

Senate File 2472 - Introduced

SENATE FILE 2472

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 3001)

A BILL FOR

1 An Act relating to state and local government taxes, fees,
2 financial authority, and budgets, modifying divisions
3 of revenue, modifying appropriations, and including
4 effective date, applicability, and retroactive applicability
5 provisions.

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

DIVISION I

COUNTY PROPERTY TAXES AND BUDGETS

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

4
5 (1) For each fiscal year beginning on or after July 1,
6 2024, but before July 1, ~~2028~~ 2027, subject to subparagraph
7 (3), the greater of three dollars and fifty cents per thousand
8 dollars of assessed value used to calculate taxes for general
9 county services for the budget year and the adjusted general
10 county basic levy rate, as adjusted under subparagraph (2), if
11 applicable.

12 Sec. 2. Section 331.423, subsection 1, paragraph c, Code
13 2026, is amended to read as follows:

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

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

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

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

33 NEW PARAGRAPH. *d.* (1) For each fiscal year beginning
34 on or after July 1, 2028, the levy rate imposed under this
35 subsection 1 for the current fiscal year, unless subject to

1 subparagraph (2), and for the budget year beginning July 1,
2 2028, only, not less than a levy rate per one thousand dollars
3 of assessed value that results in an amount of actual property
4 tax dollars certified for levy under this subsection 1 equal
5 to one hundred and one-half percent of the actual property tax
6 dollars certified for levy under this subsection 1 for the
7 current fiscal year.

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

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

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

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

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

34 (D) If the percentage change in the consumer price index
35 for all urban consumers is equal to or greater than eight, one

1 hundred five percent.

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

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

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

22 Sec. 5. Section 331.423, subsection 2, paragraph c, Code
23 2026, is amended to read as follows:

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

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

35 (2) A levy rate per one thousand dollars of assessed value

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

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

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

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

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

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

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

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

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

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

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

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

30 (1) New construction.

31 (2) Additions or improvements to existing structures that
32 are not normal and necessary repairs under section 441.21,
33 subsection 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 Sec. 8. EFFECTIVE DATE. This division of this Act takes
3 effect January 1, 2027.

4 Sec. 9. APPLICABILITY. This division of this Act applies
5 to property taxes and budgets for fiscal years beginning on or
6 after July 1, 2027.

7 DIVISION II

8 CITY PROPERTY TAXES AND BUDGETS

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

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

19 Sec. 11. Section 384.1, subsection 3, paragraph d, Code
20 2026, is amended to read as follows:

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

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

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

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

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

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

29 (2) (a) If the total assessed value, excluding value
30 attributable to new valuation, used to calculate taxes under
31 this subsection for the budget year is equal to or exceeds
32 one hundred two percent of the total assessed value used to
33 calculate taxes under this subsection for the current fiscal
34 year, the city's levy rate under this subsection shall not
35 exceed a levy rate per one thousand dollars of assessed value

1 that is equal to one thousand multiplied by the quotient
2 obtained by dividing the product of the budget adjustment
3 factor multiplied by the current fiscal year's actual property
4 tax dollars certified for levy under this subsection by the
5 remainder of the total assessed value used to calculate such
6 taxes for the budget year minus value attributable to new
7 valuation.

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

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

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

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

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

23 (ii) The percentage change in the consumer price index for
24 all urban consumers shall be equal to one hundred multiplied
25 by the quotient of the remainder of the published value of the
26 consumer price index for all urban consumers for the month
27 ending eight months prior to the beginning of the applicable
28 budget year minus the published value of the consumer price
29 index for all urban consumers for the month ending twenty
30 months prior to the beginning of the applicable budget year
31 divided by the published value of the consumer price index for
32 all urban consumers for the month ending twenty months prior to
33 the beginning of the applicable budget year.

34 (3) Notwithstanding other provisions of this paragraph,
35 if a city's actual levy rate for the current fiscal year is

1 zero dollars per one thousand dollars of assessed value, the
2 city's levy rate under this subsection shall not exceed a levy
3 rate per one thousand dollars of assessed value equal to one
4 thousand multiplied by the quotient of one hundred two percent
5 of the city's certified general fund budget for the current
6 fiscal year divided by the remainder of the total assessed
7 value used to calculate taxes for the budget year minus value
8 attributable to new valuation.

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

11 NEW PARAGRAPH. *c.* "New valuation" means the increase
12 from the current fiscal year to the budget year in taxable
13 valuation, as shown on the assessment roll due to the
14 following, the amount of each as reported under section 331.510
15 by the county auditor to the department of management:

16 (1) New construction.

17 (2) Additions or improvements to existing structures that
18 are not normal and necessary repairs under section 441.21,
19 subsection 8.

20 (3) Net boundary adjustments, including annexation,
21 severance, incorporation, consolidation, or discontinuance as
22 those terms are defined in section 368.1.

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

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

28 DIVISION III

29 SCHOOL TAXES AND BUDGETS

30 Sec. 16. Section 257.1, subsection 2, paragraph b, Code
31 2026, is amended to read as follows:

32 *b.* (1) (a) For the budget year commencing July 1, 1999,
33 and for each succeeding budget year beginning before July
34 1, 2022, the regular program foundation base per pupil is
35 eighty-seven and five-tenths percent of the regular program

1 state cost per pupil.

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

7 (c) For the budget year commencing July 1, 2027, and each
8 succeeding budget year, the regular program foundation base per
9 pupil is one hundred percent of the regular program state cost
10 per pupil.

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

15 (3) The combined foundation base is the sum of the regular
16 program foundation base, the special education support services
17 foundation base, the total teacher salary supplement district
18 cost, the total professional development supplement district
19 cost, the total early intervention supplement district cost,
20 the total teacher leadership supplement district cost, and the
21 total area education agency teacher salary supplement district
22 cost.

23 Sec. 17. Section 257.3, subsection 1, paragraph a, Code
24 2026, is amended to read as follows:

25 a. (1) Except as provided in subsections 2 and 3, a school
26 district shall cause to be levied each budget year beginning
27 before July 1, 2027, for the school general fund, a foundation
28 property tax equal to five dollars and forty cents per thousand
29 dollars of assessed valuation on all taxable property in the
30 district. The county auditor shall spread the foundation levy
31 over all taxable property in the district.

32 (2) Except as provided in subsections 2 and 3, a school
33 district shall cause to be levied for the budget year beginning
34 July 1, 2027, and each succeeding budget year, for the school
35 general fund, a foundation property tax equal to four dollars

1 and forty-eight and six hundred sixty-two one-thousandths cents
2 per thousand dollars of assessed valuation on all taxable
3 property in the district. The county auditor shall spread the
4 foundation levy over all taxable property in the district.

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

7 a. Notwithstanding subsection 1, a reorganized school
8 district for which the reorganization takes effect on or after
9 July 1, 2027, shall cause a foundation property tax of ~~four~~
10 three dollars and ~~forty~~ sixty-six cents per thousand dollars of
11 assessed valuation to be levied on all taxable property which,
12 in the year preceding a reorganization, was within a school
13 district affected by the reorganization as defined in section
14 275.1, or in the year preceding a dissolution was a part of a
15 school district that dissolved if the dissolution proposal has
16 been approved by the director of the department of education
17 pursuant to section 275.55.

18 b. ~~In~~ For a reorganized school district for which the
19 reorganization took effect on or after July 1, 2027, in
20 succeeding school years, the foundation property tax levy on
21 that portion shall be increased to the rate of four dollars and
22 ~~ninety seven~~ seven cents per thousand dollars of assessed valuation
23 the first succeeding year, ~~five~~ four dollars and ~~fifteen~~
24 twenty-eight cents per thousand dollars of assessed valuation
25 the second succeeding year, and ~~five~~ four dollars and ~~forty~~
26 forty-eight and six hundred sixty-two one-thousandths cents per
27 thousand dollars of assessed valuation the third succeeding
28 year and each year thereafter under subsection 1, paragraph "a".

29 Sec. 19. Section 257.4, subsection 1, paragraph b, Code
30 2026, is amended to read as follows:

31 b. For the budget year beginning July 1, 2008, and
32 succeeding budget years beginning before July 1, 2027, the
33 department of management shall annually determine an adjusted
34 additional property tax levy and a statewide maximum adjusted
35 additional property tax levy rate, not to exceed the statewide

1 average additional property tax levy rate, calculated by
2 dividing the total adjusted additional property tax levy
3 dollars statewide by the statewide total net taxable valuation.
4 For purposes of this paragraph, the adjusted additional
5 property tax levy shall be that portion of the additional
6 property tax levy corresponding to the state cost per pupil
7 multiplied by a school district's weighted enrollment, and then
8 multiplied by one hundred percent less the regular program
9 foundation base per pupil percentage pursuant to section
10 257.1, and then reduced by the amount of the property tax
11 replacement payment to be received under [section 257.16B](#) and
12 the amount of the foundation base supplement payment to be
13 received under [section 257.16D](#). The district shall receive
14 adjusted additional property tax levy aid in an amount equal
15 to the difference between the adjusted additional property
16 tax levy rate and the statewide maximum adjusted additional
17 property tax levy rate, as applied per thousand dollars of
18 assessed valuation on all taxable property in the district.
19 The statewide maximum adjusted additional property tax levy
20 rate shall be annually determined by the department taking
21 into account amounts allocated pursuant to section 257.15,
22 subsection 4, and the balance of the property tax equity and
23 relief fund created in [section 257.16A](#) at the end of the
24 calendar year.

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

27 NEW PARAGRAPH. *c.* This subsection applies to budget years
28 beginning before July 1, 2027.

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

31 2. *Property tax adjustment aid for 1992-1993 and succeeding*
32 *years beginning before 2027-2028.* For the budget year beginning
33 July 1, 1992, and succeeding budget years beginning before July
34 1, 2027, the department of education shall pay property tax
35 adjustment aid to a school district equal to the amount paid

1 to the district for the base year less an amount equal to the
2 product of the percent by which the taxable valuation in the
3 district increased, if the taxable valuation increased, from
4 January 1 of the year prior to the base year to January 1 of the
5 base year and the property tax adjustment aid. The department
6 of management shall adjust the rate of the additional property
7 tax accordingly and notify the department of education of
8 the amount of aid to be paid to each district from moneys
9 appropriated for property tax adjustment aid.

10 3. *Property tax adjustment aid appropriation.* There
11 is appropriated from the general fund of the state to the
12 department of education, for each fiscal year beginning
13 before July 1, 2027, an amount necessary to pay property
14 tax adjustment aid to school districts under [this section](#).
15 Property tax adjustment aid shall be paid to school districts
16 in the manner provided in [section 257.16](#).

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

20 (d) For the budget year beginning July 1, 2009, and
21 succeeding budget years beginning before July 1, 2027,
22 twenty-four million dollars.

