneous ~~credit~~
19 exemption shall be charged against the property in question,
20 and the director of revenue, the county auditor, and the county
21 treasurer are authorized and directed to correct their books
22 and records accordingly. ~~The amount of the erroneous credit,~~
23 ~~when collected, shall be returned by the county treasurer to the~~
24 ~~homestead credit fund to be reallocated the following year as~~
25 ~~provided in this subchapter.~~ Taxes due following reversal of a
26 claim for an exemption shall be collected by the county treasurer
27 and allocated to the appropriate taxing entities.

28 Sec. 33. Section 425.11, subsection 1, unnumbered paragraph
29 1, Code 2026, is amended to read as follows:

30 For the purpose of this subchapter ~~and wherever used in this~~
31 ~~subchapter:~~

32 Sec. 34. Section 425.11, subsection 1, paragraph d,
33 subparagraph (1), unnumbered paragraph 1, Code 2026, is amended
34 to read as follows:

35 The homestead includes the dwelling house which the owner, in

1 good faith, is occupying as a home on July 1 of the year for
2 which the ~~credit~~ exemption is claimed and occupies as a home for
3 at least six months during the calendar year in which the fiscal
4 year begins, except as otherwise provided.

5 Sec. 35. Section 425.11, subsection 1, paragraph d,
6 subparagraph (3), Code 2026, is amended to read as follows:

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

13 Sec. 36. Section 425.11, subsection 1, paragraph e,
14 subparagraph (2), Code 2026, is amended to read as follows:

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

24 Sec. 37. Section 425.12, Code 2026, is amended to read as
25 follows:

26 **425.12 Indian land.**

27 Each forty acres of land, or fraction thereof, occupied by
28 a member or members of the Sac and Fox Indians in Tama county,
29 which land is held in trust by the secretary of the interior of
30 the United States for said Indians, shall be given a homestead
31 tax exemption ~~and credit~~ within the meaning and under the
32 provisions of this subchapter. Application for such homestead
33 tax exemption ~~and credit~~ shall be made to the county auditor of
34 Tama county and may be made by a representative of the tribal
35 council.

1 Sec. 38. Section 425.13, Code 2026, is amended to read as
2 follows:

3 **425.13 Conspiracy to defraud.**

4 If any two or more persons conspire and confederate together
5 with fraudulent intent to obtain the exemption ~~or credit~~ provided
6 for under the terms of this subchapter by making a false deed,
7 or a false contract of purchase, they are guilty of a fraudulent
8 practice.

9 Sec. 39. Section 425.16, Code 2026, is amended to read as
10 follows:

11 **425.16 Additional Property tax growth credit.**

12 1. a. In addition to the homestead tax ~~credit~~ exemption
13 allowed under section 425.1, ~~subsections 1 through 4, and the~~
14 ~~homestead exemption under section 425.1A, if applicable, persons~~
15 claimants who own or rent their homesteads homestead that has a
16 qualifying actual value and who meet the qualifications provided
17 in this subchapter are eligible for a property tax growth credit
18 for property taxes due ~~or reimbursement of rent~~ constituting
19 property taxes paid.

20 b. For purposes of this section, "qualifying actual value"
21 means one of the following:

22 (1) An actual value of three hundred fifty thousand dollars
23 or less for the applicable assessment year.

24 (2) An actual value that exceeds three hundred fifty thousand
25 dollars for the applicable assessment year and all of the
26 following apply:

27 (a) The actual value of the homestead was equal to or less
28 than three hundred fifty thousand dollars for the first year for
29 which the owner claimed the credit.

30 (b) The increase in the homestead's actual value since the
31 first-year claim was not the result of improvements, structural
32 replacements, or modifications to the homestead beyond necessary
33 repairs.

34 (c) The owner has claimed the credit for each subsequent year
35 since the first-year claim.

1 2. ~~a.~~ The property tax growth credit for property taxes due
2 under this subchapter shall be administered by the department of
3 revenue, the assessor, and other county officials as provided in
4 this subchapter.

5 ~~b.~~ ~~The reimbursement of rent constituting property taxes paid~~
6 ~~under this subchapter shall be administered by the department of~~
7 ~~health and human services as provided in this subchapter.~~

8 3. Section 25B.7 shall not apply to the credit under this
9 subchapter.

10 Sec. 40. Section 425.17, Code 2026, is amended to read as
11 follows:

12 **425.17 Definitions.**

13 As used in this subchapter, unless the context otherwise
14 requires:

15 1. "Base year" means the calendar year last ending before the
16 claim is filed.

17 2. a. "Claimant" means any of the following:

18 (1) ~~A person filing a claim for credit under this subchapter~~
19 ~~who has attained the age of sixty-five years but who has not~~
20 ~~attained the age of seventy years on or before December 31 of the~~
21 ~~base year, a person filing a claim for credit or reimbursement~~
22 ~~under this subchapter who is totally disabled and was totally~~
23 ~~disabled on or before December 31 of the base year, or a person~~
24 ~~filing a claim for reimbursement under this subchapter who has~~
25 ~~attained the age of sixty-five years on or before December 31~~
26 ~~of the base year and who is domiciled in this state at the~~
27 ~~time the claim is filed or at the time of the person's death~~
28 ~~in the case of a claim filed by the executor or administrator~~
29 ~~of the claimant's estate, if the person received a credit for~~
30 property taxes due for the homestead under the schedule specified
31 in section 425.23, subsection 1, paragraph "a", Code 2026, for
32 property taxes due and payable in the fiscal year beginning July
33 1, 2026, and if the person has filed for the credit under this
34 subchapter for each of the subsequent years, if any.

35 ~~(2) A person filing a claim for credit or reimbursement under~~

~~1 this subchapter who has attained the age of twenty-three years on
2 or before December 31 of the base year or was a head of household
3 on December 31 of the base year, as defined in the Internal
4 Revenue Code, but has not attained the age or disability status
5 described in subparagraph (1) or the age status and eligibility
6 criteria of subparagraph (3), and is domiciled in this state at
7 the time the claim is filed or at the time of the person's death
8 in the case of a claim filed by the executor or administrator of
9 the claimant's estate, and was not claimed as a dependent on any
10 other person's tax return for the base year.~~

11 ~~(3)~~ (2) A person filing a claim for credit under this
12 subchapter who has attained the age of seventy sixty-five years
13 on or before December 31 of the base year, who has a household
14 income of less than two hundred fifty percent of the federal
15 poverty level, as defined by the most recently revised poverty
16 income guidelines published by the United States department of
17 health and human services, and is domiciled in this state at the
18 time the claim is filed or at the time of the person's death in
19 the case of a claim filed by the executor or administrator of the
20 claimant's estate.

21 *b.* "Claimant" under paragraph "a" includes a vendee in
22 possession under a contract for deed and may include one or more
23 joint tenants or tenants in common. ~~In the case of a claim
24 for rent constituting property taxes paid, the claimant shall
25 have rented the property during any part of the base year. In
26 the case of a claim for property taxes due, the claimant shall
27 have occupied the property during any part of the fiscal year
28 beginning July 1 of the base year. If a homestead is occupied
29 by two or more persons, and more than one person is able to
30 qualify as a claimant, the persons may each file a claim based
31 upon each person's income and rent constituting property taxes
32 paid or property taxes due.~~

33 ~~3. "Gross rent" means rental paid at arm's length for the
34 right of occupancy of a homestead or manufactured or mobile
35 home, including rent for space occupied by a manufactured or~~

~~1 mobile home not to exceed one acre. If the department of
2 health and human services determines that the landlord and
3 tenant have not dealt with each other at arm's length, and the
4 department of health and human services is satisfied that the
5 gross rent charged was excessive, the department of health and
6 human services shall adjust the gross rent to a reasonable amount
7 as determined by the department of health and human services.~~

8 ~~4.~~ 3. "Homestead" means the dwelling owned ~~or rented~~ and
9 actually used as a home by the claimant during the period
10 specified in subsection 2, and so much of the land surrounding
11 it including one or more contiguous lots or tracts of land, as
12 is reasonably necessary for use of the dwelling as a home, but
13 not exceeding one-half acre, and may consist of a part of a
14 multidwelling or multipurpose building and a part of the land
15 upon which it is built. It does not include personal property
16 except that a manufactured or mobile home may be a homestead.
17 Any dwelling or a part of a multidwelling or multipurpose
18 building which is exempt from taxation, except for an exemption
19 under ~~section 425.1A~~ subchapter I, does not qualify as a
20 homestead under this subchapter. ~~However, solely for purposes~~
21 ~~of claimants living in a property and receiving reimbursement~~
22 ~~for rent constituting property taxes paid immediately before~~
23 ~~the property becomes tax exempt, and continuing to live in it~~
24 ~~after it becomes tax exempt, the property shall continue to~~
25 ~~be classified as a homestead.~~ A homestead must be located
26 in this state. When a person is confined in a nursing
27 home, extended-care facility, or hospital, the person shall be
28 considered as occupying or living in the person's homestead if
29 the person is the owner of the homestead and the person maintains
30 the homestead and does not lease, rent, or otherwise receive
31 profits from other persons for the use of the homestead.

32 ~~5.~~ 4. "Household" means a claimant and the claimant's spouse
33 if living with the claimant at any time during the base year.
34 "Living with" refers to domicile and does not include a temporary
35 visit.

1 ~~6. "Household income" means all income of the claimant~~
2 ~~and the claimant's spouse in a household and actual monetary~~
3 ~~contributions received from any other person living with~~
4 ~~the claimant during their respective twelve-month income tax~~
5 ~~accounting periods ending with or during the base year.~~

6 ~~7. "Income" means the sum of Iowa net income as defined~~
7 ~~in section 422.7, plus all of the following to the extent not~~
8 ~~already included in Iowa net income: capital gains; alimony;~~
9 ~~child support money; cash public assistance and relief, except~~
10 ~~property tax relief granted under this subchapter; amount~~
11 ~~of in-kind assistance for housing expenses; total amounts~~
12 ~~received from a governmental or other pension or retirement~~
13 ~~plan, including defined benefit or defined contribution plans;~~
14 ~~annuities; individual retirement accounts; plans maintained or~~
15 ~~contributed to by an employer, or maintained or contributed to~~
16 ~~by a self-employed person as an employer; deferred compensation~~
17 ~~plans or any earnings attributable to the deferred compensation~~
18 ~~plans; income received pursuant to a farm tenancy agreement~~
19 ~~covering real property; railroad retirement benefits; payments~~
20 ~~received under the federal Social Security Act, except child~~
21 ~~insurance benefits received by a member of the claimant's~~
22 ~~household; military retirement and veterans' disability pensions;~~
23 ~~interest received from a state or federal government or any~~
24 ~~of its instrumentalities; workers' compensation; and the gross~~
25 ~~amount of disability income or "loss of time" insurance.~~
26 ~~"Income" does not include gifts from nongovernmental sources, or~~
27 ~~surplus foods or other relief in kind supplied by a governmental~~
28 ~~agency. In determining income, net operating losses and net~~
29 ~~capital losses shall not be considered.~~

30 ~~8. 5. "Property taxes due" means property taxes including~~
31 ~~any special assessments, but exclusive of delinquent interest~~
32 ~~and charges for services, due on a claimant's homestead in this~~
33 ~~state, but includes only property taxes for which the claimant~~
34 ~~is liable and which will actually be paid by the claimant.~~
35 ~~However, if the claimant is a person whose property taxes have~~

1 been suspended under sections 427.8 and 427.9, "property taxes
2 due" means property taxes including any special assessments, but
3 exclusive of delinquent interest and charges for services, due on
4 a claimant's homestead in this state, but includes only property
5 taxes for which the claimant is liable and which would have to
6 be paid by the claimant if the payment of the taxes has not
7 been suspended pursuant to sections 427.8 and 427.9. "Property
8 taxes due" shall be computed with no deduction for any credit
9 under this subchapter ~~or for any homestead credit allowed under~~
10 ~~subchapter I~~. Each claim shall be based upon the taxes due during
11 the fiscal year next following the base year. If a homestead
12 is owned by two or more persons as joint tenants or tenants in
13 common, and one or more persons are not members of claimant's
14 household, "property taxes due" is that part of property taxes
15 due on the homestead which equals the ownership percentage of
16 the claimant and the claimant's household. The county treasurer
17 shall include with the tax receipt a statement that if the owner
18 of the property is eighteen years of age or over, the person may
19 be eligible for the credit allowed under this subchapter. If a
20 homestead is an integral part of a farm, the claimant may use the
21 total property taxes due for the larger unit. If a homestead is
22 an integral part of a multidwelling or multipurpose building the
23 property taxes due for the purpose of this subsection shall be
24 prorated to reflect the portion which the value of the property
25 that the household occupies as its homestead is to the value
26 of the entire structure. For purposes of this subsection,
27 "unit" refers to that parcel of property covered by a single tax
28 statement of which the homestead is a part.

29 ~~9. "Rent constituting property taxes paid" means twenty-three~~
30 ~~percent of the gross rent actually paid in cash or its equivalent~~
31 ~~during the base year by the claimant or the claimant's household~~
32 ~~solely for the right of occupancy of their homestead in the base~~
33 ~~year, and which rent constitutes the basis, in the succeeding~~
34 ~~year, of a claim for reimbursement under this subchapter by the~~
35 ~~claimant.~~

1 ~~10-~~ 6. "Special assessment" means an unpaid special
2 assessment certified pursuant to chapter 384, subchapter IV. The
3 claimant may include as a portion of the taxes due during the
4 fiscal year next following the base year an amount equal to the
5 unpaid special assessment installment due, plus interest, during
6 the fiscal year next following the base year.

7 ~~11-~~ 7. "Totally disabled" means the inability to engage in
8 any substantial gainful employment by reason of any medically
9 determinable physical or mental impairment which can be expected
10 to result in death or which has lasted or is reasonably expected
11 to last for a continuous period of not less than twelve months.

12 Sec. 41. Section 425.18, Code 2026, is amended to read as
13 follows:

14 **425.18 Right to file a claim Claim.**

15 1. Subject to the limitations provided in this subchapter,
16 a claimant may annually claim a credit for property taxes due
17 during the fiscal year next following the base year.

18 2. The right to file a claim for reimbursement or a credit
19 under this subchapter may be exercised by the claimant or on
20 behalf of a claimant by the claimant's legal guardian, spouse, or
21 attorney, or by the executor or administrator of the claimant's
22 estate. If a claimant dies after having filed a claim for
23 reimbursement for rent constituting property taxes paid, the
24 amount of the reimbursement may be paid to another member of
25 the household as determined by the department of health and
26 human services. If the claimant was the only member of the
27 household, the reimbursement may be paid to the claimant's
28 executor or administrator, but if neither is appointed and
29 qualified within one year from the date of the filing of the
30 claim, the reimbursement shall escheat to the state. If a
31 claimant dies after having filed a claim for credit for property
32 taxes due, the amount of credit for the applicable year of the
33 filed claim shall be paid as if the claimant had not died.

