

**House File 2791 - Introduced**

HOUSE FILE 2791

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 781)

**A BILL FOR**

1 An Act permitting an exchange of the cash reserve levy for  
2 another local levy within the school budget for certain  
3 school districts to correct for an extreme circumstance and  
4 including effective date provisions.

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

1 Section 1. SCHOOL DISTRICT CASH RESERVE LEVY INCREASE —  
2 SCHOOL BUDGET YEAR 2026-2027.

3 1. For the school budget year beginning July 1, 2026, a  
4 school district for which the taxable value used to calculate  
5 school district property taxes for the school budget year  
6 beginning July 1, 2025, was reduced by one hundred million  
7 dollars or more due to a correction to the taxable value of  
8 a single property within the school district made during the  
9 school budget year beginning July 1, 2025, may increase the  
10 school district's proposed cash reserve levy under section  
11 298.10 to an amount that exceeds the limitations of section  
12 298.10, if the district complies with subsection 2.

13 2. A school district that increases its cash reserve levy  
14 pursuant to this section shall also reduce one or more other  
15 property tax levies of the school district, including the  
16 district management levy under section 298.4, by a total amount  
17 equal to or greater than the increase in the cash reserve  
18 levy so that the total property tax dollars for all property  
19 tax levies of the school district does not exceed the school  
20 district's combined amount of property tax dollars determined  
21 under section 24.2A, subsection 2, paragraph "b", subparagraph  
22 (3).

23 3. A school district that wishes to adjust its levy rates  
24 pursuant to this section shall notify the department of  
25 management in a manner prescribed by the department. Following  
26 receipt of the notice from the school district, the department  
27 of management shall adjust the school district's property tax  
28 levy rates as necessary to implement this section.

29 Sec. 2. EFFECTIVE DATE. This Act, being deemed of immediate  
30 importance, takes effect upon enactment.

31 EXPLANATION

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

34 This bill provides that for the school budget year beginning  
35 July 1, 2026, a school district for which the taxable value

1 used to calculate school district property taxes for the school  
2 budget year beginning July 1, 2025, was reduced by \$100 million  
3 or more due to a correction to the taxable value of a single  
4 property within the school district made during the school  
5 budget year beginning July 1, 2025, may increase the school  
6 district's proposed cash reserve levy under Code section 298.10  
7 to an amount that exceeds the limitations of Code section  
8 298.10 if the district reduces one or more property tax levies  
9 of the school district, including the district's management  
10 levy under Code section 298.4, by an amount equal to or greater  
11 than the amount of the increase to the cash reserve levy so  
12 that the school district still complies with the total proposed  
13 property tax dollars under Code section 24.2A.

14 A school district that wishes to adjust its levy rates  
15 pursuant to the bill shall notify the department of management  
16 in a manner prescribed by the department. The department  
17 shall adjust the school district's property tax levy rates as  
18 necessary to implement the bill.

19 The bill takes effect upon enactment.