23 Sec. 23. Section 257.15, subsection 4, paragraph b, Code
24 2026, is amended to read as follows:

25 ~~b. After~~ For fiscal years beginning before July 1, 2026,
26 after lowering all school district adjusted additional property
27 tax levy rates to the statewide maximum adjusted additional
28 property tax levy rate under paragraph "a", the department of
29 management shall use any remaining funds at the end of the
30 calendar year to further lower additional property taxes by
31 increasing for the budget year beginning the following July
32 1, the regular program foundation base per pupil percentage
33 under [section 257.1](#). Moneys used pursuant to this paragraph
34 shall supplant an equal amount of the appropriation made from
35 the general fund of the state pursuant to [section 257.16](#) that

1 represents the increase in state foundation aid. Any moneys
2 remaining at the conclusion of the fiscal year beginning July
3 1, 2025, shall be transferred by the department of management
4 for deposit in the general fund of the state.

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

7 2. There For each fiscal year beginning before July 1,
8 2027, there is appropriated annually all moneys in the fund to
9 the department of management for purposes of section 257.15,
10 subsection 4.

11 3. Notwithstanding [section 8.33](#), any moneys remaining in
12 the property tax equity and relief fund at the end of a fiscal
13 year shall not revert to any other fund but shall remain in the
14 property tax equity and relief fund for use as provided in this
15 section for the following fiscal year. However, at the end of
16 the fiscal year beginning July 1, 2026, any moneys remaining in
17 the property tax equity and relief fund shall be transferred
18 for deposit into either the secure an advanced vision for
19 education fund or the general fund of the state based on the
20 fund from which the moneys were received.

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

23 1. For each fiscal year beginning on or after July 1, 2023,
24 but before July 1, 2027, there is appropriated from the general
25 fund of the state to the department of education an amount
26 necessary to make all school district property tax replacement
27 payments under [this section](#), as calculated in [subsection 2](#).

28 Sec. 26. Section 257.16D, subsection 2, paragraph a, Code
29 2026, is amended to read as follows:

30 a. There For fiscal years beginning before July 1, 2027,
31 there is appropriated annually from the fund to the department
32 of management an amount necessary to make all foundation base
33 supplement payments under [this section](#). The department of
34 management shall calculate each school district's foundation
35 base supplement payment based on the distribution methodology

1 under paragraph "b".

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

4 3. Notwithstanding [section 8.33](#), any moneys remaining in
5 the foundation base supplement fund at the end of a fiscal year
6 shall not revert to any other fund but shall remain in the
7 foundation base supplement fund for use as provided in this
8 section for the following fiscal year. However, at the end of
9 the fiscal year beginning July 1, 2026, any moneys remaining in
10 the foundation base supplement fund shall be transferred for
11 deposit in the secure an advanced vision for education fund.

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

14 NEW SUBSECTION. 19. *a.* The board of directors of each
15 school district with an unexpended fund balance in the
16 district's management levy fund under section 298A.3 at the
17 conclusion of the fiscal year beginning July 1, 2025, that
18 exceeds an amount equal to the total expenditures from the
19 district's management levy fund for the fiscal year beginning
20 July 1, 2025, shall certify such unexpended fund balance and
21 expenditure amounts, including any reserved or designated
22 amounts in the fund and the purposes therefor, to the school
23 budget review committee by November 15, 2026. The committee
24 shall prescribe the form for such certifications.

25 *b.* The committee shall conduct a review of the unexpended
26 fund balances and expenditures of school district management
27 levy funds certified under paragraph "a". The committee
28 shall consult with boards of directors of school districts
29 and other relevant persons to determine the appropriateness
30 of establishing district management levy fund unexpended fund
31 balance limitations. By February 1, 2027, the committee
32 shall make recommendations to the general assembly for
33 establishing district management levy fund unexpended fund
34 balance limitations for fiscal years beginning on or after July
35 1, 2028, including recommendations for limitations based on a

1 percentage of the district's management levy fund expenditures
2 and recommendations for management levy limitations and
3 expenditure requirements for excess funds.

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

6 1. *a.* A physical plant and equipment levy of not exceeding
7 one dollar and ~~sixty-seven~~ eighteen cents per thousand dollars
8 of assessed valuation in the district is established except
9 as otherwise provided in [this subsection](#). The physical plant
10 and equipment levy consists of the regular physical plant and
11 equipment levy of not exceeding ~~thirty-three~~ twenty-four cents
12 per thousand dollars of assessed valuation in the district
13 and a voter-approved physical plant and equipment levy of
14 not exceeding ~~one dollar and thirty-four~~ ninety-four cents
15 per thousand dollars of assessed valuation in the district.
16 However, the voter-approved physical plant and equipment levy
17 may consist of a combination of a physical plant and equipment
18 property tax levy and a physical plant and equipment income
19 surtax as provided in [subsection 4](#) with the maximum amount
20 levied and imposed limited to an amount that could be raised
21 by a ~~one dollar and thirty-four~~ ninety-four cent property tax
22 levy. A voter-approved physical plant and equipment levy
23 approved prior to the effective date of this division of this
24 Act shall not exceed a rate that is seventy percent of the rate
25 approved at election.

26 *b.* For school budget years beginning on or after July 1,
27 ~~2015~~ 2027, a school district may by resolution of the board of
28 directors adopted prior to April 30 preceding the budget year
29 impose a physical plant and equipment levy at a rate in excess
30 of the levy rate limitations under paragraph "a" if the board
31 has refunded or refinanced a loan agreement entered into under
32 section 297.36 and such refunding or refinancing complies with
33 the maturity period authorized under section 297.36, subsection
34 1, paragraph "c", and results in a lower amount of interest on
35 the amount of the loan agreement. However, the rate imposed

1 by a school district under this paragraph shall not exceed the
2 rate imposed during the budget year in which the loan agreement
3 was refunded or refinanced or seventy percent of such levy
4 rate if the refunding or refinancing occurred in the budget
5 year beginning July 1, 2026. Authorization to exceed the levy
6 rate limitations of paragraph "a" shall terminate upon the
7 maturity of the loan agreement after refunding or refinancing.
8 Upon adoption of the resolution under this paragraph "b", the
9 board shall comply with the requirements of section 297.36,
10 subsection 1, paragraph "b".

11 Sec. 30. Section 298.2, subsection 2, Code 2026, is amended
12 by striking the subsection.

13 Sec. 31. Section 298.4, subsection 1, unnumbered paragraph
14 1, Code 2026, is amended to read as follows:

15 ~~The~~ Unless prohibited by subsection 1A, paragraph "a", the
16 board of directors of a school district may certify for levy by
17 April 30 of a school year, a tax on all taxable property in the
18 school district for a district management levy, subject to the
19 limitations in subsection 1A, paragraph "b". The revenue from
20 the tax levied in [this section](#) shall be placed in the district
21 management levy fund of the school district. The district
22 management levy shall be expended only for the following
23 purposes:

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

26 NEW SUBSECTION. 1A. a. (1) For the fiscal year beginning
27 July 1, 2028, if a school district's unexpended fund balance,
28 as defined in section 257.2, of the district's management levy
29 fund is equal to or exceeds one hundred eighty percent of the
30 average annual expenditures from the district's management
31 levy fund for the three consecutive fiscal years immediately
32 preceding the base year, the board of directors shall not
33 certify a levy under this section for the fiscal year.

34 (2) For the fiscal year beginning July 1, 2029, if a school
35 district's unexpended fund balance, as defined in section

1 257.2, of the district's management levy fund is equal to or
2 exceeds one hundred seventy-five percent of the average annual
3 expenditures from the district's management levy fund for the
4 three consecutive fiscal years immediately preceding the base
5 year, the board of directors shall not certify a levy under
6 this section for the fiscal year.

7 (3) For the fiscal year beginning July 1, 2030, if a school
8 district's unexpended fund balance, as defined in section
9 257.2, of the district's management levy fund is equal to or
10 exceeds one hundred seventy percent of the average annual
11 expenditures from the district's management levy fund for the
12 three consecutive fiscal years immediately preceding the base
13 year, the board of directors shall not certify a levy under
14 this section for the fiscal year.

15 (4) For the fiscal year beginning July 1, 2031, if a school
16 district's unexpended fund balance, as defined in section
17 257.2, of the district's management levy fund is equal to or
18 exceeds one hundred sixty-five percent of the average annual
19 expenditures from the district's management levy fund for the
20 three consecutive fiscal years immediately preceding the base
21 year, the board of directors shall not certify a levy under
22 this section for the fiscal year.

23 (5) For the fiscal year beginning July 1, 2032, and each
24 succeeding fiscal year, if a school district's unexpended
25 fund balance, as defined in section 257.2, of the district's
26 management levy fund is equal to or exceeds one hundred sixty
27 percent of the average annual expenditures from the district's
28 management levy fund for the three consecutive fiscal years
29 immediately preceding the base year, the board of directors
30 shall not certify a levy under this section for the fiscal
31 year.

32 *b.* (1) For the fiscal year beginning July 1, 2028, if
33 a school district is not prohibited from certifying a levy
34 pursuant to paragraph "a", the maximum amount that the board of
35 directors may certify for levy under this section shall be an

1 amount equal to the remainder of one hundred eighty percent of
2 the average annual expenditures from the district's management
3 levy fund for the three consecutive fiscal years immediately
4 preceding the base year minus the district's management levy
5 fund unexpended fund balance for the fiscal year preceding the
6 base year.

7 (2) For the fiscal year beginning July 1, 2029, if a school
8 district is not prohibited from certifying a levy pursuant to
9 paragraph "a", the maximum amount that the board of directors
10 may certify for levy under this section shall be an amount
11 equal to the remainder of one hundred seventy-five percent of
12 the average annual expenditures from the district's management
13 levy fund for the three consecutive fiscal years immediately
14 preceding the base year minus the district's management levy
15 fund unexpended fund balance for the fiscal year preceding the
16 base year.

17 (3) For the fiscal year beginning July 1, 2030, if a school
18 district is not prohibited from certifying a levy pursuant to
19 paragraph "a", the maximum amount that the board of directors
20 may certify for levy under this section shall be an amount
21 equal to the remainder of one hundred seventy percent of the
22 average annual expenditures from the district's management
23 levy fund for the three consecutive fiscal years immediately
24 preceding the base year minus the district's management levy
25 fund unexpended fund balance for the fiscal year preceding the
26 base year.

27 (4) For the fiscal year beginning July 1, 2031, if a school
28 district is not prohibited from certifying a levy pursuant to
29 paragraph "a", the maximum amount that the board of directors
30 may certify for levy under this section shall be an amount
31 equal to the remainder of one hundred sixty-five percent of
32 the average annual expenditures from the district's management
33 levy fund for the three consecutive fiscal years immediately
34 preceding the base year minus the district's management levy
35 fund unexpended fund balance for the fiscal year preceding the

1 base year.