34 3. A claim for credit for property taxes due shall not be
35 allowed unless the claim is filed with the county treasurer

1 between January 1 and June 1, both dates inclusive, immediately
2 preceding the fiscal year during which the property taxes are
3 due. However, in case of sickness, absence, or other disability
4 of the claimant, or if in the judgment of the county treasurer
5 good cause exists, the county treasurer may extend the time for
6 filing a claim for credit through March 31 of the fiscal year
7 during which the property taxes are due.

8 Sec. 42. Section 425.22, Code 2026, is amended to read as
9 follows:

10 **425.22 One claimant per household.**

11 Only one claimant per household per year shall be entitled
12 ~~to reimbursement under this subchapter and only one claimant per~~
13 ~~household per~~ fiscal year shall be entitled to a credit under
14 this subchapter.

15 Sec. 43. Section 425.23, Code 2026, is amended by striking
16 the section and inserting in lieu thereof the following:

17 **425.23 Amount of credit.**

18 The amount of the credit under this subchapter shall be the
19 difference between the actual amount of property taxes due on
20 the homestead during the fiscal year next following the base year
21 minus the lesser of the following:

22 1. The actual amount of property taxes due on the homestead
23 during the first fiscal year for which the claimant filed a
24 claim for a credit calculated under this section and for which
25 the property taxes due on the homestead were calculated on an
26 assessed valuation that was not a partial assessment and if the
27 claimant has filed for the credit calculated under this section
28 for each of the subsequent fiscal years after the first credit
29 claimed.

30 2. The actual amount of property taxes due on the homestead
31 during a fiscal year following the first fiscal year for
32 which the claimant filed a claim for a credit calculated under
33 this section and for which the property taxes due on the
34 homestead were calculated on an assessed valuation that was not
35 a partial assessment and if the claimant has filed for the credit

1 calculated under this section for each of the subsequent fiscal
2 years after the first credit claimed.

3 3. The actual amount of property taxes due on the homestead
4 during the first fiscal year for which the claimant filed a
5 claim for a credit calculated under section 425.23, subsection 1,
6 paragraph "c", subparagraph (2), Code 2026, or prior applicable
7 Code, and for which the property taxes due on the homestead
8 were calculated on an assessed valuation that was not a
9 partial assessment and if the claimant has filed for the credit
10 calculated under section 425.23, subsection 1, paragraph "c",
11 subparagraph (2), Code 2026, or this section for each of the
12 subsequent fiscal years after the first credit claimed.

13 Sec. 44. Section 425.25, Code 2026, is amended to read as
14 follows:

15 **425.25 Administration — claim forms.**

16 ~~1.~~ The director of revenue shall make available suitable
17 forms with instructions for claimants of the credit for property
18 taxes due. Each assessor and county treasurer shall make
19 available the forms and instructions. The claim shall be in
20 a form as the director of revenue may prescribe. ~~The director~~
21 ~~shall also devise a tax credit table, with amounts rounded to the~~
22 ~~nearest even whole dollar.~~ Credits in the amount of less than
23 one dollar shall not be paid.

24 ~~2.~~ ~~The director of health and human services shall make~~
25 ~~available suitable forms with instructions for claimants of the~~
26 ~~reimbursement for rent constituting property taxes paid.~~ The
27 claim shall be in a form as the director of health and human
28 services may prescribe. ~~The director of revenue shall devise~~
29 ~~a reimbursement table with amounts rounded to the nearest even~~
30 ~~whole dollar and provide such table to the director of health and~~
31 ~~human services.~~ ~~Reimbursements in the amount of less than one~~
32 ~~dollar shall not be paid.~~

33 Sec. 45. Section 425.26, Code 2026, is amended to read as
34 follows:

35 **425.26 Proof of claim.**

1 1. Every claimant for the credit ~~for property taxes due~~
2 shall give the department of revenue, in support of the claim,
3 reasonable proof of:

4 a. Age and total disability, if any.

5 b. Property taxes due.

6 ~~c. Homestead credit allowed against property taxes due.~~

7 ~~d.~~ c. Changes of homestead.

8 ~~e.~~ d. Household membership.

9 ~~f. Household income.~~

10 ~~g.~~ e. Size and nature of property claimed as the homestead.

11 2. ~~Every claimant for reimbursement of rent constituting~~
12 ~~property taxes paid shall give the department of health and human~~
13 ~~services, in support of the claim, reasonable proof of:~~

14 ~~a. Age and total disability, if any.~~

15 ~~b. Rent constituting property taxes paid, including the name~~
16 ~~and address of the owner or manager of the property rented and a~~
17 ~~statement whether the claimant is related by blood, marriage, or~~
18 ~~adoption to the owner or manager of the property rented.~~

19 ~~c. Changes of homestead.~~

20 ~~d. Household membership.~~

21 ~~e. Household income.~~

22 ~~f. Size and nature of property claimed as the homestead.~~

23 3. 2. The department of revenue ~~or the department of health~~
24 ~~and human services~~ may require any additional proof necessary to
25 support a claim.

26 Sec. 46. Section 425.27, Code 2026, is amended to read as
27 follows:

28 **425.27 Audit — recalculation or denial — appeals.**

29 1. ~~a.~~ The department of revenue is responsible for the audit
30 of claims for credit ~~of property taxes due~~ under this subchapter.

31 ~~b. The department of health and human services is responsible~~
32 ~~for the audit of claims for reimbursement for rent constituting~~
33 ~~property taxes paid under this subchapter.~~

34 2. If on the audit of a claim for credit under this
35 subchapter, the department of revenue determines the amount of

1 the claim to have been incorrectly calculated or that the claim
2 is not allowable, the department of revenue shall recalculate the
3 claim and notify the claimant of the recalculation or denial and
4 the reasons for it. The recalculation of the claim shall be
5 final unless appealed to the director of revenue within thirty
6 days from the date of notice of recalculation or denial. The
7 director of revenue shall grant a hearing, and upon hearing
8 determine the correct claim, if any, and notify the claimant of
9 the decision by mail. The department of revenue shall not adjust
10 a claim after three years from October 31 of the year in which
11 the claim was filed. If the claim for credit has been paid
12 allowed, the department of revenue shall give notification to the
13 claimant and the county treasurer of the recalculation or denial
14 of the claim and the county treasurer shall proceed to collect
15 the tax owed in the same manner as other property taxes due and
16 payable are collected, if the property on which the credit was
17 granted is still owned by the claimant, ~~and repay the amount~~
18 ~~to the director upon collection.~~ If the property on which the
19 credit was granted is not owned by the claimant, the amount may
20 be recovered from the claimant by assessment in the same manner
21 that income taxes are assessed under sections 422.26 and 422.30.
22 The decision of the director of revenue shall be final unless
23 appealed as provided in section 425.31.

24 ~~3. If on the audit of a claim for reimbursement for rent~~
25 ~~constituting property taxes paid under this subchapter, the~~
26 ~~department of health and human services determines the amount~~
27 ~~of the claim to have been incorrectly calculated or that the~~
28 ~~claim is not allowable, the department of health and human~~
29 ~~services shall recalculate the claim and notify the claimant~~
30 ~~of the recalculation or denial and the reasons for it. The~~
31 ~~recalculation of the claim shall be final unless appealed to the~~
32 ~~director of health and human services within thirty days from~~
33 ~~the date of notice of recalculation or denial. The director of~~
34 ~~health and human services shall grant a hearing, and upon hearing~~
35 ~~determine the correct claim, if any, and notify the claimant~~

~~1 of the decision by mail. The department of health and human
2 services shall not adjust a claim after three years from October
3 31 of the year in which the claim was filed. If the claim
4 for reimbursement has been paid, the amount may be recovered by
5 the department of health and human services. The decision of
6 the director of health and human services shall be final unless
7 appealed as provided in section 425.31.~~

~~8 4. a. 3. For the purpose of administering the credit
9 for property taxes due, including the duties of the director
10 of revenue and the department of revenue, section 422.70 is
11 applicable with respect to this subchapter.~~

~~12 b. For the purpose of administering the reimbursement for
13 rent constituting property taxes paid, including the duties of
14 the director of health and human services and the department of
15 health and human services under this subchapter, the director of
16 health and human services shall have the same powers as those
17 described in section 422.70.~~

~~18 Sec. 47. Section 425.29, Code 2026, is amended to read as
19 follows:~~

~~20 **425.29 False claim — penalty.**~~

~~21 1. A person who makes a false affidavit for the purpose of
22 obtaining a credit or reimbursement provided for in under this
23 subchapter or who knowingly receives the credit or reimbursement
24 without being legally entitled to it or makes claim for the
25 credit or reimbursement in more than one county in the state
26 without being legally entitled to it is guilty of a fraudulent
27 practice. The claim for credit or reimbursement shall be
28 disallowed in full and if the claim has been paid the amount
29 shall be recovered in the manner provided in section 425.27.~~

~~30 2. In the case of a claim for credit disallowed by the
31 department of revenue, the department of revenue may impose
32 penalties under section 421.27. The department of revenue shall
33 send a notice of disallowance of the claim.~~

~~34 3. In the case of a claim for reimbursement disallowed by the
35 department of health and human services, the department of health~~

1 ~~and human services may impose penalties described in section~~
2 ~~421.27. The department of health and human services shall send a~~
3 ~~notice of disallowance of the claim.~~

4 Sec. 48. Section 425.30, Code 2026, is amended to read as
5 follows:

6 **425.30 Notices.**

7 1. A notice authorized or required under this subchapter
8 related to a credit ~~for property taxes due~~ may be given by
9 mailing the notice to the person for whom it is intended,
10 addressed to that person at the address given in the last credit
11 claim form filed by the person pursuant to this subchapter, or if
12 no return has been filed, then to any address obtainable.

13 ~~2. A notice authorized or required under this subchapter~~
14 ~~related to a reimbursement for rent constituting property taxes~~
15 ~~paid may be given by mailing the notice to the person for whom~~
16 ~~it is intended, addressed to that person at the address given in~~
17 ~~the reimbursement claim form filed by the person pursuant to this~~
18 ~~subchapter, or if no return has been filed, then to any address~~
19 ~~obtainable.~~

20 ~~3.~~ 2. The mailing of the notice is presumptive evidence of
21 the receipt of the notice by the person to whom addressed. Any
22 period of time which is determined according to this subchapter
23 by the giving of notice commences to run from the date of mailing
24 of the notice.

25 Sec. 49. Section 425.31, Code 2026, is amended to read as
26 follows:

27 **425.31 Appeals.**

28 1. Judicial review of the actions of the director of revenue
29 or the department of revenue under this subchapter may be sought
30 in accordance with the terms of chapter 17A and the rules of the
31 department of revenue.

32 ~~2. Judicial review of the actions of the director of health~~
33 ~~and human services or the department of health and human services~~
34 ~~under this subchapter may be sought in accordance with the terms~~
35 ~~of chapter 17A and the rules of the department of health and~~

1 ~~human services.~~

2 3. 2. For cause and upon a showing by the director of
3 revenue ~~or the director of health and human services, as~~
4 ~~applicable,~~ that collection of the amount in dispute is in doubt,
5 the court may order the petitioner to file with the clerk a bond
6 for the use of the respondent, with sureties approved by the
7 clerk, equal to the amount appealed from, conditioned that the
8 petitioner shall perform the orders of the court.

9 4. 3. An appeal may be taken by the claimant or the director
10 of revenue ~~or the director of health and human services, as~~
11 ~~applicable,~~ to the supreme court of this state irrespective of
12 the amount involved.

13 Sec. 50. Section 425.32, Code 2026, is amended to read as
14 follows:

15 **425.32 Disallowance of certain claims for credit.**

16 A claim for credit ~~for property taxes due~~ shall be disallowed
17 if the department of revenue finds that the claimant or a person
18 of the claimant's household received title to the homestead
19 primarily for the purpose of receiving benefits under this
20 subchapter.

21 Sec. 51. Section 425.37, Code 2026, is amended to read as
22 follows:

23 **425.37 Rules.**

24 The director of revenue ~~and the director of health and human~~
25 ~~services~~ shall each adopt rules in accordance with chapter
26 17A for the interpretation and proper administration of this
27 subchapter ~~and each department's applicable powers and duties~~
28 ~~under this subchapter,~~ including rules to prevent and disallow
29 duplication of benefits and to prevent any unreasonable hardship
30 or advantage to any person.

31 Sec. 52. Section 427.9, Code 2026, is amended to read as
32 follows:

33 **427.9 Suspension of taxes, assessments, and rates or charges,**
34 **including interest, fees, and costs.**

35 If a person is a recipient of federal supplementary security

1 income or state supplementary assistance, as defined in section
2 249.1, or is a resident of a health care facility, as defined
3 by section 135C.1, which is receiving payment from the department
4 of health and human services for the person's care, the person
5 shall be deemed to be unable to contribute to the public revenue.
6 The director of health and human services shall notify a person
7 receiving such assistance of the tax suspension provision and
8 shall provide the person with evidence to present to the
9 appropriate county board of supervisors which shows the person's
10 eligibility for tax suspension on parcels owned, possessed, or
11 upon which the person is paying taxes as a purchaser under
12 contract. The board of supervisors so notified, without the
13 filing of a petition and statement as specified in section
14 427.8, shall order the county treasurer to suspend the collection
15 of all the taxes, special assessments, and rates or charges,
16 including interest, fees, and costs, assessed against the parcels
17 and remaining unpaid by the person or contractually payable
18 by the person, for such time as the person remains the owner
19 or contractually prospective owner of the parcels, and during
20 the period the person receives assistance as described in this
21 section. The county board of supervisors shall annually send to
22 the department of health and human services the names and social
23 security numbers of persons receiving a tax suspension pursuant
24 to this section. The department shall verify the continued
25 eligibility for tax suspension of each name on the list and
26 shall return the list to the board of supervisors. ~~The director~~
27 ~~of health and human services shall advise the person that the~~
28 ~~person may apply for an additional property tax credit pursuant~~
29 ~~to sections 425.16 through 425.37 which shall be credited against~~
30 ~~the amount of the taxes suspended.~~

31 Sec. 53. Section 435.22, subsection 1, paragraph b,
32 subparagraphs (2) and (3), Code 2026, are amended to read as
33 follows:

34 (2) For purposes of this paragraph "b", "income" means income
35 as defined in section 425.17, subsection 7, Code 2026, and "base

1 year" means the calendar year preceding the year in which the
2 claim for a reduced rate of tax is filed. The home reduced rate
3 of tax shall only be allowed on the home in which the claimant
4 is residing at the time the claim for a reduced rate of tax is
5 filed or was residing at the time of the claimant's death in
6 the case of a claim filed on behalf of a deceased claimant by
7 the claimant's legal guardian, spouse, or attorney, or by the
8 executor or administrator of the claimant's estate.