2 (5) For the fiscal year beginning July 1, 2032, and each
3 succeeding fiscal year, if a school district is not prohibited
4 from certifying a levy pursuant to paragraph "a", the maximum
5 amount that the board of directors may certify for levy under
6 this section shall be an amount equal to the remainder of one
7 hundred sixty percent of the average annual expenditures from
8 the district's management levy fund for the three consecutive
9 fiscal years immediately preceding the base year minus the
10 district's management levy fund unexpended fund balance for the
11 fiscal year preceding the base year.

12 Sec. 33. Section 298.18, subsection 1, paragraph d, Code
13 2026, is amended to read as follows:

14 d. (1) The amount estimated and certified to apply on
15 principal and interest for any one year may exceed ~~two dollars~~
16 and ~~seventy~~ one dollar and eighty-nine cents per thousand
17 dollars of assessed value by the amount approved by the voters
18 of the school corporation, but not exceeding ~~four~~ two dollars
19 and ~~five~~ eighty-four cents per thousand dollars of the assessed
20 value of the taxable property within any school corporation,
21 provided that the registered voters of such school corporation
22 have first approved such increased amount at an election held
23 on a date specified in [section 39.2, subsection 4](#), paragraph
24 "c". Amounts approved at election before the effective date
25 of this division of this Act shall not exceed a rate that is
26 seventy percent of the rate approved at election.

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

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

35 (1) Prior to distribution of moneys in the secure an

1 advanced vision for education fund to school districts, an
2 amount equal to the equity transfer amount for the fiscal year
3 ~~minus the foundation base transfer amount for the fiscal year~~
4 shall be ~~distributed and credited to the property tax equity~~
5 ~~and relief fund created in section 257.16A, an amount equal~~
6 ~~to the foundation base transfer amount shall be distributed~~
7 ~~and credited to the foundation base supplement fund created~~
8 ~~in section 257.16D, general fund of the state to be used for~~
9 ~~foundation aid resulting from the increase in the regular~~
10 ~~program foundation base per pupil to one hundred percent of the~~
11 ~~regular program state cost per pupil and an amount equal to~~
12 the career academy transfer amount for the fiscal year shall
13 be distributed and credited to the career academy fund created
14 in section 257.51.

15 Sec. 35. Section 423F.2, subsection 3, paragraph b,
16 subparagraph (3), Code 2026, is amended by striking the
17 subparagraph.

18 Sec. 36. Section 423F.3, subsection 1, paragraph a, Code
19 2026, is amended to read as follows:

20 a. Reduction of the bond levies levy under ~~sections~~ section
21 298.18 and ~~298.18A~~ and all other debt levies.

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

24 1. The family farm tax credit fund shall be apportioned
25 each year in the manner provided in this chapter so as to give
26 a credit against the tax on each eligible tract of agricultural
27 land within the several school districts of the state in which
28 the levy for the general school fund exceeds ~~five dollars and~~
29 ~~forty cents per thousand dollars of assessed value~~ the levy
30 rate under section 257.3, subsection 1, paragraph "a". The
31 amount of the credit on each eligible tract of agricultural
32 land shall be the amount the tax levied for the general school
33 fund exceeds the amount of tax which would be levied on each
34 eligible tract of agricultural land were the levy for the
35 general school fund ~~five dollars and forty cents per thousand~~

1 ~~dollars of assessed value~~ the levy rate under section 257.3,
2 subsection 1, paragraph "a", for the previous year. However,
3 in the case of a deficiency in the family farm tax credit fund
4 to pay the credits in full, the credit on each eligible tract
5 of agricultural land in the state shall be proportionate and
6 applied as provided in [this chapter](#).

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

9 **425A.5 Computation by county auditor.**

10 The family farm tax credit allowed each year shall be
11 computed as follows: On or before April 1, the county auditor
12 shall list by school districts all tracts of agricultural
13 land which are entitled to credit, the taxable value for the
14 previous year, the budget from each school district for the
15 previous year, and the tax rate determined for the general
16 fund of the school district in the manner prescribed in
17 section 444.3 for the previous year, and if the tax rate is in
18 excess of ~~five dollars and forty cents per thousand dollars of~~
19 ~~assessed value~~ the levy rate under section 257.3, subsection
20 1, paragraph "a", the auditor shall multiply the tax levy which
21 is in excess of ~~five dollars and forty cents per thousand~~
22 ~~dollars of assessed value~~ the levy rate under section 257.3,
23 subsection 1, paragraph "a", by the total taxable value of the
24 agricultural land entitled to credit in the school district,
25 and on or before April 1, certify the total amount of credit
26 and the total number of acres entitled to the credit to the
27 department of revenue.

28 Sec. 39. Section 426.3, Code 2026, is amended to read as
29 follows:

30 **426.3 Where credit given.**

31 The agricultural land credit fund shall be apportioned each
32 year in the manner hereinafter provided so as to give a credit
33 against the tax on each tract of agricultural lands within the
34 several school districts of the state in which the levy for
35 the general school fund exceeds ~~five dollars and forty cents~~

1 ~~per thousand dollars of assessed value~~ the levy rate under
2 section 257.3, subsection 1, paragraph "a"; the amount of such
3 credit on each tract of such lands shall be the amount the tax
4 levied for the general school fund exceeds the amount of tax
5 which would be levied on said tract of such lands were the
6 levy for the general school fund ~~five dollars and forty cents~~
7 ~~per thousand dollars of assessed value~~ the levy rate under
8 section 257.3, subsection 1, paragraph "a", for the previous
9 year, except in the case of a deficiency in the agricultural
10 land credit fund to pay said credits in full, in which case the
11 credit on each eligible tract of such lands in the state shall
12 be proportionate and shall be applied as hereinafter provided.

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

15 1. The agricultural land tax credit allowed each year
16 shall be computed as follows: On or before April 1, the
17 county auditor shall list by school districts all tracts of
18 agricultural lands which are entitled to credit, together with
19 the taxable value for the previous year, together with the
20 budget from each school district for the previous year, and the
21 tax rate determined for the general fund of the district in
22 the manner prescribed in [section 444.3](#) for the previous year,
23 and if such tax rate is in excess of ~~five dollars and forty~~
24 ~~cents per thousand dollars of assessed value~~ the levy rate
25 under section 257.3, subsection 1, paragraph "a", the auditor
26 shall multiply the tax levy which is in excess of ~~five dollars~~
27 ~~and forty cents per thousand dollars of assessed value~~ the
28 levy rate under section 257.3, subsection 1, paragraph "a", by
29 the total taxable value of the agricultural lands entitled to
30 credit in the district, and on or before April 1, certify the
31 amount to the department of revenue.

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

33 Sec. 42. ADJUSTMENT OF CALCULATIONS. For property tax
34 credits under chapters 425A and 426 for property taxes due and
35 payable in the fiscal year beginning July 1, 2027, the tax rate

1 determined for the general fund of the school district in the
2 manner prescribed in section 444.3 for the previous year shall
3 be determined using the appropriate property tax levy rate
4 under section 257.3, as amended in this division of this Act.

5 Sec. 43. EFFECTIVE DATE. Except for the section of this
6 division of this Act amending section 257.31, this division of
7 this Act takes effect January 1, 2027.

8 Sec. 44. APPLICABILITY. Except for the section of this
9 division of this Act amending section 257.31, this division
10 of this Act applies to fiscal years and school budget years
11 beginning on or after July 1, 2027.

12 DIVISION IV

13 PROPERTY CLASSIFICATIONS, VALUATIONS, AND ASSESSMENT
14 LIMITATIONS

15 Sec. 45. Section 386.8, Code 2026, is amended to read as
16 follows:

17 **386.8 Operation tax.**

18 A city may establish a self-supported improvement district
19 operation fund, and may certify taxes not to exceed the
20 rate limitation as established in the ordinance creating the
21 district, or any amendment thereto, each year to be levied
22 for the fund against all of the property in the district,
23 for the purpose of paying the administrative expenses of
24 the district, which may include but are not limited to
25 administrative personnel salaries, a separate administrative
26 office, planning costs including consultation fees, engineering
27 fees, architectural fees, and legal fees and all other expenses
28 reasonably associated with the administration of the district
29 and the fulfilling of the purposes of the district. The taxes
30 levied for this fund may also be used for the purpose of paying
31 maintenance expenses of improvements or self-liquidating
32 improvements for a specified length of time with one or more
33 options to renew if such is clearly stated in the petition
34 which requests the council to authorize construction of the
35 improvement or self-liquidating improvement, whether or not

1 such petition is combined with the petition requesting creation
2 of a district. Parcels of property which are assessed as
3 residential property for property tax purposes are exempt from
4 the tax levied under [this section](#) except residential properties
5 within a duly designated historic district or property
6 classified as ~~residential~~ multiresidential property under
7 section 441.21, subsection ~~14~~ 13, paragraph "a", subparagraph
8 ~~(6)~~ (5). A tax levied under [this section](#) is not subject to the
9 levy limitation in [section 384.1](#).

10 Sec. 46. Section 386.9, Code 2026, is amended to read as
11 follows:

12 **386.9 Capital improvement tax.**

13 A city may establish a capital improvement fund for a
14 district and may certify taxes, not to exceed the rate
15 established by the ordinance creating the district, or any
16 subsequent amendment thereto, each year to be levied for
17 the fund against all of the property in the district, for
18 the purpose of accumulating moneys for the financing or
19 payment of a part or all of the costs of any improvement or
20 self-liquidating improvement. However, parcels of property
21 which are assessed as residential property for property tax
22 purposes are exempt from the tax levied under [this section](#)
23 except residential properties within a duly designated historic
24 district or property classified as ~~residential~~ multiresidential
25 property under [section 441.21, subsection 14 13](#), paragraph "a",
26 subparagraph ~~(6)~~ (5). A tax levied under [this section](#) is not
27 subject to the levy limitations in [section 384.1](#) or [384.7](#).

28 Sec. 47. Section 386.10, Code 2026, is amended to read as
29 follows:

30 **386.10 Debt service tax.**

31 A city shall establish a self-supported municipal
32 improvement district debt service fund whenever any
33 self-supported municipal improvement district bonds are issued
34 and outstanding, other than revenue bonds, and shall certify
35 taxes to be levied against all of the property in the district

1 for the debt service fund in the amount necessary to pay
2 interest as it becomes due and the amount necessary to pay,
3 or to create a sinking fund to pay, the principal at maturity
4 of all self-supported municipal improvement district bonds as
5 authorized in [section 386.11](#), issued by the city. However,
6 parcels of property which are assessed as residential property
7 for property tax purposes at the time of the issuance of the
8 bonds are exempt from the tax levied under [this section](#) until
9 the parcels are no longer assessed as residential property
10 or until the residential properties are designated as a part
11 of a historic district or property classified as ~~residential~~
12 multiresidential property under section 441.21, subsection ~~14~~
13 13, paragraph "a", subparagraph ~~(6)~~ (5).

14 Sec. 48. Section 404.2, subsection 2, paragraph f, Code
15 2026, is amended to read as follows:

16 *f.* A statement specifying whether the revitalization is
17 applicable to none, some, or all of the property assessed as
18 residential, multiresidential, agricultural, commercial, or
19 industrial property within the designated area or a combination
20 thereof and whether the revitalization is for rehabilitation
21 and additions to existing buildings or new construction or
22 both. If revitalization is made applicable only to some
23 property within an assessment classification, the definition of
24 that subset of eligible property must be by uniform criteria
25 which further some planning objective identified in the plan.
26 The city shall state how long it is estimated that the area
27 shall remain a designated revitalization area which time
28 shall be longer than one year from the date of designation
29 and shall state any plan by the city to issue revenue bonds
30 for revitalization projects within the area. For a county,
31 a revitalization area shall include only property which
32 will be used as industrial property, commercial property,
33 multiresidential property, or residential property. However, a
34 county shall not provide a tax exemption under [this chapter](#) to
35 commercial property, multiresidential property, or residential

1 property which is located within the limits of a city.

2 Sec. 49. Section 404.3, subsection 4, paragraph a, Code
3 2026, is amended by striking the paragraph and inserting in
4 lieu thereof the following:

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

9 (1) Residential property.

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

14 (3) Multiresidential property if the multiresidential
15 property consists of three or more separate living quarters
16 with at least seventy-five percent of the space used for
17 residential purposes.

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

20 **404.3A Residential development area exemption.**

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

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

32 **404.3D Exemptions for residential and multiresidential**
33 **property.**

34 For revitalization areas established under [this chapter](#)
35 on or after July 1, 2024, and for first-year exemption

1 applications for property located in a revitalization area in
2 existence on July 1, 2024, filed on or after July 1, 2024, an
3 exemption authorized under [this chapter](#) for property that is
4 residential property or multiresidential property shall not
5 apply to property tax levies imposed by a school district.

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

8 (1) The actual value of all property subject to assessment
9 and taxation shall be the fair and reasonable market value of
10 such property except as otherwise provided in [this section](#).

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

30 Sec. 53. Section 441.21, subsection 1, paragraph e, Code
31 2026, is amended to read as follows:

32 e. The actual value of agricultural property shall be
33 determined on the basis of productivity and net earning
34 capacity of the property determined on the basis of its use for
35 agricultural purposes capitalized at a rate of seven percent

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

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

23 2. In the event market value of the property being assessed
24 cannot be readily established in the foregoing manner, then
25 the assessor may determine the value of the property using the
26 other uniform and recognized appraisal methods including its
27 productive and earning capacity, if any, industrial conditions,
28 its cost, physical and functional depreciation and obsolescence
29 and replacement cost, and all other factors which would assist
30 in determining the fair and reasonable market value of the
31 property but the actual value shall not be determined by use
32 of only one such factor. The following shall not be taken into
33 consideration: Special value or use value of the property to
34 its present owner, and the goodwill or value of a business
35 which uses the property as distinguished from the value of

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

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

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

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

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

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

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

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

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

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

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

1 ~~subsection shall be four percent.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 ~~thereafter, the percentage of actual value at which property~~
2 ~~valued by the department of revenue pursuant to chapter 437~~
3 ~~shall be assessed shall be calculated in accordance with the~~
4 ~~methods provided herein, except that any references to ten~~
5 ~~percent in [this subsection](#) shall be eight percent.~~

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

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

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

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

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

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

1 ~~b. For valuations established on or after January 1, 2013,~~
2 ~~commercial~~ Commercial property, excluding properties referred
3 to in section 427A.1, subsection 9, shall be assessed at a
4 portion of its actual value, as determined in this paragraph
5 "b".

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

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

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

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

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

34 ~~c. For valuations established on or after January 1, 2013,~~
35 ~~industrial~~ Industrial property, excluding properties referred

1 to in [section 427A.1, subsection 9](#), shall be assessed at a
2 portion of its actual value, as determined in this paragraph
3 "c".

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

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

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

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

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

32 *d.* For valuations established for the assessment year
33 beginning January 1, 2019, and each assessment year thereafter
34 beginning before January 1, 2026, the percentages or portions
35 of actual value at which property is assessed, as determined

1 under this subsection, shall not be applied to the value of
2 wind energy conversion property valued under section 427B.26
3 the construction of which is approved by the Iowa utilities
4 commission on or after July 1, 2018.

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

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

30 (3) On or before July 1 of each applicable fiscal year, the
31 assessor shall report to the county auditor that portion of the
32 total actual value of all commercial property and industrial
33 property in the county that is subject to the assessment
34 limitations imposed under paragraph "b", subparagraph (2),
35 subparagraph division (a), Code 2026, and paragraph "c",

1 subparagraph (2), subparagraph division (a), Code 2026, for the
2 assessment year used to calculate the taxes due and payable in
3 that fiscal year.

4 (4) On or before September 1 of each applicable fiscal year,
5 the county auditor shall prepare a statement, based on the
6 report received in subparagraph (3) and information transmitted
7 to the county auditor under chapter 434, listing for each
8 taxing district in the county:

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

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

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

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

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

1 paid.

2 *f.* For the purposes of [this subsection](#), unless the context
3 otherwise requires:

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

5 (a) Parcels that share a common boundary.

6 (b) Parcels within the same building or structure
7 regardless of whether the parcels share a common boundary.

8 (c) Permanent improvements to the land that are situated
9 on one or more parcels of land that are assessed and taxed
10 separately from the permanent improvements if the parcels of
11 land upon which the permanent improvements are situated share
12 a common boundary.

13 (2) "*Parcel*" means the same as defined in [section 445.1](#).

14 "*Parcel*" also means that portion of a parcel assigned a
15 classification of commercial property or industrial property
16 pursuant to ~~section 441.21~~, subsection 14, paragraph "*b*", Code
17 2026.

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

22 Sec. 56. Section 441.21, subsection 8, paragraph b, Code
23 2026, is amended to read as follows:

24 *b.* Notwithstanding paragraph "*a*", any construction or
25 installation of a solar energy system on property classified
26 as agricultural, residential, multiresidential, commercial, or
27 industrial property shall not increase the actual, assessed,
28 and taxable values of the property for five full assessment
29 years.

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

32 9. Not later than November 1, ~~1979~~ 2026, and November
33 1 of each subsequent year, the director shall certify to
34 the county auditor of each county the percentages of actual
35 value at which ~~residential property, agricultural property,~~

1 ~~commercial property, industrial property, property valued by~~
2 ~~the department of revenue pursuant to chapters 428 and 438,~~
3 ~~property valued by the department of revenue pursuant to~~
4 ~~chapter 434, and property valued by the department of revenue~~
5 ~~pursuant to chapter 437 in each assessing jurisdiction in~~
6 ~~the county each classification of property shall be assessed~~
7 ~~for taxation, including for assessment years beginning on~~
8 ~~or after January 1, 2022, the percentages used to apply the~~
9 ~~assessment limitations under subsection 5, paragraphs "b"~~
10 ~~and "c". The county auditor shall proceed to determine the~~
11 ~~assessed values of agricultural property, residential property,~~
12 ~~commercial property, industrial property, property valued by~~
13 ~~the department of revenue pursuant to chapters 428 and 438,~~
14 ~~property valued by the department of revenue pursuant to~~
15 ~~chapter 434, and property valued by the department of revenue~~
16 ~~pursuant to chapter 437 by applying such percentages to the~~
17 ~~current actual value of such property, as reported to the~~
18 ~~county auditor by the assessor, and the assessed values so~~
19 ~~determined shall be the taxable values of such properties upon~~
20 ~~which the levy shall be made.~~

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

34 Sec. 58. Section 441.21, subsection 13, paragraph a,
35 unnumbered paragraph 1, Code 2026, is amended to read as

1 follows:

2 Beginning with valuations established on or after January
3 1, ~~2016~~ 2027, ~~but before January 1, 2022~~, all of the following
4 shall be valued as a separate class of property known as
5 multiresidential property and, excluding properties referred
6 to in [section 427A.1, subsection 9](#), shall be assessed at
7 a percentage of its actual value, as determined in this
8 subsection:

9 Sec. 59. Section 441.21, subsection 13, paragraph b, Code
10 2026, is amended by striking the paragraph and inserting in
11 lieu thereof the following:

12 *b.* (1) For valuations established for the assessment year
13 beginning January 1, 2027, the percentage of actual value as
14 equalized by the department of revenue as provided in section
15 441.49 at which multiresidential property shall be assessed
16 shall be seventy-two and one-half percent.

17 (2) For valuations established for the assessment year
18 beginning January 1, 2028, the percentage of actual value as
19 equalized by the department of revenue as provided in section
20 441.49 at which multiresidential property shall be assessed
21 shall be seventy-five and one-fourth percent.

22 (3) For valuations established for the assessment year
23 beginning January 1, 2029, the percentage of actual value as
24 equalized by the department of revenue as provided in section
25 441.49 at which multiresidential property shall be assessed
26 shall be seventy-eight percent.

27 (4) For valuations established for the assessment year
28 beginning January 1, 2030, the percentage of actual value as
29 equalized by the department of revenue as provided in section
30 441.49 at which multiresidential property shall be assessed
31 shall be eighty and three-fourths percent.

32 (5) For valuations established for the assessment year
33 beginning January 1, 2031, the percentage of actual value as
34 equalized by the department of revenue as provided in section
35 441.49 at which multiresidential property shall be assessed

1 shall be eighty-three and one-half percent.

2 (6) For valuations established for the assessment year
3 beginning January 1, 2032, the percentage of actual value as
4 equalized by the department of revenue as provided in section
5 441.49 at which multiresidential property shall be assessed
6 shall be eighty-six and one-fourth percent.

7 (7) For valuations established for the assessment year
8 beginning January 1, 2033, the percentage of actual value as
9 equalized by the department of revenue as provided in section
10 441.49 at which multiresidential property shall be assessed
11 shall be eighty-nine percent.

12 (8) For valuations established for the assessment year
13 beginning January 1, 2034, the percentage of actual value as
14 equalized by the department of revenue as provided in section
15 441.49 at which multiresidential property shall be assessed
16 shall be ninety-one and three-fourths percent.

17 (9) For valuations established for the assessment year
18 beginning January 1, 2035, the percentage of actual value as
19 equalized by the department of revenue as provided in section
20 441.49 at which multiresidential property shall be assessed
21 shall be ninety-four and one-half percent.

22 (10) For valuations established for the assessment year
23 beginning January 1, 2036, the percentage of actual value as
24 equalized by the department of revenue as provided in section
25 441.49 at which multiresidential property shall be assessed
26 shall be ninety-seven and one-fourth percent.

27 (11) For valuations established for the assessment
28 year beginning January 1, 2037, and each assessment year
29 thereafter, the percentage of actual value as equalized by
30 the department of revenue as provided in section 441.49 at
31 which multiresidential property shall be assessed shall be one
32 hundred percent.