9 (3) Beginning with the 1998 base year, the income dollar
10 amounts set forth in this paragraph "b" shall be multiplied by
11 the cumulative adjustment factor for that base year as determined
12 in section 425.23, subsection 4, Code 2026.

13 Sec. 54. Section 435.22, subsection 4, Code 2026, is amended
14 by striking the subsection.

15 Sec. 55. Section 435.26, subsection 1, paragraph a, Code
16 2026, is amended to read as follows:

17 a. A mobile home or manufactured home which is located
18 outside a manufactured home community or mobile home park shall
19 be converted to real estate by being placed on a permanent
20 foundation and shall be assessed for real estate taxes. A home,
21 after conversion to real estate, is eligible for the homestead
22 tax exemption ~~and credit~~ and the military service tax exemption
23 as provided in chapter 425, subchapter I, and section 426A.11.
24 A taxable mobile home or manufactured home which is located
25 outside of a manufactured home community or mobile home park as
26 of January 1, 1995, is also exempt from the permanent foundation
27 requirements of this chapter until the home is relocated.

28 Sec. 56. Section 435.26A, subsection 3, Code 2026, is amended
29 to read as follows:

30 3. After the surrender of a manufactured home's certificate
31 of title under this section, the manufactured home shall continue
32 to be taxed under section 435.22 and is not eligible for the
33 homestead tax exemption ~~and credit~~ or the military service tax
34 exemption and credit. A foreclosure action on a manufactured
35 home whose title has been surrendered under this section shall

1 be conducted as a real estate foreclosure. A tax lien and its
2 priority shall remain the same on a manufactured home after its
3 certificate of title has been surrendered.

4 Sec. 57. Section 441.21, subsection 1, paragraph i,
5 subparagraph (4), Code 2026, is amended to read as follows:

6 (4) By January 1 of the assessment year following the
7 calendar year in which the plan was submitted to the department,
8 the conference board shall submit a report to the department
9 indicating that the plan of action was followed and compliance
10 has been achieved. The department may conduct a field inspection
11 to ensure that the assessor is in compliance. By January 31, the
12 department shall notify the assessor and the conference board,
13 by restricted certified mail, either that compliance has been
14 achieved or that the assessor remains in noncompliance. ~~If the~~
15 ~~department determines that the assessor remains in noncompliance,~~
16 ~~the department shall take steps to withhold up to five percent~~
17 ~~of the reimbursement payment authorized in section 425.1 until~~
18 ~~the department of revenue determines that the assessor is in~~
19 ~~compliance.~~

20 Sec. 58. Section 441.73, subsection 4, Code 2026, is amended
21 to read as follows:

22 4. The executive council shall transfer for the fiscal year
23 beginning July 1, 1992, and each fiscal year thereafter, from
24 ~~funds~~ the fund established in ~~sections 425.1 and~~ section 426.1,
25 an amount necessary to pay litigation expenses. The amount of
26 the fund for each fiscal year shall not exceed seven hundred
27 thousand dollars. The executive council shall determine annually
28 the proportionate amounts to be transferred from the two separate
29 funds. At any time when no litigation is pending or in progress
30 the balance in the litigation expense fund shall not exceed one
31 hundred thousand dollars. Any excess moneys shall be transferred
32 in a proportionate amount back to the funds from which they were
33 originally transferred.

34 Sec. 59. Section 483A.24, subsection 20, Code 2026, is
35 amended to read as follows:

1 20. Upon payment of a fee established by rules adopted
2 pursuant to section 483A.1 for a lifetime trout fishing license,
3 the department shall issue a lifetime trout fishing license to a
4 person who is at least sixty-five years of age or to a person who
5 qualifies for the ~~disabled veteran homestead credit~~ exemption as
6 a disabled veteran under section ~~425.15~~ 425.1. The department
7 shall prepare an application to be used by a person requesting a
8 lifetime trout fishing license under this subsection.

9 Sec. 60. REPEAL. Sections 425.1A, 425.9, 425.15, 425.19,
10 425.20, 425.21, 425.24, 425.28, 425.33, 425.34, 425.35, 425.36,
11 425.39, 425.40, and 435.33, Code 2026, are repealed.

12 Sec. 61. ELDERLY AND DISABLED RENT REIMBURSEMENT PROGRAM —
13 APPROPRIATION.

14 1. The department of health and human services shall
15 establish and administer a program for the reimbursement of rent
16 constituting property taxes paid, as defined in section 425.17,
17 subsection 9, Code 2026, for rents paid by eligible claimants
18 in calendar years beginning on or after January 1, 2027. The
19 department shall administer the program under the provisions of
20 chapter 425, subchapter II, Code 2026, including determinations
21 of eligibility and calculations of reimbursement amounts, as
22 if the program under that subchapter and any rules adopted to
23 implement or administer the program were in effect.

24 2. There is appropriated for fiscal years beginning on or
25 after July 1, 2026, from the general fund of the state to the
26 department of health and human services, an amount necessary to
27 establish and administer the program under subsection 1.

28 Sec. 62. IMPLEMENTATION — ADDITIONAL LEGISLATION.

29 Following the effective date of this division of this Act, the
30 department of revenue shall review other provisions of law to
31 determine if additional changes are necessary to implement this
32 division of this Act and, if necessary, shall submit legislation
33 to the ways and means committees of the senate and house of
34 representatives not later than January 1, 2027.

35 Sec. 63. SAVINGS PROVISION. This division of the Act does

1 not affect the operation of, or prohibit the application of,
2 prior provisions of the Code sections amended by this division
3 of this Act, or rules adopted under chapter 17A to administer
4 such prior provisions, for assessment years beginning before
5 January 1, 2026, for property taxes due and payable in fiscal
6 years beginning before July 1, 2027, or for reimbursement of rent
7 constituting property taxes paid for amounts paid by the claimant
8 in calendar years beginning before January 1, 2027, including
9 appropriations made therefor.

10 Sec. 64. RETROACTIVE APPLICABILITY. This division of this
11 Act applies retroactively to assessment years beginning on or
12 after January 1, 2026, for property taxes due and payable in
13 fiscal years beginning on or after July 1, 2027.

14 DIVISION IV

15 SECURE AN ADVANCED VISION FOR EDUCATION FUND — EQUITY TRANSFER
16 PERCENTAGE

17 Sec. 65. Section 423F.2, subsection 3, paragraph b,
18 subparagraph (2), subparagraph division (b), Code 2026, is
19 amended to read as follows:

20 (b) For each fiscal year beginning on or after July 1, 2020,
21 but before July 1, 2026, the equity transfer percentage is equal
22 to the equity transfer percentage for the immediately preceding
23 fiscal year, unless the amount of moneys available in the
24 secure an advanced vision for education fund in the immediately
25 preceding fiscal year equals or exceeds one hundred two percent
26 of the amount of moneys available in the fund for the fiscal
27 year prior to the immediately preceding fiscal year, in which
28 case the equity transfer percentage shall be the equity transfer
29 percentage for the immediately preceding fiscal year plus one
30 percent subject to the limitation in subparagraph division (c).

31 Sec. 66. Section 423F.2, subsection 3, paragraph b,
32 subparagraph (2), subparagraph division (c), Code 2026, is
33 amended by striking the subparagraph division and inserting in
34 lieu thereof the following:

35 (c) (i) For the fiscal year beginning July 1, 2026, the

1 equity transfer percentage is fifteen percent.

2 (ii) For the fiscal year beginning July 1, 2027, the equity
3 transfer percentage is twenty percent.

4 (iii) For the fiscal year beginning July 1, 2028, the equity
5 transfer percentage is twenty-five percent.

6 (iv) For the fiscal year beginning July 1, 2029, and each
7 fiscal year thereafter, the equity transfer percentage is thirty
8 percent.

9 Sec. 67. SCHOOL DISTRICT FUNDING RECONCILIATION.

10 For amounts allocated under section 423F.2 for fiscal years
11 beginning on or after July 1, 2026, the department of management
12 shall adjust or reconcile actual amounts to be received by school
13 districts in the fiscal year immediately following the fiscal
14 year during which the revenues were collected.

15 DIVISION V
16 PROPERTY PARCEL INFORMATION

17 Sec. 68. Section 331.510, Code 2026, is amended by adding the
18 following new subsection:

19 NEW SUBSECTION. 5. a. An annual report not later than
20 January 1 to the department of management containing parcel-level
21 property data, including parcel identification information,
22 location, size, valuation, classification, types of structures
23 and improvements, exemptions, credits, historical amounts of
24 property taxes due and payable, and whether the parcel is subject
25 to a division of revenue.

26 b. In addition to the information required under paragraph
27 "a", the department of management may require additional
28 parcel-level data deemed necessary by the director of the
29 department of management. The department shall prescribe the
30 form and manner of submitting the annual report under this
31 subsection.

32 DIVISION VI
33 URBAN RENEWAL AND URBAN REVITALIZATION

34 Sec. 69. Section 403.2, Code 2026, is amended by striking the
35 section and inserting in lieu thereof the following:

1 **403.2 Declaration of policy.**

2 It is hereby found and declared that the powers conferred by
3 this chapter are for public uses and public purposes for which
4 public moneys may be expended and for which the power of eminent
5 domain, to the extent authorized, and police power exercised;
6 and that the necessity in the public interest for the provisions
7 herein enacted is hereby declared as a matter of legislative
8 determination.

9 Sec. 70. Section 403.3, Code 2026, is amended by striking the
10 section and inserting in lieu thereof the following:

11 **403.3 Municipal program.**

12 The local governing body of a municipality may formulate for
13 the municipality a workable program for utilizing appropriate
14 private and public resources to eliminate slums and prevent the
15 development or spread of slums and urban blight and to encourage
16 needed urban rehabilitation.

17 Sec. 71. Section 403.5, subsection 2, paragraph b,
18 subparagraph (1), Code 2026, is amended to read as follows:

19 (1) Prior to its approval of an urban renewal plan which
20 provides for a division of revenue pursuant to section 403.19,
21 the municipality shall mail the proposed plan by regular mail
22 to the affected taxing entities. The municipality shall include
23 with the proposed plan notification of a consultation to be
24 held between the municipality and affected taxing entities
25 prior to the public hearing on the urban renewal plan. ~~If~~
26 For urban renewal plans and projects approved before the
27 effective date of this division of this Act, if the proposed
28 urban renewal plan or proposed urban renewal project within
29 the urban renewal area includes the use of taxes resulting
30 from a division of revenue under section 403.19 for a public
31 building, including but not limited to a police station,
32 fire station, administration building, swimming pool, hospital,
33 library, recreational building, city hall, or other public
34 building that is exempt from taxation, including the grounds of,
35 and the erection, equipment, remodeling, or reconstruction of,

1 and additions or extensions to, such a building, the municipality
2 shall include with the proposed plan notification an analysis of
3 alternative development options and funding for the urban renewal
4 area or urban renewal project and the reasons such options would
5 be less feasible than the proposed urban renewal plan or proposed
6 urban renewal project. A copy of the analysis required in this
7 subparagraph shall be included with the urban renewal report
8 required under section 331.403 or 384.22, as applicable, and
9 filed by December 1 following adoption of the urban renewal plan
10 or project.

11 Sec. 72. Section 403.5, subsection 4, paragraph b,
12 subparagraph (1), unnumbered paragraph 1, Code 2026, is amended
13 to read as follows:

14 The urban renewal plan conforms to the general plan of the
15 municipality as a whole; provided, that for urban renewal plans
16 and projects approved before the effective date of this division
17 of this Act, if the urban renewal area consists of an area of
18 open land to be acquired by the municipality, such area shall not
19 be so acquired except:

20 Sec. 73. Section 403.6, unnumbered paragraph 1, Code 2026, is
21 amended to read as follows:

22 ~~The provisions of this chapter shall be liberally interpreted~~
23 ~~to achieve the purposes of this chapter. Every Subject to the~~
24 limitations for urban renewal projects under section 403.17,
25 subsection 25, every municipality shall have all the powers
26 necessary or convenient to carry out and effectuate the purposes
27 and provisions of this chapter, including the following powers in
28 addition to others herein granted:

29 Sec. 74. Section 403.9, subsection 1, Code 2026, is amended
30 to read as follows:

31 1. A Subject to the limitations of section 403.18A, a
32 municipality shall have power to periodically issue bonds in its
33 discretion to pay the costs of carrying out the purposes and
34 provisions of this chapter, including but not limited to the
35 payment of principal and interest upon any advances for surveys

1 and planning, and the payment of interest on bonds, authorized
2 under this chapter, not to exceed three years from the date the
3 bonds are issued. The municipality shall have power to issue
4 refunding bonds for the payment or retirement of such bonds
5 previously issued by the municipality, subject to the limitations
6 of section 403.18A. Said bonds shall be payable solely from the
7 income and proceeds of the fund and portion of taxes referred
8 to in section 403.19, subsection 2, and revenues and other funds
9 of the municipality derived from or held in connection with the
10 undertaking and carrying out of urban renewal projects under this
11 chapter. The municipality may pledge to the payment of the bonds
12 the fund and portion of taxes referred to in section 403.19,
13 subsection 2, and may further secure the bonds by a pledge of any
14 loan, grant, or contribution from the federal government or other
15 source in aid of any urban renewal projects of the municipality
16 under this chapter, or by a mortgage of any such urban renewal
17 projects, or any part thereof, title which is vested in the
18 municipality.

19 Sec. 75. Section 403.12, subsection 1, unnumbered paragraph
20 1, Code 2026, is amended to read as follows:

21 For the purpose of aiding in the planning, undertaking
22 or carrying out of an urban renewal project, subject to the
23 limitations for urban renewal projects under section 403.17,
24 subsection 25, located within the area in which it is authorized
25 to act, any public body may, upon such terms, with or without
26 consideration, as it may determine:

27 Sec. 76. Section 403.17, subsection 25, Code 2026, is amended
28 to read as follows:

29 25. a. ~~"Urban renewal project"~~ For urban renewal projects
30 approved before the effective date of this division of this Act,
31 "urban renewal project" may include undertakings and activities
32 of a municipality in an urban renewal area for the elimination
33 and for the prevention of the development or spread of slums
34 and blight, may include the designation and development of an
35 economic development area in an urban renewal area, and may

1 involve slum clearance and redevelopment in an urban renewal
2 area, or rehabilitation or conservation in an urban renewal area,
3 or any combination or part thereof in accordance with an urban
4 renewal program. The undertakings and activities may include:

5 ~~a.~~ (1) Acquisition of a slum area, blighted area, economic
6 development area, or portion of the areas;

7 ~~b.~~ (2) Demolition and removal of buildings and improvements;

8 ~~c.~~ (3) Installation, construction, or reconstruction of
9 streets, utilities, parks, playgrounds, and other improvements
10 necessary for carrying out in the urban renewal area the urban
11 renewal objectives of this chapter in accordance with the urban
12 renewal plan;

13 ~~d.~~ (4) Disposition of any property acquired in the urban
14 renewal area, including sale, initial leasing, or retention by
15 the municipality itself, at its fair value for uses in accordance
16 with the urban renewal plan;

17 ~~e.~~ (5) Carrying out plans for a program of voluntary
18 or compulsory repair and rehabilitation of buildings or other
19 improvements in accordance with the urban renewal plan;

20 ~~f.~~ (6) Acquisition of any other real property in the
21 urban renewal area, where necessary to eliminate unhealthful,
22 insanitary, or unsafe conditions, or to lessen density, eliminate
23 obsolete or other uses detrimental to the public welfare,
24 or otherwise to remove or prevent the spread of blight or
25 deterioration, or to provide land for needed public facilities;

26 ~~g.~~ (7) Sale and conveyance of real property in furtherance
27 of an urban renewal project;

28 ~~h.~~ (8) Expenditure of proceeds of bonds issued before
29 October 7, 1986, for the construction of parking facilities on
30 city blocks adjacent to an urban renewal area.

31 b. For urban renewal projects approved on or after the
32 effective date of this division of this Act, "urban renewal
33 project" shall include only the following undertakings and
34 activities:

35 (1) Acquisition of a portion of a property slum area,

1 blighted area, or economic development area to be used for the
2 installation, construction, or reconstruction of utilities or
3 streets that directly serve the area if the utilities or streets
4 are necessary for furtherance of the urban renewal plan.

5 (2) Demolition and removal of buildings and improvements
6 located on the portion of property described in subparagraph (1).

7 (3) Sale of public property within the urban renewal area for
8 uses in accordance with the urban renewal plan.

9 Sec. 77. NEW SECTION. **403.18A Division of revenue**
10 **ordinances duration — limitations.**

11 1. An ordinance providing for a division of revenue under
12 section 403.19 adopted before the effective date of this division
13 of this Act and that is not limited in duration under section
14 403.17, subsection 10, or section 403.22, subsection 5, shall be
15 subject to the duration limitation in subsection 2.

16 2. a. A division of revenue ordinance described in
17 subsection 1 may continue in effect under this chapter until
18 such time that the urban renewal area is dissolved by the
19 municipality, the ordinance is repealed by the municipality, or
20 the ordinance terminates under the conditions of paragraph "c",
21 whichever occurs first.

22 b. A municipality shall not incur additional indebtedness
23 including loans, advances, and bonds, payable from the special
24 fund created in section 403.19 using revenue resulting from the
25 ordinance described under subsection 1 on or after the effective
26 date of this division of this Act. For the purposes of this
27 paragraph "b", the refinancing of indebtedness incurred prior
28 to the effective date of this division of this Act shall not
29 constitute an additional indebtedness, unless such refinancing
30 results in an increase in the amount of debt service that
31 qualifies for payment from the special fund or extends the term
32 for payment or retirement of the indebtedness.

33 c. An ordinance described in subsection 1 providing for a
34 division of revenue shall terminate and be of no further force
35 and effect at the conclusion of the fiscal year during which

1 the retirement or payment of all indebtedness payable from such
2 division of revenue in existence on the effective date of this
3 division of this Act occurs.

4 d. An ordinance described in subsection 1 or any applicable
5 urban renewal area shall not be amended on or after the effective
6 date of this division of this Act to include territory that
7 is not subject to the ordinance on the effective date of this
8 division of this Act.

9 3. The duration limits under this section and the limitations
10 on the duration of ordinances providing for a division of revenue
11 under section 403.19, subsection 3A, shall not apply to divisions
12 of taxes established by community colleges under chapter 260E or
13 rural improvement zones under chapter 357H.

14 4. The department of management may adopt rules pursuant to
15 chapter 17A necessary to implement and administer this section.

16 Sec. 78. Section 403.19, subsection 3, Code 2026, is amended
17 to read as follows:

18 3. The portion of taxes mentioned in subsection 2 and the
19 special fund into which they shall be paid, may be irrevocably
20 pledged by a municipality for the payment of the principal and
21 interest on loans, advances, bonds issued under the authority
22 of section 403.9, subsection 1, or indebtedness incurred by a
23 municipality to finance or refinance, in whole or in part, the
24 urban renewal project within the area. Costs of an urban renewal
25 project, including bonds, loans, advances, or other indebtedness
26 incurred on or after the effective date of this division of
27 this Act and payable from the special fund created in subsection
28 2 shall only be paid from the portion of taxes mentioned in
29 subsection 2 resulting from that portion of the urban renewal
30 area governed by the ordinance where the urban renewal project is
31 located.

32 Sec. 79. Section 403.19, Code 2026, is amended by adding the
33 following new subsection:

34 NEW SUBSECTION. 3A. An ordinance providing for a division
35 of revenue under this section that is adopted on or after the

1 effective date of this division of this Act shall be limited to
2 twenty years from the calendar year following the calendar year
3 in which the municipality first certifies to the county auditor
4 the amount of any loans, advances, indebtedness, or bonds that
5 qualify for payment from the division of revenue provided for in
6 this section. The ordinance shall terminate and be of no further
7 force and effect following the twenty-year period provided in
8 this subsection.

9 Sec. 80. Section 403.19, subsection 10, Code 2026, is amended
10 by adding the following new paragraph:

11 NEW PARAGRAPH. c. Moneys from any source deposited into the
12 special fund created in this section shall not be expended for
13 or otherwise used in connection with an urban renewal project
14 approved on or after the effective date of this division of this
15 Act, that does not meet the definition of "urban renewal project"
16 under section 403.17, subsection 25, paragraph "b".

17 Sec. 81. Section 403.22, subsection 1, unnumbered paragraph
18 1, Code 2026, is amended to read as follows:

19 With respect to any urban renewal area established upon
20 the determination that the area is an economic development
21 area before the effective date of this division of this Act,
22 a division of revenue as provided in section 403.19 shall
23 not be allowed for the purpose of providing or aiding in
24 the provision of public improvements related to housing and
25 residential development, unless the municipality assures that
26 the project will include assistance for low and moderate income
27 family housing.

28 Sec. 82. Section 404.3D, Code 2026, is amended to read as
29 follows:

30 **404.3D Exemptions for residential property.**

31 1. For revitalization areas established under this chapter on
32 or after July 1, 2024, and for first-year exemption applications
33 for property located in a revitalization area in existence on
34 July 1, 2024, filed on or after July 1, 2024, an exemption
35 authorized under this chapter for property that is residential

1 property shall not apply to property tax levies imposed by a
2 school district.

3 2. In addition to the inapplicability of the exemption to
4 school district property tax levies specified under subsection 1,
5 for property taxes due and payable in fiscal years beginning on
6 or after July 1, 2027, if such a property receiving an exemption
7 is located in both a revitalization area and an urban renewal
8 area, the school district property taxes on the property shall
9 not be subject to the division of revenue under section 403.19
10 and when collected shall be paid to the school district.

11 Sec. 83. EFFECTIVE DATE. This division of this Act, being
12 deemed of immediate importance, takes effect upon enactment.

13 DIVISION VII

14 ASSESSMENT FREQUENCY AND PROCEDURES

15 Sec. 84. Section 427A.1, subsection 9, Code 2026, is amended
16 to read as follows:

17 9. The assessing authority shall annually reassess property
18 which is assessed and taxed as real property, but which would
19 be regarded as personal property except for this section, on the
20 same schedule as the reassessment schedule for real property.
21 ~~This section shall not be construed to limit the assessing~~
22 ~~authority's powers to assess or reassess under other provisions~~
23 ~~of law.~~

24 Sec. 85. Section 428.4, subsection 1, Code 2026, is amended
25 to read as follows:

26 1. Property shall be assessed for taxation each year. Real
27 estate shall be listed and assessed in ~~1984~~ 2025 and every ~~two~~
28 three years thereafter. The assessment of real estate shall be
29 the value of the real estate as of January 1 of the year of
30 the assessment. The year ~~1984~~ 2025 and each ~~odd-numbered~~ third
31 year thereafter shall be a reassessment year. In ~~any year,~~ the
32 two assessment years immediately after the reassessment year in
33 which an assessment has been made of all the real estate in an
34 assessing jurisdiction, the assessor shall value and assess or
35 revalue and reassess, as the case may require, any real estate

1 that the assessor finds was incorrectly valued or assessed, or
2 was not listed, valued, and assessed, in the assessment year
3 immediately preceding, also any real estate the assessor finds
4 has changed in value subsequent to January 1 of the preceding
5 real estate assessment year. However, a percentage increase on a
6 class of property shall not be made in a year not subject to an
7 equalization order unless ordered by the department of revenue.
8 The assessor shall determine the actual value and compute the
9 taxable value thereof as of January 1 of the year of the
10 revaluation and reassessment. The assessment shall be completed
11 as specified in section 441.28, but no reduction or increase in
12 actual value shall be made for prior years. If an assessor makes
13 a change in the valuation of the real estate as provided for,
14 sections 441.23, 441.37, 441.37A, 441.37B, and 441.38 apply.

15 Sec. 86. Section 441.21, subsection 3, Code 2026, is amended
16 to read as follows:

17 3. a. "Actual value", "taxable value", or "assessed value"
18 as used in other sections of the Code in relation to assessment
19 of property for taxation shall mean the valuations as determined
20 by this section; however, other provisions of the Code providing
21 special methods or formulas for assessing or valuing specified
22 property shall remain in effect, but this section shall be
23 applicable to the extent consistent with such provisions. The
24 assessor and department of revenue shall disclose at the written
25 request of the taxpayer all information in any formula or
26 method used to determine the actual value of the taxpayer's
27 property. In addition, for assessment years beginning on or
28 after January 1, 2027, if the taxpayer's property has increased
29 in actual value by fifteen percent or more from the immediately
30 preceding reassessment year under section 428.4, or the most
31 recent assessment year following such reassessment year if the
32 property was revalued or reassessed in that assessment year,
33 the assessor shall provide the taxpayer with a statement of the
34 reasons for the increase in actual value, information specifying
35 the portion of actual value increase attributable to a change in

1 classification, revaluation, new construction, improvements, or
2 renovations to the property, and all information in any formula
3 or method used to determine the actual value.

4 ~~b. (1) For assessment years beginning before January 1,~~
5 ~~2018, the burden of proof shall be upon any complainant~~
6 ~~attacking such valuation as excessive, inadequate, inequitable,~~
7 ~~or capricious. However, in protest or appeal proceedings~~
8 ~~when the complainant offers competent evidence by at least two~~
9 ~~disinterested witnesses that the market value of the property~~
10 ~~is less than the market value determined by the assessor, the~~
11 ~~burden of proof thereafter shall be upon the officials or persons~~
12 ~~seeking to uphold such valuation to be assessed.~~

13 ~~(2) (1) For assessment years beginning on or after January~~
14 ~~1, 2018, the Except as provided in subparagraph (3), the burden~~
15 ~~of proof shall be upon any complainant attacking such valuation~~
16 ~~as excessive, inadequate, inequitable, or capricious. However,~~
17 ~~in protest or appeal proceedings when the complainant offers~~
18 ~~competent evidence that the market value of the property is~~
19 ~~different than the market value determined by the assessor, the~~
20 ~~burden of proof thereafter shall be upon the officials or persons~~
21 ~~seeking to uphold such valuation to be assessed.~~

22 ~~(3) (2) If the classification of a property has been~~
23 ~~previously adjudicated by the property assessment appeal board~~
24 ~~or a court as part of an appeal under this chapter, there~~
25 ~~is a presumption that the classification of the property has~~
26 ~~not changed for each of the four subsequent assessment years,~~
27 ~~unless a subsequent such adjudication of the classification of~~
28 ~~the property has occurred, and the burden of demonstrating a~~
29 ~~change in use shall be upon the person asserting a change to the~~
30 ~~property's classification.~~

31 ~~(3) For assessment years beginning on or after January~~
32 ~~1, 2027, if the taxpayer's property actual value increased~~
33 ~~by fifteen percent or more from the immediately preceding~~
34 ~~reassessment year under section 428.4, or the most recent~~
35 ~~assessment year following such reassessment year if the property~~

1 was revalued or reassessed in that assessment year, including an
2 increase as the result of an equalization order, and the property
3 did not change classification or primary use and the increase in
4 actual value is not the result of new construction, improvements,
5 or renovations to the property, the actual value so determined
6 by the assessor is not presumed to be the actual value and in
7 any protest or appeal the assessor shall have the burden of proof
8 that the valuation is not excessive, inadequate, inequitable, or
9 capricious.

10 Sec. 87. Section 441.23, Code 2026, is amended to read as
11 follows:

12 **441.23 Notice Periodic assessment — notice of valuation.**

13 1. The periodic assessment and reassessment of property shall
14 be determined as provided in section 428.4.

15 2. If there has been an increase or decrease in the
16 valuation of the property, or upon the written request of the
17 person assessed, the assessor shall, at the time of making
18 the assessment, inform the person assessed, in writing, of
19 the valuation put upon the taxpayer's property, and notify the
20 person, that if the person feels aggrieved, to contact the
21 assessor pursuant to section 441.30 or to appear before the
22 board of review and show why the assessment should be changed.
23 However, if the valuation of a class of property is uniformly
24 decreased, the assessor may notify the affected property owners
25 by publication in the official newspapers of the county. The
26 owners of real property shall be notified not later than April 1
27 of any adjustment of the real property assessment.

28 Sec. 88. Section 441.26, subsection 2, Code 2026, is amended
29 to read as follows:

30 2. The notice in each ~~odd-numbered~~ equalization year, as
31 determined under section 441.49, shall contain a statement that
32 the assessments are subject to equalization pursuant to an order
33 issued by the department of revenue, that the county auditor
34 shall give notice on or before October 8 by publication in
35 an official newspaper of general circulation to any class of

1 property affected by the equalization order, that the county
2 auditor shall give notice by mail postmarked on or before October
3 8 to each property owner or taxpayer whose valuation has been
4 increased by the equalization order, and that the board of
5 review shall be in session from October 10 to November 15 to
6 hear protests of affected property owners or taxpayers whose
7 valuations have been adjusted by the equalization order.

8 Sec. 89. Section 441.28, Code 2026, is amended to read as
9 follows:

10 **441.28 Assessment rolls — change — notice to taxpayer.**

11 The Subject to section 428.4, the assessment shall be
12 completed not later than April 1 each year. If the assessor
13 makes any change in an assessment after it has been entered
14 on the assessor's rolls, the assessor shall note on the roll,
15 together with the original assessment, the new assessment and the
16 reason for the change, together with the assessor's signature and
17 the date of the change. Provided, however, in the event the
18 assessor increases any assessment the assessor shall give notice
19 of the increase in writing to the taxpayer by mail postmarked no
20 later than April 1. No changes shall be made on the assessment
21 rolls after April 1 except by written agreement of the taxpayer
22 and assessor under section 441.30, by order of the board of
23 review or of the property assessment appeal board, or by decree
24 of court.