33 Sec. 60. Section 441.21, subsection 13, paragraph c, Code
34 2026, is amended to read as follows:

35 c. Beginning with valuations established on or after

1 January 1, ~~2016~~ 2027, ~~but before January 1, 2022~~, for parcels
2 for which a portion of the parcel satisfies the requirements
3 for classification as multiresidential property pursuant to
4 paragraph "a", subparagraph (5) or (6), the assessor shall
5 assign to that portion of the parcel the classification
6 of multiresidential property and to such other portions of
7 the parcel the property classification for which such other
8 portions qualify.

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

11 NEW PARAGRAPH. *f.* For purposes of equalization under
12 sections 441.47 through 441.49, multiresidential property shall
13 be considered residential property.

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

16 14. ~~a.~~ Beginning with valuations established on or after
17 January 1, ~~2022~~ 2027, ~~all of the following property primarily~~
18 used or intended for human habitation containing two or fewer
19 dwelling units shall be classified and valued as residential
20 property.

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

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

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

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

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

27 ~~(6) A parcel primarily used or intended for human habitation~~
28 ~~containing three or more separate dwelling units. If a~~
29 ~~portion of such a parcel is used or intended for a purpose~~
30 ~~that, if the primary use, would be classified as commercial~~
31 ~~property or industrial property, each such portion, including~~
32 ~~a proportionate share of the land included in the parcel, if~~
33 ~~applicable, shall be assigned the appropriate classification~~
34 ~~pursuant to paragraph "b".~~

35 ~~(7) For a parcel that is primarily used or intended for use~~

1 ~~as commercial property or industrial property, that portion~~
2 ~~of the parcel that is used or intended for human habitation,~~
3 ~~regardless of the number of dwelling units contained on the~~
4 ~~parcel, including a proportionate share of the land included~~
5 ~~in the parcel, if applicable. The portion of such a parcel~~
6 ~~used or intended for use as commercial property or industrial~~
7 ~~property, including a proportionate share of the land included~~
8 ~~in the parcel, if applicable, shall be assigned the appropriate~~
9 ~~classification pursuant to paragraph "b".~~

10 ~~b. Beginning with valuations established on or after~~
11 ~~January 1, 2022, for parcels for which a portion of the parcel~~
12 ~~satisfies the requirements for classification as residential~~
13 ~~property pursuant to paragraph "a", subparagraph (6) or (7),~~
14 ~~the assessor shall assign to that portion of the parcel the~~
15 ~~classification of residential property and to such other~~
16 ~~portions of the parcel the property classification for which~~
17 ~~such other portions qualify.~~

18 ~~c. Property that is rented or leased to low-income~~
19 ~~individuals and families as authorized by section 42 of the~~
20 ~~Internal Revenue Code, and that has not been withdrawn from~~
21 ~~section 42 assessment procedures under subsection 2 of this~~
22 ~~section, or a hotel, motel, inn, or other building where rooms~~
23 ~~or dwelling units are usually rented for less than one month~~
24 ~~shall not be classified as residential property under this~~
25 ~~subsection.~~

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

27 ~~(1) "Assisted living facility" means property for providing~~
28 ~~assisted living as defined in section 231C.2. "Assisted living~~
29 ~~facility" also includes a health care facility, as defined in~~
30 ~~section 135C.1, an elder group home, as defined in section~~
31 ~~231B.1, a child foster care facility under chapter 237, or~~
32 ~~property used for a hospice program as defined in section~~
33 ~~135J.1.~~

34 ~~(2) "Dwelling unit" means an apartment, group of rooms,~~
35 ~~or single room which is occupied as separate living quarters~~

1 ~~or, if vacant, is intended for occupancy as separate living~~
2 ~~quarters, in which a tenant can live and sleep separately from~~
3 ~~any other persons in the building.~~

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

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

8 ~~(5) "Mobile home park" means the same as defined in section~~
9 ~~435.1.~~

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

12 NEW SUBSECTION. 4A. For the purposes of this section,
13 "*residential property*" includes multiresidential property.

14 Sec. 64. SAVINGS PROVISION. This division of this Act,
15 pursuant to section 4.13, does not affect the operation of,
16 or prohibit the application of, prior provisions of section
17 441.21, or rules adopted under chapter 17A to administer prior
18 provisions of section 441.21, for assessment years beginning
19 before January 1, 2026, or for duties, powers, protests,
20 appeals, proceedings, actions, or remedies attributable to an
21 assessment year beginning before January 1, 2026, including
22 property taxes due and payable in a fiscal year as the result
23 of an assessment year beginning before January 1, 2026.

24 Sec. 65. EFFECTIVE DATE. The following take effect January
25 1, 2027:

26 1. The section of this division of this Act amending section
27 386.8.

28 2. The section of this division of this Act amending section
29 386.9.

30 3. The section of this division of this Act amending section
31 386.10.

32 4. The section of this division of this Act amending section
33 404.2, subsection 2, paragraph "f".

34 5. The section of this division of this Act amending section
35 404.3, subsection 4, paragraph "a".

1 6. The section of this division of this Act amending section
2 404.3A.

3 7. The section of this division of this Act amending section
4 404.3D.

5 8. The section of this division of this Act amending section
6 441.21, subsection 2.

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

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

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

13 12. The section of this division of this Act amending
14 section 558.46.

15 Sec. 66. RETROACTIVE APPLICABILITY. Except as otherwise
16 provided in this division of this Act, this division of this
17 Act applies retroactively to assessment years beginning on or
18 after January 1, 2026.

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

21 1. The section of this division of this Act amending section
22 386.8.

23 2. The section of this division of this Act amending section
24 386.9.

25 3. The section of this division of this Act amending section
26 386.10.

27 4. The section of this division of this Act amending section
28 404.2, subsection 2, paragraph "f".

29 5. The section of this division of this Act amending section
30 404.3, subsection 4, paragraph "a".

31 6. The section of this division of this Act amending section
32 404.3A.

33 7. The section of this division of this Act amending section
34 404.3D.

35 8. The section of this division of this Act amending section

1 441.21, subsection 2.

2 9. The section of this division of this Act amending section
3 441.21, subsection 8, paragraph "b".

4 10. The sections of this division of this Act amending
5 section 441.21, subsection 13.

6 11. The section of this division of this Act amending
7 section 441.21, subsection 14.

8 12. The section of this division of this Act amending
9 section 558.46.

10

DIVISION V

11

DISABLED VETERAN AND HOMESTEAD CREDITS AND EXEMPTIONS

12

Sec. 68. Section 25B.7, subsection 2, paragraph a, Code
13 2026, is amended to read as follows:

14

a. Homestead tax credit pursuant to [section 425.1](#), and
15 [sections 425.2 through 425.13](#), ~~and [section 425.15](#)~~.

16

Sec. 69. Section 425.1, subsection 2, Code 2026, is amended
17 by striking the subsection and inserting in lieu thereof the
18 following:

19

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

23

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

27

(a) A veteran of any of the military forces of the United
28 States who acquired the homestead under 38 U.S.C. §21.801,
29 21.802 prior to August 6, 1991, or under 38 U.S.C. §2101, 2102.

30

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

1 of veterans affairs.

2 (c) A former member of the national guard of any state
3 who otherwise meets the service requirements of section 35.1,
4 subsection 2, paragraph "b", subparagraph (2) or (7), with a
5 permanent service-connected disability rating of one hundred
6 percent, as certified by the United States department of
7 veterans affairs, or a permanent and total disability rating
8 based on individual unemployability that is compensated at the
9 one hundred percent disability rate, as certified by the United
10 States department of veterans affairs.

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

15 (2) (a) For an owner described in subparagraph (1),
16 subparagraph division (a), (b), or (c), the credit allowed
17 shall be continued to the estate of an owner who is deceased
18 or the surviving spouse and any child, as defined in section
19 234.1, who are the beneficiaries of a deceased owner, so long
20 as the surviving spouse remains unmarried.

21 (b) An individual described in subparagraph (1),
22 subparagraph division (d), is no longer eligible for the credit
23 upon termination of dependency and indemnity compensation under
24 38 U.S.C. §1301 et seq.

25 (3) An owner or a beneficiary of an owner who elects to
26 secure the credit provided in this paragraph is not eligible
27 for the credit provided in paragraph "c" or any other real
28 property tax credit or exemption provided by law for veterans
29 of military service.

30 (4) If an owner acquires a different homestead, the
31 credit allowed under this paragraph may be claimed on the new
32 homestead unless the owner fails to meet the other requirements
33 of this paragraph.

34 (5) (a) Except as provided in subparagraph division (b),
35 the list of the names and addresses of individuals allowed

1 a credit under this paragraph and maintained by the county
2 recorder, county treasurer, county assessor, city assessor, or
3 other government body is confidential information and shall
4 not be disseminated to any person unless otherwise ordered by
5 a court or released by the lawful custodian of the records
6 pursuant to state or federal law. The county recorder, county
7 treasurer, county assessor, city assessor, or other government
8 body responsible for maintaining the names and addresses
9 of individuals allowed a credit under this paragraph may
10 display such credit on individual paper records and individual
11 electronic records, including display on an internet site.

12 (b) Upon request, a county recorder, county assessor, city
13 assessor, or other entity may share information as described in
14 subparagraph division (a) to a county veterans service officer
15 for purposes of providing information on benefits and services
16 available to veterans and their families.

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

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

27 (7) For purposes of this paragraph, "*permanent and total*
28 *disability rating based on individual unemployability*" means
29 a condition under which a person has either a permanent
30 service-connected disability rating of sixty percent or two or
31 more permanent service-connected disability conditions in which
32 one of the conditions has at least a forty percent rating and
33 the combined rating for all the conditions is at least seventy
34 percent, and the person has an administrative adjustment added
35 to the service-connected disability rating, due to individual

1 unemployability, such that the United States department of
2 veterans affairs rates the veteran permanently and totally
3 disabled for purposes of disability compensation.

4 c. (1) For assessment years beginning prior to January
5 1, 2026, unless eligible under section 425.15, Code 2026, an
6 amount equal to the actual levy on the first four thousand
7 eight hundred fifty dollars of actual value for each homestead.

8 (2) For the assessment year beginning January 1, 2026,
9 and each assessment year thereafter, unless eligible under
10 paragraph "b", zero.

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

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

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

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

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

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

33 b. For the assessment year beginning January 1, 2027, an
34 exemption from taxation of twenty-seven and one-half percent
35 of taxable value, not to exceed an exemption of one hundred

1 ninety-two thousand five hundred dollars in taxable value,
2 shall be allowed on each eligible homestead.

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

7 *d.* For the assessment year beginning January 1, 2029, an
8 exemption from taxation of thirty-two and one-half percent
9 of taxable value, not to exceed an exemption of two hundred
10 twenty-seven thousand five hundred dollars in taxable value,
11 shall be allowed on each eligible homestead.

12 *e.* For the assessment year beginning January 1, 2030, an
13 exemption from taxation of thirty-five percent of taxable
14 value, not to exceed an exemption of two hundred forty-five
15 thousand dollars in taxable value, shall be allowed on each
16 eligible homestead.

17 *f.* For the assessment year beginning January 1, 2031, an
18 exemption from taxation of thirty-seven and one-half percent
19 of taxable value, not to exceed an exemption of two hundred
20 sixty-two thousand five hundred dollars in taxable value, shall
21 be allowed on each eligible homestead.

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

26 *h.* For the assessment year beginning January 1, 2033, an
27 exemption from taxation of forty-two and one-half percent
28 of taxable value, not to exceed an exemption of two hundred
29 ninety-seven thousand five hundred dollars in taxable value,
30 shall be allowed on each eligible homestead.

31 *i.* For the assessment year beginning January 1, 2034, an
32 exemption from taxation of forty-five percent of taxable value,
33 not to exceed an exemption of three hundred fifteen thousand
34 dollars in taxable value, shall be allowed on each eligible
35 homestead.

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

6 *k.* (1) Except as provided in subparagraph (2), for each
7 assessment year beginning on or after January 1, 2036, an
8 exemption from taxation of fifty percent of taxable value, not
9 to exceed an exemption of three hundred fifty thousand dollars
10 in taxable value, shall be allowed on each eligible homestead.

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

16 (b) For an owner that has attained the age of seventy years
17 but has not yet attained the age of eighty by January 1 of the
18 assessment year, the amount of the exemption shall be seventy
19 percent of taxable value, not to exceed an exemption of three
20 hundred fifty thousand dollars in taxable value.

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

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

31 (e) For an owner that has attained the age of one hundred
32 years by January 1 of the assessment year, the amount of the
33 exemption shall be one hundred percent of taxable value, not
34 to exceed an exemption of three hundred fifty thousand dollars
35 in taxable value.

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

2 (1) "*Mortgage*" means the same as defined in section
3 554.9102.

4 (2) "*Unencumbered homestead*" means a homestead as defined in
5 section 425.11, but excluding appurtenances and that portion of
6 the land upon which the dwelling house is situated that exceeds
7 one-half acre, owned by an individual that has attained the age
8 of sixty-five years by January 1 of the applicable assessment
9 year and for which no mortgage or other indebtedness or account
10 secured by an interest in the homestead exists on January 1 of
11 the assessment year.

12 b. (1) For the assessment year beginning January 1, 2026,
13 if the homestead is an unencumbered homestead, an exemption
14 from taxation of twenty-five percent of the taxable value
15 following application of the exemption under subsection 1A, but
16 before the exemption under subsection 1, if applicable.

17 (2) For the assessment year beginning January 1, 2027,
18 if the homestead is an unencumbered homestead, an exemption
19 from taxation of fifty percent of the taxable value following
20 application of the exemption under subsection 1A, but before
21 the exemption under subsection 1, if applicable.

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

27 (4) For each assessment year beginning on or after January
28 1, 2029, if the homestead is an unencumbered homestead, an
29 exemption from taxation of one hundred percent of the taxable
30 value following application of the exemption under subsection
31 1A, but before the exemption under subsection 1, if applicable.

32 c. The exemption under this subsection shall not apply
33 to voter-approved levies or property tax levies, or portions
34 thereof, that are for the payment of voter-approved bonds
35 or other voter-approved indebtedness. For purposes of this

1 subsection, "voter-approved levy" means a levy under chapter
2 28E, subchapter II, section 260C.22, section 260C.28, chapter
3 300, section 384.7, chapter 386, section 422D.5, and the
4 voter-approved physical plant and equipment levy under section
5 298.2.

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

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

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

12 1. A person who wishes to qualify for the homestead credit
13 or exemptions allowed under this subchapter shall obtain the
14 appropriate forms for filing ~~for the credit~~ from the assessor.
15 The forms shall include the ability to claim the credit under
16 section 425.1 and the exemptions under section 425.1A.
17 However, a separate form shall be required for claiming a
18 credit under section 425.1, subsection 2, paragraph "b". The
19 person claiming the credit or exemption shall file a verified
20 statement and designation of homestead with the assessor for
21 the year for which the person is first claiming the credit
22 or exemption. The claim shall be filed not later than July
23 1 of the year for which the person is claiming the credit or
24 exemption. A claim filed after July 1 of the year for which the
25 person is claiming the credit or exemption shall be considered
26 as a claim filed for the following year.

27 2. Upon the filing and allowance of the claim, the claim
28 shall be allowed on that homestead for successive years without
29 further filing as long as the property is legally or equitably
30 owned and used as a homestead by that person or that person's
31 spouse on July 1 of each of those successive years, and the
32 owner of the property being claimed as a homestead declares
33 residency in Iowa for purposes of income taxation, and the
34 property is occupied by that person or that person's spouse
35 for at least six months in each of those calendar years in

1 which the fiscal year begins. When the property is sold or
2 transferred, the buyer or transferee who wishes to qualify
3 shall refile for the credit or exemption. However, when the
4 property is transferred as part of a distribution made pursuant
5 to [chapter 598](#), the transferee who is the spouse retaining
6 ownership of the property is not required to refile for the
7 credit or exemption. Property divided pursuant to [chapter 598](#)
8 shall not be modified following the division of the property.
9 An owner who ceases to use a property for a homestead or
10 intends not to use it as a homestead for at least six months in
11 a calendar year shall provide written notice to the assessor
12 by July 1 following the date on which the use is changed. A
13 person who sells or transfers a homestead or the personal
14 representative of a deceased person who had a homestead at the
15 time of death, shall provide written notice to the assessor
16 that the property is no longer the homestead of the former
17 claimant.

18 Sec. 74. Section 425.2, subsection 4, Code 2026, is amended
19 by striking the subsection.

20 Sec. 75. Section 425.2, subsections 5 and 6, Code 2026, are
21 amended to read as follows:

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

32 6. Upon adoption of a resolution by the county board
33 of supervisors, any person may request, in writing, from
34 the appropriate assessor forms for the filing ~~for homestead~~
35 ~~tax credit~~. The person may complete the form, which shall

1 include a statement of homestead, and mail or return it to
2 the appropriate assessor. The signature of the claimant on
3 the statement of homestead shall be considered the claimant's
4 acknowledgment that all statements and facts entered on the
5 form are correct to the best of the claimant's knowledge.

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

8 1. The director of revenue shall prescribe the form
9 for the making of a verified statement and designation of
10 homestead, the form for the supporting affidavits required
11 herein, and such other forms as may be necessary for the proper
12 administration of this subchapter. Whenever necessary, the
13 department of revenue shall forward to the county auditors of
14 the several counties in the state the prescribed sample forms,
15 and the county auditors shall furnish blank forms prepared in
16 accordance therewith with the assessment rolls, books, and
17 supplies delivered to the assessors. The department of revenue
18 shall prescribe and the county auditors shall provide on the
19 forms ~~for claiming the homestead credit~~ a statement to the
20 effect that the owner realizes that the owner must give written
21 notice to the assessor when the owner changes the use of the
22 property.

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

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

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

33 (3) It must not embrace more than one dwelling house, but
34 where a homestead has more than one dwelling house situated
35 thereon, the exemption ~~and~~ or credit provided for in this

1 subchapter shall apply to the home and buildings used by the
2 owner, but shall not apply to any other dwelling house and
3 buildings appurtenant.

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

6 (2) For the purpose of [this subchapter](#), the word "owner"
7 shall be construed to mean a bona fide owner and not one for
8 the purpose only of availing the person of the benefits of this
9 subchapter. In order to qualify for the homestead tax credit
10 ~~and or~~ exemption, evidence of ownership shall be on file in the
11 office of the clerk of the district court or recorded in the
12 office of the county recorder at the time the owner files with
13 the assessor a verified statement of the homestead claimed by
14 the owner as provided in [section 425.2](#).

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

17 20. Upon payment of a fee established by rules adopted
18 pursuant to [section 483A.1](#) for a lifetime trout fishing
19 license, the department shall issue a lifetime trout fishing
20 license to a person who is at least sixty-five years of age or
21 to a person who qualifies for the disabled veteran homestead
22 credit under ~~[section 425.15](#)~~ [425.1, subsection 2, paragraph "b"](#).
23 The department shall prepare an application to be used by a
24 person requesting a lifetime trout fishing license under this
25 subsection.

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

27 Sec. 82. IMPLEMENTATION. Homestead owners who have filed
28 for or that are receiving homestead credits or exemptions under
29 chapter 425, subchapter I, before the effective date of this
30 division of this Act shall continue to receive such credits and
31 exemptions for which the owner is eligible for assessment years
32 beginning on or after January 1, 2026, without refileing, and,
33 if the owner is eligible, shall receive the exemption under
34 section 425.1A, subsection 1A, as enacted in this division of
35 this Act, without filing for such exemption.

1 following new subsection:

2 NEW SUBSECTION. 3A. a. For fiscal years beginning on
3 or after July 1, 2027, any property tax levy imposed for a
4 county hospital under this chapter that is limited by law to
5 a specific property tax levy rate per one thousand dollars of
6 assessed value shall not exceed a levy rate per one thousand
7 dollars of assessed value that is equal to one thousand
8 multiplied by the quotient obtained by dividing one hundred
9 five percent of the current fiscal year's actual property tax
10 dollars certified for such levy by the remainder of the total
11 assessed value used to calculate such taxes for the budget year
12 minus value attributable to new valuation.

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

16 Sec. 87. Section 347A.3, Code 2026, is amended by adding the
17 following new subsection:

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

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

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

34 NEW SUBSECTION. 3. a. For fiscal years beginning on
35 or after July 1, 2027, any property tax levy imposed for

1 the district under this chapter that is limited by law to a
2 specific property tax levy rate per one thousand dollars of
3 assessed value shall not exceed a levy rate per one thousand
4 dollars of assessed value that is equal to one thousand
5 multiplied by the quotient obtained by dividing one hundred
6 five percent of the current fiscal year's actual property tax
7 dollars certified for such levy by the remainder of the total
8 assessed value used to calculate such taxes for the budget year
9 minus value attributable to new valuation.

10 *b.* For purposes of this subsection, "*budget year*", "*current*
11 *fiscal year*", and "*new valuation*" mean the same as defined in
12 section 331.423.

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

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

26 *b.* For purposes of this subsection, "*budget year*", "*current*
27 *fiscal year*", and "*new valuation*" mean the same as defined in
28 section 384.1.