25 Sec. 90. Section 441.33, Code 2026, is amended by adding the
26 following new subsection:

27 NEW SUBSECTION. 3. Ex parte communications with board of
28 review members are prohibited in protests before the board.

29 Sec. 91. Section 441.35, subsection 2, Code 2026, is amended
30 to read as follows:

31 2. In ~~any year~~ either of the two years after the year in
32 which an assessment has been made of all of the real estate
33 in any taxing district as determined under section 428.4, the
34 board of review shall meet as provided in section 441.33, and
35 where the board finds the same has changed in value, the board

1 shall revalue and reassess any part or all of the real estate
2 contained in such taxing district, and in such case, the board
3 shall determine the actual value as of January 1 of the year of
4 the revaluation and reassessment and compute the taxable value
5 thereof. If the assessment of any such property is raised, or
6 any property is added to the tax list by the board, the clerk
7 shall give notice in the manner provided in section 441.36. If
8 all property in any taxing district is revalued and reassessed,
9 the board shall, in addition to notices required to be provided
10 in the manner specified in section 441.36, instruct the clerk to
11 give immediate notice by one publication in one of the official
12 newspapers located in the taxing district. The decision of the
13 board as to the foregoing matters shall be subject to appeal to
14 the property assessment appeal board within the same time and
15 in the same manner as provided in section 441.37A and to the
16 district court within the same time and in the same manner as
17 provided in section 441.38.

18 Sec. 92. Section 441.47, unnumbered paragraph 1, Code 2026,
19 is amended to read as follows:

20 The department of revenue on or about August 15, ~~1977~~ 2027,
21 and every ~~two~~ three years thereafter shall order the equalization
22 of the levels of assessment of each class of property in the
23 several assessing jurisdictions by adding to or deducting from
24 the valuation of each class of property such percentage in each
25 case as may be necessary to bring the same to its taxable value
26 as fixed in this chapter, chapters 427 through 440, and chapter
27 443. The department shall adjust to actual value the valuation
28 of any class of property as set out in the abstract of assessment
29 when the valuation is at least five percent above or below actual
30 value as determined by the department. For purposes of such
31 value adjustments and before such equalization the director shall
32 adopt, in the manner prescribed by chapter 17A, such rules as may
33 be necessary to determine the level of assessment for each class
34 of property in each county. The rules shall cover:

35 Sec. 93. Section 441.49, subsection 2, paragraph a, Code

1 2. a. In addition to moneys deposited in the local
2 government shared-services grant fund pursuant to appropriations
3 made by the general assembly, the economic development
4 authority may accept gifts, grants, bequests, and other private
5 contributions, as well as state or federal funds, and shall
6 deposit the moneys in the fund to be used for purposes of
7 this section. Moneys in the fund are appropriated to the
8 economic development authority and shall be used only to provide
9 grants to local governments to assist in efforts to consolidate
10 government positions and pursue agreements with other local
11 governments to share services and reduce the use of property tax
12 revenues for such shared services. Grant funds may be used by
13 the local government for costs to implement service-sharing or
14 service-consolidation initiatives and transitional or temporary
15 costs of eliminating services.

16 b. Notwithstanding section 8.33, moneys in the fund that
17 remain unawarded at the close of the fiscal year shall not revert
18 but shall remain in the fund for expenditure in succeeding fiscal
19 years. Notwithstanding section 12C.7, subsection 2, interest
20 earned on moneys in the local government shared-services grant
21 fund shall be credited to the fund.

22 3. The economic development authority shall adopt rules to
23 establish and administer the grant program to provide for the
24 allocation of moneys in the fund in the form of competitive
25 grants to local governments in accordance with the purposes
26 and objectives of this section. The rules adopted by the
27 economic development authority shall specify the eligibility of
28 applicants, eligible services and items for grant funding, the
29 electronic application process, and the maximum award per grant.

30 DIVISION IX

31 FIRSTMORE IOWA ACCOUNTS

32 Sec. 96. NEW SECTION. **12L.1 FirstHome Iowa program —**
33 **purpose and definitions.**

34 1. The general assembly finds that the general welfare and
35 well-being of the state are directly related to homeownership

1 of the citizens of the state, and that a vital and valid
2 public purpose is served by the creation and implementation of
3 programs which encourage and make possible the attainment of
4 homeownership by the greatest number of citizens of the state.
5 The general welfare of the citizens of the state will be enhanced
6 by establishing a FirstHome Iowa program which allows citizens
7 of the state to invest money in a public trust for future
8 application to the payment of qualified homebuyer expenses. The
9 creation of the means of encouragement for citizens to invest in
10 such a program represents the carrying out of a vital and valid
11 public purpose. In order to make available to the citizens of
12 the state an opportunity to fund future first-time homeownership,
13 it is necessary that a public trust be established in which
14 moneys may be invested for future use.

15 2. As used in this chapter, unless the context otherwise
16 requires:

17 a. "*Administrative fund*" means the administrative fund
18 established under section 12L.4.

19 b. "*Beneficiary*" means the individual designated by a
20 participation agreement to benefit from advance payments of
21 qualified homebuyer expenses on behalf of the beneficiary.

22 c. "*First-time homebuyer*" means an individual who is a
23 resident of Iowa and who does not own, either individually
24 or jointly, a single-family or multifamily residence, and who
25 has not owned or purchased, either individually or jointly, a
26 single-family or multifamily residence for a period of three
27 years prior to the date of the qualified purchase for which the
28 eligible home costs are paid or reimbursed from an account.

29 d. "*Individual*" means a natural person.

30 e. "*FirstHome Iowa program trust*" or "*trust*" means the trust
31 created under section 12L.2.

32 f. "*FirstHome Iowa program trust account*" or "*account*" means
33 an account within the trust that was established for the purpose
34 of paying or reimbursing a beneficiary's eligible qualified
35 homebuyer expenses in connection with a qualified purchase.

1 g. "Participant" means an individual, individual's legal
2 representative, trust, or estate that has entered into a
3 participation agreement under this chapter, either individually
4 or jointly with the individual's spouse, for the advance payment
5 of qualified homebuyer expenses on behalf of a beneficiary.

6 h. "Participation agreement" means an agreement between a
7 participant and the trust entered into under this chapter.

8 i. "Program fund" means the program fund established under
9 section 12L.4.

10 j. "Qualified homebuyer expenses" means any of the following:

11 (1) A down payment or closing costs for the qualified
12 purchase of a single-family residence in Iowa that is the
13 principal residence of the beneficiary if such beneficiary is a
14 first-time homebuyer with respect to such purchase.

15 (2) A cost, fee, tax, or payment incurred by, or charged
16 or assigned to, a beneficiary as part of the purchase under
17 subparagraph (1) and listed on the statement of receipts and
18 disbursements for the sale, including any statement prescribed by
19 12 C.F.R. §1026.38, as amended.

20 (3) Any United States veterans administration funding fee
21 incurred by, or charged or assigned to, a beneficiary in
22 connection with a veterans administration home loan guaranty
23 program.

24 k. "Qualified purchase" means the purchase of a single-family
25 residence in Iowa by the account's beneficiary ninety or more
26 days after the date the participant first opened the account.

27 l. "Resident" means the same as defined in section 422.4.

28 m. "Single-family residence" means a single-family residence
29 owned and occupied by a beneficiary as the beneficiary's
30 principal residence, including but not limited to a manufactured
31 home, mobile home, condominium unit, or cooperative.

32 Sec. 97. NEW SECTION. **12L.2 Creation of FirstHome Iowa**
33 **program trust.**

34 A FirstHome Iowa program trust is created. The treasurer
35 of state is the trustee of the trust, and has all powers

1 necessary to carry out and effectuate the purposes, objectives,
2 and provisions of this chapter pertaining to the trust, including
3 the power to do all of the following:

4 1. Make and enter into contracts necessary for the
5 administration of the trust created under this chapter.

6 2. Enter into agreements with any financial institution, the
7 state, or any federal or other state agency, or other entity as
8 required to implement this chapter.

9 3. Carry out the duties and obligations of the trust pursuant
10 to this chapter.

11 4. Accept any grants, gifts, legislative appropriations, and
12 other moneys from the state, any unit of federal, state, or
13 local government, or any other person, firm, partnership, or
14 corporation which the treasurer of state shall deposit into the
15 administrative fund or the program fund.

16 5. Carry out studies and projections so the treasurer of
17 state may advise participants regarding present and estimated
18 future qualified homebuyer expenses and levels of financial
19 participation in the trust required in order to enable
20 participants to achieve their qualifying purchase objectives.

21 6. Participate in any federal, state, or local governmental
22 program for the benefit of the trust.

23 7. Procure insurance against any loss in connection with the
24 property, assets, or activities of the trust.

25 8. Enter into participation agreements with participants.

26 9. Make payments to or on behalf of beneficiaries
27 for qualified homebuyer expenses pursuant to participation
28 agreements.

29 10. Make refunds to participants upon the termination of
30 participation agreements, and partial nonqualified distributions
31 to participants, pursuant to the provisions, limitations, and
32 restrictions set forth in this chapter.

33 11. Invest moneys from the program fund in any investments
34 which are determined by the treasurer of state to be appropriate.

35 12. Engage investment advisors, if necessary, to assist in

1 the investment of trust assets.

2 13. Contract for goods and services and engage personnel
3 as necessary, including consultants, actuaries, managers, legal
4 counsel, and auditors for the purpose of rendering professional,
5 managerial, and technical assistance and advice to the treasurer
6 of state regarding trust administration and operation.

7 14. Establish, impose, and collect administrative fees and
8 charges in connection with transactions of the trust for deposit
9 in the administrative fund and provide for reasonable service
10 charges.

11 15. Administer the funds of the trust.

12 16. Adopt rules pursuant to chapter 17A for the
13 administration of the trust.

14 Sec. 98. NEW SECTION. **12L.3 Participation agreements for**
15 **trust.**

16 The trust may enter into participation agreements with
17 participants on behalf of beneficiaries pursuant to the following
18 terms and agreements:

19 1. Each participation agreement may require a participant
20 to agree to invest a specific amount of money in the trust
21 for a specific period of time for the benefit of a specific
22 beneficiary. A participant shall not be required to make an
23 annual contribution on behalf of a beneficiary. The maximum
24 contribution that may be deducted for Iowa income tax purposes
25 shall be the amount contributed by the participant during the
26 applicable tax year, not to exceed five thousand five hundred
27 dollars per beneficiary per year adjusted annually to reflect
28 increases in the consumer price index.

29 2. The execution of a participation agreement by the trust
30 shall not guarantee in any way that qualified homebuyer expenses
31 will be equal to projections and estimates provided by the trust
32 or that the beneficiary named in any participation agreement will
33 qualify for a mortgage, home loan, or other forms of credit for a
34 qualified purchase.

35 3. a. A beneficiary under a participation agreement may be

1 changed as permitted under rules adopted by the treasurer of
2 state upon written request of the participant as long as the
3 substitute beneficiary is eligible for participation.

4 b. Participation agreements may otherwise be freely amended
5 throughout their terms in order to enable participants to
6 increase or decrease the level of participation, change the
7 designation of beneficiaries, and carry out similar matters as
8 authorized by rule.

9 4. Each participation agreement shall provide that the
10 participation agreement may be canceled upon the terms and
11 conditions, and upon payment of applicable fees and costs set
12 forth and contained in the rules adopted by the treasurer of
13 state.

14 5. A participant may designate a successor in accordance
15 with rules adopted by the treasurer of state. The designated
16 successor shall succeed to the ownership of the account in
17 the event of the death of the participant. In the event a
18 participant dies and has not designated a successor to the
19 account, the following criteria shall apply:

20 a. The beneficiary of the account, if eighteen years of age
21 or older, shall become the owner of the account as well as remain
22 the beneficiary upon filing the appropriate forms in accordance
23 with rules adopted by the treasurer of state.

24 b. If the beneficiary of the account is under the age of
25 eighteen, account ownership shall be transferred to the first
26 surviving parent or other legal guardian of the beneficiary to
27 file the appropriate forms in accordance with rules adopted by
28 the treasurer of state.

29 Sec. 99. NEW SECTION. **12L.4 FirstHome Iowa program and**
30 **administrative funds — investment and payments.**

31 1. a. The treasurer of state shall segregate moneys received
32 by the trust into two funds: the FirstHome Iowa program fund
33 and the administrative fund to be used for administration of the
34 program.

35 b. All moneys paid by participants in connection with

1 participation agreements shall be deposited as received into
2 separate accounts within the program fund.

3 c. Contributions to the trust made by participants may only
4 be made in the form of cash.

5 d. A participant or beneficiary may, directly or indirectly,
6 direct the investment of any contributions to the trust or any
7 earnings thereon no more than four times in a calendar year.

8 2. Moneys accrued by participants in the program fund of the
9 trust may be used for payments to or on behalf of a beneficiary
10 for qualified homebuyer expenses.

11 Sec. 100. NEW SECTION. **12L.5 Cancellation of agreements.**

12 A participant may cancel a participation agreement at will.
13 Upon cancellation of a participation agreement, a participant
14 shall be entitled to the return of the participant's account
15 balance.

16 Sec. 101. NEW SECTION. **12L.6 Ownership of payments and
17 investment income — transfer of ownership rights.**

18 1. a. A participant retains ownership of all payments made
19 under a participation agreement up to the date of utilization for
20 payment of qualified homebuyer expenses for the beneficiary.

21 b. All income derived from the investment of the payments
22 made by the participant shall be considered to be held in trust
23 for the benefit of the beneficiary.

24 2. In the event the FirstHome Iowa program is terminated
25 prior to payment of qualified homebuyer expenses for the
26 beneficiary, the participant is entitled to a refund of the
27 participant's account balance.

28 3. Any amounts which may be paid to any person or persons
29 pursuant to the FirstHome Iowa program trust but which are not
30 listed in this section are owned by the trust.

31 4. A participant may transfer ownership rights to another
32 participant or may transfer funds to another account under the
33 trust. The transfer shall be made and the property distributed
34 in accordance with rules adopted by the treasurer of state or
35 with the terms of the participation agreement.

1 5. A participant shall not be entitled to utilize any
2 interest in the trust as security for a loan.

3 Sec. 102. NEW SECTION. **12L.7 Annual audited financial**
4 **report to governor and general assembly.**

5 1. a. The treasurer of state shall submit an annual audited
6 financial report, prepared in accordance with generally accepted
7 accounting principles, on the operations of the trust by November
8 1 to the governor and the general assembly.