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

30 1. For fiscal years beginning on or after July 1, 2027,
31 any property tax levy imposed under this chapter that is
32 limited by law to a specific property tax levy rate per one
33 thousand dollars of assessed value shall not exceed a levy rate
34 per one thousand dollars of assessed value that is equal to
35 one thousand multiplied by the quotient obtained by dividing

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

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

8 DIVISION VIII

9 PROPERTY TAX LEVY RATES

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

12 Sec. 92. Section 312.2, subsection 5, paragraph a, Code
13 2026, is amended to read as follows:

14 a. The treasurer of state, before making any allotments
15 to counties under [this section](#), shall reduce the allotment to
16 a county for the secondary road fund by the amount by which
17 the total funds that the county transferred or provided during
18 the prior fiscal year under [section 331.429, subsection 1](#),
19 paragraphs "a", "b", "d", and "e", are less than ~~seventy-five~~
20 fifty-one percent of the sum of the following:

21 (1) From the general fund of the county, the dollar
22 equivalent of a tax of ~~sixteen and seven-eighths~~ eleven and
23 thirteen-sixteenths cents per thousand dollars of assessed
24 value on all taxable property in the county.

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

30 Sec. 93. NEW SECTION. 444.25 Maximum property tax levy
31 rates — adjustments.

32 1. For purposes of this section:

33 a. "Budget year" is the fiscal year beginning during the
34 calendar year in which a budget is certified.

35 b. "Current fiscal year" is the fiscal year ending during

1 the calendar year in which a budget for the budget year is
2 certified.

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

25 2. For the fiscal year beginning July 1, 2027, each
26 rate-limited property tax levy may only be imposed if the
27 governmental entity imposed such levy for the fiscal year
28 beginning July 1, 2026, and shall, by operation of this
29 section, be limited to a levy rate per one thousand dollars
30 of assessed value that is equal to one thousand multiplied by
31 the quotient of one hundred two percent of the current fiscal
32 year's actual property tax dollars certified for such levy
33 divided by the total assessed value used to calculate such
34 taxes for the budget year, but not less than a levy rate per one
35 thousand dollars of assessed value that results in an amount

1 of actual property tax dollars certified for levy for such
2 levy equal to one hundred and one-half percent of the actual
3 property tax dollars certified for such levy for the fiscal
4 year beginning July 1, 2026.

5 3. For the fiscal year beginning July 1, 2028, and each
6 fiscal year thereafter, rate-limited property tax levies may
7 be imposed by any governmental entity otherwise authorized by
8 law, regardless of whether the governmental entity imposed the
9 levy for the fiscal year beginning July 1, 2026, at rates not
10 to exceed those established by the general assembly by statute
11 following receipt and consideration of the report submitted by
12 the legislative interim committee requested to be established
13 by the legislative council in this division of this Act.

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

16 1. For purposes of this section:

17 a. "*Exempt finance lease*" means a finance lease of the
18 governmental entity if the aggregate principal amount of all
19 finance leases of the governmental entity is less than one and
20 one-fourth percent of the governmental entity's general fund
21 budget for the most recently completed fiscal year.

22 b. "*General operations*" means services or activities
23 generally funded from the governmental entity's general fund,
24 which are necessary for the operation of the governmental
25 entity, including salaries and benefits, or which are for the
26 health and welfare of the governmental entity's citizens or
27 primarily intended to benefit all residents of the governmental
28 entity, but excluding services financed by statutory funds
29 other than a debt service fund.

30 c. "*Indebtedness*" includes but is not limited to leases and
31 finance leases, excluding exempt finance leases, for public
32 safety vehicles, maintenance vehicles and equipment, sanitation
33 vehicles and equipment, transit vehicles, public works vehicles
34 and machinery, recreation equipment and facilities, and
35 information technology and office equipment, but does not

1 include subscription-based information technology arrangements
2 for software.

3 2. On or after July 1, 2026, a city or county shall not
4 issue bonds or other indebtedness payable from an ad valorem
5 property tax levy for the purpose of funding the general
6 operations of the city or general operations of the county, as
7 applicable, or otherwise use proceeds from the sale of bonds or
8 issuance of other indebtedness to fund general operations.

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

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

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

22 b. The study committee shall consist of the following voting
23 members of the general assembly:

24 (1) Two members of the senate appointed by the majority
25 leader of the senate.

26 (2) One member of the senate appointed by the minority
27 leader of the senate.

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

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

32 2. The committee shall make recommendations to and file a
33 report with the general assembly relating to the appropriate
34 rates of property taxation imposed by governmental entities
35 and appropriate assessment limitations for residential and

1 multiresidential property following enactment of this Act, no
2 later than January 15, 2028.

3 Sec. 96. EFFECTIVE DATE. The following take effect January
4 1, 2027:

5 1. The section of this division of this Act amending section
6 176A.10.

7 2. The section of this division of this Act amending section
8 312.2.

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

11 1. The section of this division of this Act amending section
12 176A.10.

13 2. The section of this division of this Act amending section
14 312.2.

15 DIVISION IX

16 LOCAL SALES AND SERVICES TAX

17 Sec. 98. Section 423B.1, subsection 5, paragraph d, Code
18 2026, is amended to read as follows:

19 *d.* The rate of a local sales and services tax shall be
20 either one percent or one and one-half percent.

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

23 (1) (a) A local option tax may be repealed or the rate of
24 ~~the local vehicle tax~~ increased or decreased or the use of a
25 local option tax revenue changed after an election at which a
26 majority of those voting on the question of repeal or rate or
27 use change favors the repeal or rate or use change.

28 (b) The date on which the repeal, rate change, or use
29 change is to take effect shall not be earlier than ninety days
30 following the election. The election at which the question
31 of repeal, ~~or~~ rate change, or use change is offered shall
32 be called and held in the same manner and under the same
33 conditions as provided in subsections 4 and 5 for the election
34 on the imposition of the local option tax. However, in the
35 case of a local sales and services tax where the tax has not

1 been imposed countywide, the question of repeal or imposition,
2 rate change, or use change shall be voted on only by the
3 registered voters of the areas of the county where the tax has
4 been imposed or has not been imposed, as appropriate.

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

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

23 NEW PARAGRAPH. *d.* For amendments to local sales and
24 services tax revenue purpose statements approved at election
25 on or after the effective date of this division of this Act,
26 if the existing revenue purpose statement expressly provides
27 for an amount or percentage of revenue for uses related to
28 road construction, repair, or maintenance, the amended revenue
29 purpose statement shall require amounts or percentages of
30 revenue equal to or greater than those in the existing revenue
31 purpose statement for such uses.

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

34 DIVISION X

35 ADJUSTMENTS TO MOTOR VEHICLE REGISTRATION FEES AND FUEL TAXES

1 Sec. 102. Section 321.116, Code 2026, is amended to read as
2 follows:

3 **321.116 Battery electric and plug-in hybrid electric motor**
4 **vehicle fees.**

5 1. For each battery electric motor vehicle subject to an
6 annual registration fee under [section 321.109, subsection 1,](#)
7 paragraph "a", and operated on the public highways of this
8 state, the owner shall pay an annual battery electric motor
9 vehicle registration fee, which shall be in addition to the
10 annual registration fee imposed for the vehicle under section
11 321.109, subsection 1, paragraph "a". For purposes of this
12 subsection, "*battery electric motor vehicle*" means a motor
13 vehicle equipped with electrical drivetrain components and not
14 equipped with an internal combustion engine, that is propelled
15 exclusively by one or more electrical motors using electrical
16 energy stored in a battery or other energy storage device
17 that can be recharged by plugging into an electrical outlet
18 or electric vehicle charging station. ~~The amount of the fee~~
19 ~~shall be~~ is one hundred thirty dollars, subject to adjustment
20 pursuant to section 321.118.

21 2. For each plug-in hybrid electric motor vehicle subject to
22 an annual registration fee under section 321.109, subsection
23 1, paragraph "a", and operated on the public highways of this
24 state, the owner shall pay an annual plug-in hybrid electric
25 motor vehicle registration fee, which shall be in addition
26 to the annual registration fee imposed for the vehicle under
27 section 321.109, subsection 1, paragraph "a". For purposes of
28 this subsection, "*plug-in hybrid electric motor vehicle*" means a
29 motor vehicle equipped with electrical drivetrain components,
30 an internal combustion engine, and a battery or other energy
31 storage device that can be recharged by plugging into an
32 electrical outlet or electric vehicle charging station. ~~The~~
33 ~~amount of the fee shall be~~ is sixty-five dollars, subject to
34 adjustment pursuant to section 321.118.

35 Sec. 103. Section 321.117, subsection 2, Code 2026, is

1 amended to read as follows:

2 2. In addition to the fee required for a motorcycle under
3 subsection 1, the owner of a motorcycle that is a battery
4 electric motor vehicle or plug-in hybrid electric motor
5 vehicle, as those terms are defined in [section 321.116](#), shall
6 pay an annual electric motorcycle registration fee. The amount
7 ~~of the fee shall be~~ is nine dollars, subject to adjustment
8 pursuant to section 321.118.

9 Sec. 104. NEW SECTION. 321.118 **Electric motor vehicle**
10 **registration fee adjustments.**

11 1. *a.* The electric motor vehicle registration fees imposed
12 under section 321.116 and section 321.117, subsection 2, shall
13 be adjusted annually beginning July 1 in accordance with this
14 section to reflect the increase, if any, in the consumer price
15 index for all urban consumers.

16 *b.* Notwithstanding paragraph "a", a fee shall not be
17 adjusted if any of the following occur:

18 (1) The general assembly nullifies the adjustment by joint
19 resolution, signed by the governor on or before April 30
20 preceding the adjustment.

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

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

26 2. *a.* On or before January 15 each year, the department
27 shall calculate the adjusted fees in accordance with subsection
28 3 and submit a report with the adjusted fees in an electronic
29 format to all of the following:

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

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

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

5 3. a. The department shall calculate the adjusted fees
6 by multiplying the applicable fee in effect with one of the
7 following, as applicable:

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

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

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

22 (2) When rounded to the nearest whole dollar, if the
23 adjusted annual electric motorcycle registration fee under
24 section 321.117, subsection 2, does not result in an increase,
25 the department shall use the unrounded adjusted fee as the fee
26 in effect when the department calculates the next adjusted fee.

27 4. The department shall adopt rules pursuant to chapter 17A
28 to administer this section.

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

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

33 Sec. 106. NEW SECTION. 452A.3A Excise tax adjustments.

34 1. a. The excise taxes imposed under sections 452A.3
35 and 452A.41 shall be adjusted annually in accordance with

1 this section to reflect the increase, if any, in the consumer
2 price index for all urban consumers. The adjusted excise
3 taxes shall be imposed for twelve months beginning each July 1
4 after the adjusted excise tax is calculated pursuant to this
5 section.

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

8 (1) The general assembly nullifies the adjustment by joint
9 resolution, signed by the governor on or before April 30
10 preceding the adjustment.