9 b. The annual audit shall be made either by the auditor of
10 state or by an independent certified public accountant designated
11 by the auditor of state and shall include direct and indirect
12 costs attributable to the use of outside consultants, independent
13 contractors, and any other persons who are not state employees.

14 2. The annual audit shall be supplemented by all of the
15 following information prepared by the treasurer of state:

16 a. Any related studies or evaluations prepared in the
17 preceding year.

18 b. A summary of the benefits provided by the trust including
19 the number of participants and beneficiaries in the trust.

20 c. Any other information which is relevant in order to make
21 a full, fair, and effective disclosure of the operations of the
22 trust.

23 Sec. 103. NEW SECTION. **12L.8 Tax considerations.**

24 State income tax treatment of the FirstHome Iowa program trust
25 shall be as provided in section 422.7, subsections 46 and 47.

26 Sec. 104. NEW SECTION. **12L.9 Property rights to assets in**
27 **trust.**

28 1. The assets of the trust shall at all times be preserved,
29 invested, and expended solely and only for the purposes of
30 the trust and shall be held in trust for the participants and
31 beneficiaries.

32 2. No property rights in the trust shall exist in favor of
33 the state.

34 3. The assets of the trust shall not be transferred or used
35 by the state for any purposes other than the purposes of the

1 trust.

2 Sec. 105. NEW SECTION. **12L.10 Construction.**

3 This chapter shall be construed liberally in order to
4 effectuate its purpose.

5 Sec. 106. Section 12G.2, Code 2026, is amended by adding the
6 following new subsection:

7 NEW SUBSECTION. 6. Create strategies for coordination of the
8 program with the FirstHome Iowa program trust established in
9 chapter 12L.

10 Sec. 107. Section 232D.503, subsection 6, Code 2026, is
11 amended by adding the following new paragraph:

12 NEW PARAGRAPH. g. A FirstHome Iowa program trust account
13 established for the minor pursuant to chapter 12L.

14 Sec. 108. Section 422.7, Code 2026, is amended by adding the
15 following new subsections:

16 NEW SUBSECTION. 46. a. Subtract the contribution that may
17 be deducted for Iowa income tax purposes as a participant in
18 the FirstHome Iowa program trust pursuant to section 12L.3,
19 subsection 1. For purposes of this paragraph, a participant who
20 makes a contribution on or before the date prescribed in section
21 422.21 for making and filing an individual income tax return,
22 excluding extensions, or the date for making and filing an
23 individual income tax return determined by the director pursuant
24 to an order issued under section 421.17, subsection 30, may elect
25 to be deemed to have made the contribution on the last day of the
26 preceding calendar year. The director, after consultation with
27 the treasurer of state, shall prescribe by rule the manner and
28 method by which a participant may make an election authorized by
29 the preceding sentence.

30 b. Add the amount resulting from the cancellation of a
31 participation agreement refunded to the taxpayer as a participant
32 in the FirstHome Iowa program trust to the extent previously
33 deducted as a contribution to the trust.

34 c. Add, to the extent previously deducted as a contribution
35 to the trust, the amount resulting from a withdrawal or transfer

1 made by the taxpayer from the FirstHome Iowa program trust for
2 purposes other than the payment of qualified homebuyer expenses.

3 NEW SUBSECTION. 47. Subtract, to the extent included, income
4 from interest and earnings received from the FirstHome Iowa
5 program trust created in chapter 12L.

6 Sec. 109. Section 541B.4, Code 2026, is amended by adding the
7 following new subsections:

8 NEW SUBSECTION. 5. *Withdrawal for deposit into FirstHome*
9 *Iowa program trust account.* First-time homebuyer account
10 balances under this chapter may be withdrawn without penalty or
11 taxation in this state if such withdrawal is deposited in an
12 account within the FirstHome Iowa program trust under chapter 12L
13 within thirty days of the withdrawal. The treasurer of state
14 may by rule provide for the direct transfer of moneys within
15 an account under this chapter to a FirstHome Iowa program trust
16 account and such transfer shall not be subject to penalty or
17 taxation in this state.

18 NEW SUBSECTION. 6. *No new accounts.* New accounts shall not
19 be established under this chapter on or after July 1, 2026.

20 Sec. 110. Section 627.6, Code 2026, is amended by adding the
21 following new subsection:

22 NEW SUBSECTION. 18. The debtor's interest, whether as
23 participant or beneficiary, in contributions and assets,
24 including the accumulated earnings and market increases in value,
25 held in an account in the FirstHome Iowa program trust organized
26 under chapter 12L.

27 Sec. 111. Section 633.108, subsection 2, Code 2026, is
28 amended by adding the following new paragraph:

29 NEW PARAGRAPH. e. A FirstHome Iowa program trust account
30 established for the minor pursuant to chapter 12L.

31 Sec. 112. Section 633.555, subsection 1, Code 2026, is
32 amended by adding the following new paragraph:

33 NEW PARAGRAPH. f. An account owner or participant under
34 a FirstHome Iowa program trust account established for the
35 protected person pursuant to chapter 12L.

1 Sec. 113. Section 633.678, subsection 1, Code 2026, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. f. An account owner or participant under
4 a FirstHome Iowa program trust account established for the
5 protected person pursuant to chapter 12L.

6 Sec. 114. Section 633.681, subsection 1, Code 2026, is
7 amended by adding the following new paragraph:

8 NEW PARAGRAPH. e. An account owner or participant under
9 a FirstHome Iowa program trust account established for the
10 protected person pursuant to chapter 12L.

11 Sec. 115. APPLICABILITY. The following applies to
12 contributions made under chapter 12L on or after July 1, 2026,
13 for tax years ending on or after that date:

14 The section of this division of this Act enacting section
15 422.7, subsections 46 and 47.

16 DIVISION X

17 PROPERTY ASSESSMENT SYSTEM TASK FORCE

18 Sec. 116. PROPERTY TAX ASSESSMENT PROCESS STUDY — REPORT.

19 1. By January 1, 2027, the department of revenue shall
20 prepare and submit a report, including any recommended changes,
21 to the general assembly regarding the assessment of property in
22 this state for taxation purposes, including but not limited to
23 review of all of the following:

24 a. Assessor qualifications and education.

25 b. Assessor selection and retention.

26 c. Functions of conference boards and examining boards.

27 d. Property assessment procedures, frequency, and timelines.

28 e. Property tax assessment protest and appeal procedures and
29 burdens of proof.

30 2. The department may convene a task force of local and
31 state officials and technical experts to assist in the review
32 undertaken pursuant to subsection 1.

33 DIVISION XI

34 COUNTY OFFICERS — APPOINTMENT IN LIEU OF ELECTION

35 Sec. 117. Section 39.17, Code 2026, is amended to read as

1 follows:

2 **39.17 County officers.**

3 1. There shall be elected in each county at the general
4 election to be held in the year 1976 and every four years
5 thereafter, ~~an auditor and a sheriff, each~~ to hold office for a
6 term of four years.

7 2. There shall be elected in each county at the general
8 election to be held in 1974 and each four years thereafter, a
9 ~~treasurer, a recorder, and a county attorney~~ who shall each hold
10 office for a term of four years.

11 Sec. 118. Section 43.24, subsection 3, paragraph b, Code
12 2026, is amended to read as follows:

13 b. Objections filed with the commissioner shall be considered
14 by three ~~elected~~ county officers whose eligibility is not in
15 question. The chairperson of the board of supervisors shall
16 appoint the three ~~elected~~ officers unless the chairperson is
17 ineligible, in which case, the appointments shall be made by the
18 county auditor. In either case, a majority vote shall decide the
19 issue.

20 Sec. 119. Section 44.7, Code 2026, is amended to read as
21 follows:

22 **44.7 Hearing before commissioner.**

23 Except as otherwise provided in section 44.8, objections filed
24 with the commissioner shall be considered by the county auditor,
25 county treasurer, and county attorney, and a majority decision
26 shall be final. However, if the objection is to the certificate
27 of nomination of ~~one or more of the above named county officers~~
28 the county attorney, the officer or officers objected to county
29 attorney shall not pass upon the objection, but ~~their places the~~
30 county attorney's place shall be filled, ~~respectively,~~ by the
31 ~~chairperson of the board of supervisors, the sheriff, and the~~
32 county recorder. Objections relating to incorrect or incomplete
33 information for information that is required under section 44.3
34 shall be sustained.

35 Sec. 120. Section 331.321, subsection 1, Code 2026, is

1 amended by adding the following new paragraphs:

2 NEW PARAGRAPH. 0x. A county auditor in accordance with
3 section 331.501.

4 NEW PARAGRAPH. 00x. A county treasurer in accordance with
5 section 331.551.

6 NEW PARAGRAPH. 000x. A county recorder in accordance with
7 section 331.601.

8 Sec. 121. Section 331.324, subsection 6, Code 2026, is
9 amended to read as follows:

10 6. In carrying out the requirement of section 331.322,
11 subsection 1, the board may purchase an individual or a blanket
12 surety bond insuring the fidelity of county officers and county
13 employees who are accountable for county funds or property
14 subject to the minimum surety bond requirements of chapter 64.
15 ~~An elected~~ A county officer is deemed to have furnished surety if
16 the officer is covered by a blanket bond purchased as provided in
17 this subsection.

18 Sec. 122. Section 331.501, Code 2026, is amended to read as
19 follows:

20 **331.501 Office of county auditor.**

21 1. The office of auditor is an elective appointed office
22 ~~except that if a vacancy occurs in the office, a successor shall~~
23 ~~be elected or appointed to the unexpired term as provided in~~
24 ~~chapter 69.~~ The auditor shall be appointed by the board as
25 provided in section 331.321.

26 2. A person ~~elected or~~ appointed to the office of auditor
27 shall qualify by taking the oath of office as provided in section
28 63.10 and giving bond as provided in section 64.8.

29 3. The term of office of the auditor is four years unless
30 removed pursuant to section 331.321. The term of office shall
31 commence on the first day in January which is not a Sunday or
32 holiday and continue for four years or until a successor is
33 appointed and qualifies as provided in this section. A vacancy
34 shall be filled by the board for the unexpired term.

35 Sec. 123. Section 331.551, Code 2026, is amended to read as

1 follows:

2 **331.551 Office of county treasurer.**

3 1. The office of treasurer is an elective appointed office
4 ~~except that if a vacancy occurs in the office, a successor shall~~
5 ~~be elected or appointed to the unexpired term as provided in~~
6 ~~chapter 69. The treasurer shall be appointed by the board as~~
7 provided in section 331.321.

8 2. A person ~~elected or~~ appointed to the office of treasurer
9 shall qualify by taking the oath of office as provided in section
10 63.10 and give bond as provided in section 64.10.

11 3. The term of office of the treasurer is four years unless
12 removed pursuant to section 331.321. The term of office shall
13 commence on the first day in January which is not a Sunday or
14 holiday and continue for four years or until a successor is
15 appointed and qualifies as provided in this section. A vacancy
16 shall be filled by the board for the unexpired term.

17 Sec. 124. Section 331.601, Code 2026, is amended to read as
18 follows:

19 **331.601 Office of county recorder.**

20 1. The office of recorder is an elective appointed office
21 ~~except that if a vacancy occurs in the office, a successor shall~~
22 ~~be elected or appointed to the unexpired term as provided in~~
23 ~~chapter 69. The recorder shall be appointed by the board as~~
24 provided in section 331.321.

25 2. A person ~~elected or~~ appointed to the office of recorder
26 shall qualify by taking the oath of office as provided in section
27 63.10 and giving bond as provided in section 64.8.

28 3. The term of office of the recorder is four years unless
29 removed pursuant to section 331.321. The term of office shall
30 commence on the first day in January which is not a Sunday or
31 holiday and continue for four years or until a successor is
32 appointed and qualifies as provided in this section. A vacancy
33 shall be filled by the board for the unexpired term.

34 4. In counties in which the office of county recorder has
35 been abolished, the board of supervisors shall reassign the

1 duties of the county recorder who also serves as the county
2 registrar pursuant to chapter 144.

3 Sec. 125. Section 331.902, subsections 2, 3, and 5, Code
4 2026, are amended to read as follows:

5 2. Each elective officer specified in subsection 1 shall
6 maintain a record in the county system of each fee and charge
7 collected. The record shall show the date, amount, payor,
8 and type of service, and, when the fee is for recording an
9 instrument, the names of the parties to the instrument. The
10 record of the fees collected shall be retained for three years
11 after audit of the county pursuant to section 11.6.

12 3. Each elective officer specified in subsection 1 shall
13 make a quarterly report to the board showing, by type, the fees
14 collected during the preceding quarter. The officer shall pay
15 at least quarterly to the county treasury the fees and charges
16 collected, except for the county auditor's transfer fees, which
17 shall be paid directly to the county treasurer by the county
18 recorder. The officer shall receive a receipt and maintain a
19 record of the date and amount of each payment into the county
20 treasury. This subsection does not apply to the county treasurer
21 if the county treasurer credits the fees daily to the county
22 treasury and reports the receipts on the monthly report to the
23 auditor and the board of supervisors.

24 5. Each elective officer specified in subsection 1 shall
25 retain overpayments of fees and other charges paid to the county
26 in an amount of five dollars or less, unless the payor has
27 requested a refund of the overpayment.

28 Sec. 126. Section 331.907, Code 2026, is amended to read as
29 follows:

30 **331.907 Compensation schedule — preparation and adoption.**

31 1. The annual compensation of the auditor, treasurer,
32 recorder, sheriff, county attorney, and supervisors shall be
33 determined as provided in this section. The county compensation
34 board annually shall review the compensation paid to comparable
35 officers in other counties of this state, other states, private

1 enterprise, and the federal government. In setting the salary
2 of the county sheriff, the county compensation board shall set
3 the sheriff's salary so that it is comparable to salaries paid to
4 professional law enforcement administrators and command officers
5 of the state patrol, the division of criminal investigation
6 of the department of public safety, and city police chiefs
7 employed by cities of similar population to the population of
8 the county. The county compensation board shall prepare a
9 compensation schedule for the ~~elected~~ specified county officers
10 for the succeeding fiscal year. The county compensation board
11 shall provide documentation to the board of supervisors that
12 demonstrates how the county compensation board determined the
13 recommended compensation schedule, including by providing the
14 applicable compensation information for comparable officers in
15 other counties of this state, other states, private enterprise,
16 and the federal government. A recommended compensation schedule
17 requires a majority vote of the membership of the county
18 compensation board.

19 2. At the public hearing held on the county budget as
20 provided in section 331.434, the county compensation board
21 shall submit its recommended compensation schedule for the
22 next fiscal year to the board of supervisors for inclusion
23 in the county budget. The board of supervisors shall review
24 the recommended compensation schedule for the ~~elected~~ specified
25 county officers and determine the final compensation schedule.
26 In determining the final compensation schedule for the ~~elected~~
27 specified county officers, the board of supervisors may set
28 compensation at less than the compensation provided in the
29 current compensation schedule if the position is reduced to
30 part-time under the recommended compensation schedule. A copy
31 of the final compensation schedule shall be filed with the
32 county budget at the office of the director of the department
33 of management. The final compensation schedule takes effect
34 on July 1 following its adoption by the board of supervisors.
35 For purposes of this subsection, "current compensation schedule"

1 means the compensation schedule in effect when the board of
2 supervisors considers the recommended compensation schedule.

3 3. The board of supervisors may adopt a decrease in
4 compensation paid to supervisors irrespective of the county
5 compensation board's recommended compensation schedule or other
6 approved changes in compensation paid to other elected county
7 officers. A decrease in compensation paid to supervisors shall
8 be adopted by the board of supervisors no less than thirty days
9 before the county budget is certified under section 24.17.

10 4. The elected specified county officers are also entitled
11 to receive their actual and necessary expenses incurred in
12 performance of official duties of their respective offices. The
13 board of supervisors may authorize the reimbursement of expenses
14 related to an educational course, seminar, or school which is
15 attended by a county officer after the county officer is elected
16 or appointed, but prior to the county officer taking office.

17 5. In counties having two courthouses, a principal elected
18 county officer and the principal officer's first deputy or
19 assistant may agree in writing to a division of their annual
20 salaries. The division shall not allow for payment to the
21 elected officer and the first deputy or assistant which is
22 greater than the sum of the two salaries otherwise authorized
23 by law. Upon certification to the board by the elected officer
24 involved, the board shall certify to the auditor the annual
25 salaries certified by the elected officer.

26 Sec. 127. CURRENT COUNTY OFFICE HOLDERS.

27 The term of office of each county auditor, county treasurer, and
28 county recorder holding such office on the effective date of
29 this division of this Act shall continue until expiration of the
30 current elective term. After expiration of such term or vacancy
31 in such office occurring prior to expiration, such office shall
32 be filled by appointment by the county board of supervisors as
33 provided in this division of this Act.

34 Sec. 128. IMPLEMENTATION — ADDITIONAL LEGISLATION.

35 Following the effective date of this division of this Act,

1 the secretary of state shall review other provisions of law
2 to determine if additional legislative changes are necessary
3 to implement the changes in this division of this Act and,
4 if necessary, shall submit legislation to the local government
5 committees of the senate and house of representatives not later
6 than January 1, 2027.

7 EXPLANATION

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

10 This bill relates to state and local government taxes,
11 budgets, and authority, by modifying provisions relating to
12 the assessment and taxation of property, funding from the
13 secure an advanced vision for education fund, the election
14 of certain county officers, urban renewal areas and urban
15 revitalization areas, and establishing a program for certain
16 first-time homebuyers.

17 DIVISION I — PROPERTY TAX REVENUE LIMITATIONS — BOND
18 REVENUE USE LIMITATIONS. Under the bill, new Code section
19 24.35 provides that for governmental entity budgets certified
20 for budget years beginning on or after July 1, 2027, proposed
21 unassigned reserve funds identified within a governmental
22 entity's general fund shall not exceed an amount equal to
23 10 percent of the budgeted expenditures from the governmental
24 entity's general fund for the prior fiscal year before any
25 budgeted transfers from such general fund. If the governmental
26 entity's budget does not comply with the requirement, the
27 department of management shall not certify the governmental
28 entity's taxes back to the county auditor under Code section
29 24.17 and the governmental entity shall remedy the violation
30 and recertify the budget. For purposes of this provision,
31 the bill defines "governmental entity" to mean any unit of
32 government or other public body or public corporation, including
33 any intergovernmental entity, that has the power to impose or
34 certify a property tax levy, but excludes school districts.
35 The bill strikes a provision in Code section 176A.8 relating to

1 unexpended funds of county agricultural extensions.

2 As part of conducting an audit of a governmental subdivision
3 under Code chapter 11 for fiscal years beginning on or after
4 July 1, 2027, an examination of the governmental subdivision's
5 compliance with new Code section 24.35 shall be performed,
6 including verification of the circumstances resulting in actual
7 reserve funds exceeding the specified limits.

8 The bill enacts new Code section 444.25, which establishes
9 a maximum aggregate amount of property tax dollars that may
10 be certified for levy among all property tax levies imposed by
11 a governmental entity other than a school district, excluding
12 debt service levies. For the budget year beginning July 1,
13 2027, and each budget year thereafter, the maximum aggregate
14 amount of property tax dollars that may be certified for levy
15 among all property tax levies imposed by a governmental entity
16 shall not exceed an amount equal to the sum of 102 percent
17 of the aggregate amount of property tax dollars certified for
18 levy by the governmental entity among all property tax levies
19 imposed by the governmental entity for the preceding fiscal year
20 plus the sum of the new valuation growth amount, as calculated
21 under the bill, for each of the governmental entity's property
22 tax levies for the budget year. If the budget year includes
23 a voter-approved property tax levy that was not approved for
24 imposition in the preceding fiscal year, the maximum aggregate
25 amount of property tax dollars for the governmental entity for
26 the budget year is increased by the amount of the voter-approved
27 property tax levy approved at election for the budget year.
28 If a governmental entity certifies a budget that violates new
29 Code section 444.25, the department of management shall reduce
30 each of the applicable governmental entity's property tax levies
31 on a pro rata basis so that the governmental entity is in
32 compliance. New Code section 444.25 does not remove or otherwise
33 affect property tax limitations, including levy rate and use
34 limitations, otherwise provided by law for any property tax levy
35 of the governmental entity. The authority of the state appeal

1 board under Code section 24.48 to suspend property tax levy
2 limitations does not apply to the limitations of new Code section
3 444.25, except under conditions of natural disasters or other
4 emergencies or if there are unusual problems relating to major
5 new functions required by state law.

6 The bill also enacts new Code section 444.26, which provides
7 that, on or after July 1, 2026, a governmental entity, as
8 defined in the bill, shall not issue bonds or other indebtedness
9 payable from an ad valorem property tax levy for the purpose
10 of funding the general operations of the governmental entity or
11 otherwise use proceeds from the sale of bonds or issuance of
12 other indebtedness to fund general operations. The bill defines
13 "general operations" to mean services or activities generally
14 funded from the governmental entity's general fund, which are
15 necessary for the operation of the governmental entity, including
16 salaries and benefits, or which are for the health and welfare
17 of the governmental entity's citizens or primarily intended to
18 benefit all residents of the governmental entity, but excluding
19 services financed by statutory funds other than a debt service
20 fund. The department of management, following consultation with
21 the city finance committee and the county finance committee, may
22 adopt rules under Code chapter 17A to implement the new Code
23 section governing funding of general operations.

24 DIVISION II — COMMERCIAL AND INDUSTRIAL PROPERTY ASSESSMENT
25 LIMITATIONS. Current Code section 441.21 imposes an assessment
26 limitation (rollback) on commercial property, industrial
27 property, and property valued by the department of revenue under
28 Code chapter 434 (railway company property). For valuations
29 established for the assessment year beginning January 1, 2022,
30 and each assessment year thereafter, the portion of actual value
31 at which each property unit of commercial property shall be
32 assessed shall be the sum of the following: (1) an amount
33 equal to the product of the assessment limitation percentage
34 applicable to residential property multiplied by the actual value
35 of the property that exceeds \$0 but does not exceed \$150,000;

1 and (2) an amount equal to 90 percent of the actual value of
2 the property for that assessment year that exceeds \$150,000. The
3 limitation, by operation of law, applies to the assessed value
4 of railway company property. The bill increases the amount of
5 value subject to the residential assessment limitation rates from
6 \$150,000 to \$250,000 for each property unit. The sections of the
7 division of the bill amending Code section 441.21(5)(b)(2) and
8 441.21(5)(c)(2) apply retroactively to assessment years beginning
9 on or after January 1, 2026. For fiscal years beginning on
10 or after July 1, 2027, the bill eliminates the \$125 million
11 annual appropriation used under Code section 441.21(5)(e) for
12 payments to replace property taxes due to the application of the
13 residential property assessment limitation to certain portions of
14 commercial and industrial property valuations.

15 DIVISION III — PROPERTY TAX EXEMPTIONS AND CREDITS. Current
16 Code chapter 425, subchapter I, provides a homestead credit
17 against the tax on each eligible homestead in the state in an
18 amount equal to the actual levy on the first \$4,850 of actual
19 value for each homestead, funded by an annual appropriation from
20 the general fund of the state. The bill changes the homestead
21 credit to an exemption in the amount of \$4,850 of taxable value
22 and eliminates the state general fund appropriation. The bill
23 also changes the homestead credit for certain disabled veterans,
24 which is for the full amount of taxes due, to an exemption of the
25 full taxable value of the homestead. Under the bill, homestead
26 credit claims approved under Code chapter 425, subchapter I,
27 Code 2026, prior to and valid on the effective date of this
28 division of the bill shall result in a homestead exemption
29 under the bill without further filing by the claimant if the
30 claimant meets the criteria for the exemption and the assessor
31 has appropriate information to verify such eligibility. The bill
32 makes corresponding changes to various other provisions of law
33 to reflect the change from a homestead credit to a homestead
34 exemption.

35 The bill repeals Code section 425.1A, which provides a

1 property tax exemption of \$6,500 of taxable value on the
2 homestead of owners that have attained the age of 65.
3 The bill amends, strikes, and repeals various provisions of
4 Code chapter 425, subchapter II, that govern the additional
5 homestead credit for property taxes due and the reimbursement
6 of rent constituting property taxes paid for certain eligible
7 claimants based on age, disability, and income. The bill
8 eliminates the reimbursement of rent constituting property taxes
9 paid and amends the additional tax credit for property taxes
10 due by eliminating eligibility based on income or disability
11 status, except for certain disabled claimants under the previous
12 program, and modifies the remaining claimant eligibility as a
13 "property tax growth credit". The property tax growth credit
14 is allowed in addition to the homestead tax exemption created
15 in the bill and available to claimants who own their homestead
16 that has a qualifying actual value. The bill also limits the
17 amount of land that is included as part of the homestead for
18 purposes of the credit to not more than one-half acre. Eligible
19 claimants must be either: (1) A person who has attained the
20 age of 65 years; or (2) a person who is totally disabled, but
21 only if the person received a credit for property taxes due
22 for the homestead under the schedule specified in Code section
23 425.23(1)(a), Code 2026, for property taxes due and payable in
24 the fiscal year beginning July 1, 2026, and if the person has
25 filed for the credit established under the bill for each of the
26 subsequent years, if any. Under the bill, "qualifying actual
27 value" means one of the following: (1) an actual value of
28 \$350,000 or less for the applicable assessment year; or (2) an
29 actual value that exceeds \$350,000 for the applicable assessment
30 year and the actual value of the homestead was equal to or less
31 than \$350,000 for the first year for which the owner claimed
32 the credit, and the increase in the homestead's actual value
33 since the first-year claim was not the result of improvements,
34 structural replacements, or modifications to the homestead beyond
35 necessary repairs, and the owner has claimed the credit for each

1 subsequent year since the first-year claim.

2 A claimant must annually claim the credit and is limited
3 to one credit per household. The amount of the credit shall
4 be the difference between the actual amount of property taxes
5 due on the homestead during the fiscal year next following the
6 base year minus the lesser of the following: (1) the actual
7 amount of property taxes due on the homestead during the first
8 fiscal year for which the claimant filed a claim for a credit
9 calculated under the bill and for which the property taxes due
10 on the homestead were calculated on an assessed valuation that
11 was not a partial assessment and if the claimant has filed for
12 the credit calculated under the bill for each of the subsequent
13 fiscal years after the first credit claimed; (2) the actual
14 amount of property taxes due on the homestead during a fiscal
15 year following the first fiscal year for which the claimant
16 filed a claim for a credit calculated under the bill and for
17 which the property taxes due on the homestead were calculated
18 on an assessed valuation that was not a partial assessment and
19 if the claimant has filed for the credit calculated under the
20 bill for each of the subsequent fiscal years after the first
21 credit claimed; and (3) the actual amount of property taxes due
22 on the homestead during the first fiscal year for which the
23 claimant filed a claim for a credit calculated under Code section
24 425.23(1)(c)(2), Code 2026, and for which the property taxes
25 due on the homestead were calculated on an assessed valuation
26 that was not a partial assessment and if the claimant has filed
27 for the credit calculated under Code section 425.23(1)(c)(2),
28 Code 2026, or the bill for each of the subsequent fiscal years
29 after the first credit claimed. The bill makes corresponding
30 changes to various other provisions of law to reflect the changes
31 to Code chapter 425, subchapter II. The bill strikes Code
32 section 435.22(4), which establishes and appropriates money to
33 fund claims for credit for manufactured or mobile home tax due.

34 The bill requires the department of health and human services
35 to establish and administer a program for the reimbursement of

1 rent constituting property taxes paid, as defined in Code section
2 425.17(9), Code 2026, for rents paid by eligible claimants in
3 calendar years beginning on or after January 1, 2027. The
4 department shall administer the program under the provisions
5 of Code chapter 425, subchapter II, Code 2026, including
6 determinations of eligibility and calculations of reimbursement
7 amounts, as if the program under that subchapter and any rules
8 adopted to implement or administer the program were in effect.
9 The bill appropriates for fiscal years beginning on or after July
10 1, 2026, from the general fund of the state to the department of
11 health and human services, an amount necessary to establish and
12 administer the rent reimbursement program.

13 The bill directs the department of revenue to review other
14 provisions of law to determine if additional changes are
15 necessary to implement this division of the bill and, if
16 necessary, submit legislation to the ways and means committees of
17 the senate and house of representatives not later than January 1,
18 2027.

19 This division of the bill does not affect the operation of,
20 or prohibit the application of, prior provisions of the Code
21 sections amended by the division, or rules to administer such
22 prior provisions, for assessment years beginning before January
23 1, 2026, for property taxes due and payable in fiscal years
24 beginning before July 1, 2027, or for reimbursement of rent
25 constituting property taxes paid for amounts paid by the claimant
26 in calendar years beginning before January 1, 2027, including
27 appropriations made therefor.

28 This division of the bill applies retroactively to assessment
29 years beginning on or after January 1, 2026, for property taxes
30 due and payable in fiscal years beginning July 1, 2027.

31 DIVISION IV — SECURE AN ADVANCED VISION FOR EDUCATION FUND
32 — EQUITY TRANSFER PERCENTAGE. Prior to allocation of moneys
33 available in the secure an advanced vision for education fund
34 to school districts on a per-pupil basis, certain amounts are
35 calculated and allocated to other funds. Code section 423F.2

1 establishes a calculation for an equity transfer percentage that
2 is used, in part, to determine amounts distributed and credited
3 to the foundation base supplement fund and the property tax
4 equity and relief fund. For fiscal years beginning on or
5 after July 1, 2026, the bill eliminates the calculation of the
6 equity transfer percentage based on increases in the amount in
7 the secure an advanced vision for education fund and instead
8 specifies that the equity transfer percentage for the fiscal
9 year beginning July 1, 2026, is 15 percent; for the fiscal
10 year beginning July 1, 2027, is 20 percent; for the fiscal year
11 beginning July 1, 2028, is 25 percent; and for the fiscal year
12 beginning July 1, 2029, and each fiscal year thereafter, is 30
13 percent.

14 The bill provides that for amounts allocated under Code
15 section 423F.2 for fiscal years beginning on or after July 1,
16 2026, the department of management shall adjust or reconcile
17 actual amounts to be received by school districts in the fiscal
18 year immediately following the fiscal year during which the
19 revenues were collected.

20 DIVISION V — PROPERTY PARCEL INFORMATION. The bill requires
21 each county auditor to submit an annual report not later than
22 January 1 to the department of management containing parcel-level
23 property data, including parcel identification information,
24 location, size, valuation, classification, types of structures
25 and improvements, exemptions, credits, and whether the parcel
26 is subject to a division of revenue. The bill authorizes
27 the department of management to require the report to include
28 additional parcel-level data deemed necessary by the director of
29 the department of management. The bill requires the department
30 of management to prescribe the form and manner of submitting such
31 annual report.

32 DIVISION VI — URBAN RENEWAL AND URBAN REVITALIZATION. The
33 bill strikes and replaces Code section 403.2, which specifies
34 general policy of Iowa's "Urban Renewal Law" by generally stating
35 that the powers conferred by Code chapter 403 are for public uses

1 and public purposes. The bill also amends Code section 403.3
2 describing the general scope of a municipality's program under
3 Iowa's urban renewal law.

4 The bill amends the definition of "urban renewal project"
5 under current Code section 403.17(25) to apply to urban renewal
6 projects approved before the effective date of this division of
7 the bill. The bill also establishes a definition of "urban
8 renewal project" for projects approved on or after the effective
9 date of the division of the bill, which includes only the
10 following undertakings and activities: (1) acquisition of a
11 portion of a property slum area, blighted area, or economic
12 development area to be used for the installation, construction,
13 or reconstruction of utilities or streets that directly serve the
14 area if the utilities or streets are necessary for furtherance of
15 the urban renewal plan; (2) demolition and removal of buildings
16 and improvements located on the portion of such property; and (3)
17 sale of public property within the urban renewal area for uses in
18 accordance with the urban renewal plan. The bill provides that
19 moneys from any source deposited into the municipality's urban
20 renewal special fund shall not be expended for or otherwise used
21 in connection with an urban renewal project approved on or after
22 the effective date of the division of the bill that does not meet
23 the new definition of "urban renewal project".

24 The bill enacts new Code section 403.18A, which provides
25 that an ordinance providing for a division of revenue under
26 Code section 403.19 adopted before the effective date of the
27 division of the bill and that is not limited in duration
28 under Code section 403.17(10) or Code section 403.22(5) shall
29 be subject to the duration limitation established in the new
30 Code section. Such a division of revenue ordinance described
31 may continue in effect until such time that the urban renewal
32 area is dissolved by the municipality, the ordinance is repealed
33 by the municipality, or the ordinance terminates following the
34 retirement or payment of all indebtedness payable from such
35 division of revenue in existence on the effective date of

1 the division of the bill, whichever occurs first. Under new
2 Code section 403.18A, a municipality shall not incur additional
3 indebtedness payable using revenue resulting from such an
4 ordinance on or after the effective date of the division of the
5 bill. The bill prohibits such an ordinance or the applicable
6 urban renewal area from being amended to include territory that
7 is not subject to the ordinance on the effective date of the
8 division of the bill.

9 The bill amends Code section 403.19(3) to provide that costs
10 of an urban renewal project, including bonds, loans, advances,
11 or other indebtedness incurred on or after the effective date
12 of the division of the bill and payable from the municipality's
13 urban renewal special fund shall only be paid from the portion
14 of incremental taxes resulting from that portion of the urban
15 renewal area governed by the ordinance where the urban renewal
16 project is located.

17 Under the bill, an ordinance providing for a division of
18 revenue under Code section 403.19 that is adopted on or after the
19 effective date of the division of the bill shall be limited to 20
20 years from the calendar year following the calendar year in which
21 the municipality first certifies to the county auditor the amount
22 of any loans, advances, indebtedness, or bonds that qualify for
23 payment from the division of revenue.

24 As a result of the changes to a municipality's urban renewal
25 powers and the definition of urban renewal project, the bill
26 eliminates the applicability of the low and moderate income
27 housing requirements of Code section 403.22 for urban renewal
28 areas established on or after the effective date of the division
29 of the bill.

30 Code section 404.3D provides that for revitalization areas
31 established on or after July 1, 2024, and for first-year
32 exemption applications for property located in a revitalization
33 area in existence on July 1, 2024, filed on or after July 1,
34 2024, an exemption authorized under Code chapter 404 for property
35 that is residential property shall not apply to property tax

1 levies imposed by a school district. The bill amends that Code
2 section to provide that in addition to the inapplicability of the
3 exemption to school district property tax levies, for property
4 taxes due and payable in fiscal years beginning on or after July
5 1, 2027, if such a property receiving an exemption is located in
6 both a revitalization area and an urban renewal area, the school
7 district property taxes on the property shall not be subject
8 to the division of revenue under Code section 403.19 and when
9 collected shall be paid to the school district.

10 This division of the bill takes effect upon enactment.

11 DIVISION VII — ASSESSMENT FREQUENCY AND PROCEDURES. Under
12 current law, all property in an assessing jurisdiction is
13 generally reassessed to determine the property's actual value
14 every two years, unless the property is new or has been improved
15 or changed. The bill provides that beginning with the assessment
16 year 2025, property shall be reassessed every three years and
17 that the department of revenue's equalization process shall occur
18 in the assessment year immediately preceding each reassessment
19 year.

20 The bill amends Code section 441.21(3) by providing that for
21 assessment years beginning on or after January 1, 2027, if the
22 taxpayer's property has increased in actual value by 15 percent
23 or more from the immediately preceding reassessment year or the
24 most recent assessment year following such reassessment year if
25 the property was revalued or reassessed in that assessment year,
26 the assessor shall provide the taxpayer with a statement of the
27 reasons for the increase in actual value, information specifying
28 the portion of actual value increase attributable to a change in
29 classification, revaluation, new construction, improvements, or
30 renovations to the property, and all information in any formula
31 or method used to determine the actual value.

32 Under current Code section 441.21(3), the burden of proof is
33 upon any complainant attacking a property valuation as excessive,
34 inadequate, inequitable, or capricious. However, when the
35 complainant offers competent evidence that the market value of

1 the property is different than the market value determined by the
2 assessor, the burden of proof thereafter is upon the officials
3 or persons seeking to uphold such valuation to be assessed.
4 The bill modifies the burden of proof in certain circumstances.
5 For assessment years beginning on or after January 1, 2027, if
6 the taxpayer's property actual value increased by 15 percent
7 or more from the immediately preceding reassessment year or the
8 most recent assessment year following such reassessment year if
9 the property was revalued or reassessed in that assessment year,
10 including an increase as the result of an equalization order, and
11 the property did not change classification or primary use and the
12 increase in actual value is not the result of new construction,
13 improvements, or renovations to the property, the actual value
14 so determined by the assessor is not presumed to be the actual
15 value and in any protest or appeal the assessor shall have the
16 burden of proof that the valuation is not excessive, inadequate,
17 inequitable, or capricious.

18 The bill amends Code section 441.33 to provide that ex parte
19 communications with board of review members are prohibited in
20 protests before the board.

21 The bill directs the department of revenue to review
22 other provisions of law to determine if additional changes
23 are necessary to implement the change in timing of periodic
24 assessments enacted in this division of the bill and, if
25 necessary, submit legislation to the ways and means committees of
26 the senate and house of representatives not later than January 1,
27 2027.

28 DIVISION VIII — LOCAL GOVERNMENT SHARED-SERVICES GRANT
29 PROGRAM. The bill establishes a local government
30 shared-services grant fund program and fund. For purposes of the
31 program, "local government" means a county, city, township, or
32 any special-purpose district or authority. The bill appropriates
33 moneys in the fund to the economic development authority to
34 provide grants to local governments to assist in efforts to
35 consolidate government positions and pursue agreements with

1 other local governments to share services and reduce the use
2 of property tax revenues for such shared services. Grant
3 funds may be used by the local government for costs to
4 implement service-sharing or service-consolidation initiatives
5 and transitional or temporary costs of eliminating services. The
6 bill requires the economic development authority to adopt rules
7 to establish and administer the grant program to provide for
8 the allocation of moneys in the fund in the form of competitive
9 grants to local governments.

10 DIVISION IX — FIRSTMORE IOWA ACCOUNTS. The bill establishes
11 a FirstHome Iowa program, which allows citizens of the state
12 to invest money in a public trust for future application to
13 the payment of qualified homebuyer expenses. A FirstHome Iowa
14 program trust is created and the treasurer of state is the
15 trustee of the trust. The bill grants to the treasurer of state
16 all powers necessary to carry out and effectuate the purposes
17 and objectives of the trust, including the power to make and
18 enter into contracts, accept any moneys for purposes of the
19 program, carry out studies and projections to advise participants
20 regarding present and estimated future qualified homebuyer
21 expenses, procure insurance against any loss in connection with
22 the trust, enter into participation agreements with participants,
23 make payments to or on behalf of beneficiaries for qualified
24 homebuyer expenses, and invest moneys from the program fund in
25 any investments which are determined by the treasurer of state to
26 be appropriate.

27 The trust may enter into participation agreements with
28 participants on behalf of beneficiaries. The participant
29 contributes moneys into an account for a beneficiary, who is
30 an individual to benefit from advance payments of qualified
31 homebuyer expenses on behalf of the beneficiary. Moneys accrued
32 by participants in an account may be used for payments to or
33 on behalf of a beneficiary for qualified homebuyer expenses.
34 The bill defines "qualified homebuyer expenses" to mean any of
35 the following: (1) a down payment or closing costs for the

1 qualified purchase of a single-family residence in Iowa that is
2 the principal residence of the beneficiary if such beneficiary
3 is a first-time homebuyer with respect to such purchase; (2) a
4 cost, fee, tax, or payment incurred by, or charged or assigned
5 to, a beneficiary as part of the purchase; or (3) any United
6 States veterans administration funding fee incurred by the
7 beneficiary in connection with a veterans administration home
8 loan guaranty program. The bill defines "first-time homebuyer"
9 to mean an individual who is a resident of Iowa and who does
10 not own, either individually or jointly, a single-family or
11 multifamily residence, and who has not owned or purchased, either
12 individually or jointly, a single-family or multifamily residence
13 for a period of three years prior to the date of the qualified
14 purchase for which the eligible home costs are paid or reimbursed
15 from an account. Under the bill, "qualified purchase" means the
16 purchase of a single-family residence in Iowa by the account's
17 beneficiary 90 or more days after the date the participant first
18 opened the account.

19 The bill establishes an Iowa income tax deduction for the
20 participant in an agreement for amounts contributed to an account
21 by the participant during the applicable tax year, not to exceed
22 \$5,500 per beneficiary per year adjusted annually to reflect
23 increases in the consumer price index. Additionally, income from
24 interest and earnings received from the FirstHome Iowa program
25 trust created in new Code chapter 12L is deducted from income.
26 Distributions or transfers from an account are considered income
27 for Iowa income tax purposes, to the extent such amount was
28 previously deducted as a contribution to the trust, if the
29 amount is used for purposes other than the payment of qualified
30 homebuyer expenses.

31 The bill allows a beneficiary under an agreement to be
32 changed and allows agreements to be amended in order to enable
33 participants to increase or decrease the level of participation,
34 change the designation of successors, and carry out similar
35 matters as authorized by rule.

1 The bill requires the treasurer of state to segregate moneys
2 received by the trust into two funds: (1) the FirstHome
3 Iowa program fund, which includes moneys paid into accounts by
4 participants; and (2) the administrative fund to be used for
5 administration of the program, which includes administrative fees
6 collected.

7 The bill establishes procedures for the cancellation of
8 agreements or termination of the program, requirements for
9 ownership of payments made under an agreement, requirements
10 related to income derived from investments, and establishes audit
11 and reporting requirements for the program.

12 The bill amends the Iowa first-time homebuyer savings account
13 Act under Code chapter 541B to allow for the withdrawal and
14 deposit of account balances under Code chapter 541B to accounts
15 within the FirstHome Iowa program trust without penalty or
16 taxation in this state if such withdrawal is deposited in an
17 account within the FirstHome Iowa program trust within 30 days of
18 the withdrawal. The bill also authorizes the treasurer of state
19 to, by rule, provide for the direct transfer of moneys within
20 an account under Code chapter 541B to a FirstHome Iowa program
21 trust account without penalty or taxation in this state. The
22 bill prohibits new accounts under Code chapter 541B from being
23 established on or after July 1, 2026.

24 DIVISION X — PROPERTY ASSESSMENT SYSTEM TASK FORCE. By
25 January 1, 2027, the department of revenue is required to prepare
26 and submit a report, including any recommended changes, to
27 the general assembly regarding the assessment of property in
28 this state for taxation purposes, including but not limited to
29 review of all of the following: (1) assessor qualifications and
30 education; (2) assessor selection and retention; (3) functions of
31 conference boards and examining boards; (4) property assessment
32 procedures, frequency, and timelines; and (5) property tax
33 assessment protest and appeal procedures and burdens of proof.
34 The department may convene a task force of local and state
35 officials and technical experts to assist in the review of such

1 topics.

2 DIVISION XI — COUNTY OFFICERS — APPOINTMENT IN LIEU OF
3 ELECTION. Code section 39.17 provides, in part, for the
4 election of a county auditor, a county treasurer, and a county
5 recorder. This division of the bill eliminates those county
6 officers from being elected and provides that each of those
7 positions will be appointed by the county board of supervisors
8 and be subject to removal under Code section 331.321, similar to
9 other appointed county positions. The bill makes corresponding
10 changes to other provisions of law to reflect that the county
11 auditor, a county treasurer, and a county recorder will no longer
12 be elected county officials.

13 The term of office of each county auditor, county treasurer,
14 and county recorder holding such office on the effective date of
15 this division of the bill shall continue until expiration of the
16 current elective term. After expiration of such term or vacancy
17 in such office occurring prior to expiration, such office shall
18 be filled by appointment by the county board of supervisors.

19 The bill requires the secretary of state to determine if
20 additional legislative changes are necessary to implement the
21 changes in this division of the bill and, if necessary, submit
22 legislation to the local government committees of the senate and
23 house of representatives not later than January 1, 2027.