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

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

16 2. *a.* On or before January 15 each year, the department
17 shall calculate the adjusted excise taxes in accordance with
18 subsection 3 and submit a report with the adjusted excise taxes
19 in an electronic format to all of the following:

20 (1) The general assembly. Copies of the report shall also
21 be sent by electronic mail to the co-chairpersons of the joint
22 appropriations subcommittee on transportation, infrastructure,
23 and capitals, the chairpersons of the senate and house standing
24 committees on transportation, and the chairpersons of the
25 senate and house standing committees on ways and means.

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

27 *b.* The report required by this subsection may be submitted
28 jointly with the department of transportation's report required
29 under section 321.118.

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

34 (1) The sum of one plus the percentage change, expressed as
35 a decimal, in the consumer price index for all urban consumers

1 for the calendar year ending on the most recent December 31,
2 as published in the federal register by the United States
3 department of labor, bureau of labor statistics, if the change
4 is more than zero percent but less than three percent.

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

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

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

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

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

23 DIVISION XI

24 OFFICE OF THE ASSESSOR — BUDGET AND LEVY

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

27 NEW PARAGRAPH. c. For fiscal years beginning on or after
28 July 1, 2027, expenses of the office of the assessor, the
29 examining board, and the board of review related to duties
30 or expenses authorized to be paid using funds levied under
31 sections 96.31, 97B.9, and 97C.10 shall not be paid from the
32 levy under subsection 5.

33 Sec. 110. Section 441.16, subsection 5, paragraph a, Code
34 2026, is amended to read as follows:

35 a. (1) (a) Any For fiscal years beginning before July 1,

1 2027, any tax for the maintenance of the office of assessor
2 and other assessment procedure shall be levied only upon the
3 property in the area assessed by the assessor, and such tax
4 levy shall not exceed sixty-seven and one-half cents per
5 thousand dollars of assessed value in the assessing area.

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

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

28 (d) For purposes of this subparagraph, "budget year" and
29 "current fiscal year" mean the same as defined in section
30 331.423.

31 (2) The county treasurer shall credit the sums received
32 from such levy to a separate fund to be known as the assessment
33 expense fund and from which fund all expenses incurred under
34 this chapter shall be paid. In the case of a county where there
35 is more than one assessor the treasurer shall maintain separate

1 assessment expense funds for each assessor.

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

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

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

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

25 DIVISION XII

26 REGIONAL TRANSIT DISTRICT LEVY

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

29 1. a. The commission, with the approval of the board of
30 supervisors of participating counties and the city council
31 of participating cities in the chapter 28E agreement, may,
32 subject to paragraph "b", levy annually a tax not to exceed
33 ninety-five eighty cents per thousand dollars of the assessed
34 value of all taxable property in a regional transit district
35 to the extent provided in this section. The chapter 28E

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

11 b. For each fiscal year beginning on or after July 1,
12 2027, the sum of property tax dollars levied for the regional
13 transit district under this subsection and property tax dollars
14 received by the regional transit district from participating
15 cities and counties shall not exceed an amount equal to one
16 hundred five percent of the sum of property tax dollars levied
17 for the regional transit district under this subsection for
18 the immediately preceding fiscal year and property tax dollars
19 received by the regional transit district from participating
20 cities and counties for the immediately preceding fiscal year.

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

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

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

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

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

12 DIVISION XIII

13 UTILITY REPLACEMENT TAX TASK FORCE

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

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

35 Sec. 119. EFFECTIVE DATE. This division of this Act, being

1 deemed of immediate importance, takes effect upon enactment.

2

DIVISION XIV

3

LOCAL GOVERNMENT BUDGET STATEMENTS

4 Sec. 120. Section 24.2A, subsection 2, paragraph a, Code
5 2026, is amended to read as follows:

6 a. On or before 4:00 p.m. on March 5 of each year, each
7 political subdivision shall file with the department of
8 management a report containing all necessary information
9 for the department of management to compile and calculate
10 amounts required to be included in the statements mailed under
11 paragraph "b" or provided under paragraph "c". If a county
12 or city fails to file all necessary information with the
13 department of management by 4:00 p.m. on March 5, taxes levied
14 by the county or city shall be limited to the prior year's
15 budget amount.

16 Sec. 121. Section 24.2A, subsection 2, paragraph b,
17 unnumbered paragraph 1, Code 2026, is amended to read as
18 follows:

19 Not later than March 15, the county auditor, using
20 information compiled and calculated by the department of
21 management under paragraph "a", shall send to each property
22 owner or taxpayer within the county by regular mail ~~an~~
23 individual or post under paragraph "c" a statement containing
24 all of the following for each of the political subdivisions
25 comprising the owner's or taxpayer's taxing district:

26 Sec. 122. Section 24.2A, subsection 2, Code 2026, is amended
27 by adding the following new paragraph:

28 NEW PARAGRAPH. c. For budgets for fiscal years beginning
29 on or after July 1, 2027, statements under paragraph "b", in
30 lieu of regular mail, may be provided by posting the statement
31 not later than March 15 on the political subdivision's
32 internet site for public viewing and shall be maintained on
33 the political subdivision's internet site with all such prior
34 year statements. Additionally, if the political subdivision
35 maintains a social media account on one or more social media

1 applications, the statement or an electronic link to the
2 statement shall be posted on each such account on a date no
3 later than March 15.

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

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

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

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

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

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

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

29 3. Following, and not until, the requirements of section
30 24.2A are completed, the board shall set a time and place for
31 a public hearing on the budget before the final certification
32 date and shall publish notice of the hearing not less than
33 ten nor more than twenty days prior to the hearing in the
34 county newspapers selected under chapter 349. A summary of
35 the proposed budget and a description of the procedure for

1 protesting the county budget under [section 331.436](#), in the form
2 prescribed by the director of the department of management,
3 shall be included in the notice. Proof of publication of
4 the notice under [this subsection 3](#) shall be filed with and
5 preserved by the county auditor. A levy is not valid unless
6 and until the notice is published and ~~individual~~ statements
7 under [section 24.2A](#) are mailed or posted. The department of
8 management shall prescribe the form for the public hearing
9 notice for use by counties.

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

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

25 Sec. 128. Section 384.17, Code 2026, is amended to read as
26 follows:

27 **384.17 Levy by county.**

28 At the time required by law, the county board of supervisors
29 shall levy the taxes necessary for each city fund for the
30 following fiscal year. The levy must be as shown in the
31 adopted city budget and as certified by the clerk, subject to
32 any changes made after a protest hearing, and any additional
33 tax rates approved at a city election. A city levy is not valid
34 until proof of publication or posting of notice of a budget
35 hearing under [section 384.16, subsection 3](#), is filed with the

1 county auditor and ~~individual~~ statements are mailed or posted
2 under [section 24.2A](#).

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

5 2. A budget amendment must be prepared and adopted in the
6 same manner as the original budget, as provided in section
7 384.16, excluding the requirement for ~~the mailing of individual~~
8 statements under [section 24.2A](#), and is subject to protest as
9 provided in [section 384.19](#), except that the committee may by
10 rule provide that amendments of certain types or up to certain
11 amounts may be made without public hearing and without being
12 subject to protest. A city budget shall be amended by May
13 31 of the current fiscal year to allow time for a protest
14 hearing to be held and a decision rendered before June 30. The
15 amendment of a budget after May 31, which is properly appealed
16 but without adequate time for hearing and decision before June
17 30 is void.

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

21 DIVISION XV

22 REAL ESTATE TRANSFER TAX FORMS

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

25 **428A.7 Forms provided by director of revenue.**

26 The director of revenue shall prescribe the form of the
27 declaration of value and shall include an appropriate place
28 for the inclusion of special facts and circumstances relating
29 to the actual sales price in real estate transfers including
30 but not limited to factors that distort market value such as
31 built-to-suit sales, sale-leaseback sales, leased fee sales,
32 and the abnormal transactions identified in section 441.21,
33 subsection 1, paragraph "b", subparagraph (1). The director
34 shall provide an adequate number of the declaration of value
35 forms to each county recorder in the state. If the declaration

1 of value form requires or provides for the inclusion of the
2 social security number or federal tax identification number of
3 a seller or buyer, the department shall provide that the social
4 security number or federal tax identification number remains
5 confidential and cannot be obtained by public examination.

6 DIVISION XVI

7 DIVISION OF REVENUE — DATA CENTERS

8 Sec. 132. Section 403.19, subsection 2, paragraph a, Code
9 2026, is amended to read as follows:

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

1 effective date of this division of this Act.

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

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

7 DIVISION XVII

8 MOBILE HOME, MANUFACTURED HOME, AND MODULAR HOME TAXES

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

11 (6) The assessment of property taxes by the department
12 of revenue under [sections 428.24 through 428.26, 428.28, and](#)
13 [428.29, or chapters 434, ~~435~~, and 437 through 438](#), or by a
14 local assessor under another provision of law, on property
15 brought into the state to aid in the performance of disaster
16 or emergency-related work during a disaster response period if
17 such property does not remain in the state after the conclusion
18 of the disaster response period.

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

21 1. Upon receipt of the application for title and payment of
22 the required fees for a motor vehicle, trailer, or semitrailer,
23 the county treasurer or the department shall, when satisfied
24 as to the application's genuineness and regularity, and, in
25 the case of a mobile home or manufactured home, that taxes are
26 not owing under [chapter 423](#) or under chapter 435, Code 2026,
27 issue a certificate of title and, except for a mobile home
28 or manufactured home, a registration receipt, and shall file
29 the application, the manufacturer's or importer's certificate,
30 the certificate of title, or other evidence of ownership,
31 as prescribed by the department. The registration receipt
32 shall be delivered to the owner and shall contain upon its
33 face the date issued, the name and address of the owner, the
34 registration number assigned to the vehicle, the amount of the
35 fee paid, the type of fuel used, a description of the vehicle

1 as determined by the department, and a form for notice of
2 transfer of the vehicle. The name and address of any lessee of
3 the vehicle shall not be printed on the registration receipt or
4 certificate of title. Up to three owners may be listed on the
5 registration receipt and certificate of title.

6 Sec. 137. Section 321.30, subsection 1, paragraph j, Code
7 2026, is amended to read as follows:

8 *j.* In the case of a mobile home or manufactured home, that
9 taxes are owing under [chapter 435](#), [Code 2026](#), for a previous
10 year.

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

13 2. Upon filing the application for a new initial
14 registration and a new title, the applicant shall pay a title
15 fee of thirty dollars, an annual registration fee prorated
16 for the remaining unexpired months of the registration year,
17 and a fee for new registration if applicable. A manufacturer
18 applying for a certificate of title pursuant to [section 322G.12](#)
19 shall pay a title fee of twenty dollars. However, a title fee
20 shall not be charged to a manufactured or mobile home retailer
21 applying for a certificate of title for a used mobile home or
22 manufactured home, titled in Iowa, as required under section
23 321.45, subsection 4. The county treasurer, if satisfied of
24 the genuineness and regularity of the application, and in the
25 case of a mobile home or manufactured home, that taxes are not
26 owing under [chapter 435](#), [Code 2026](#), and that the applicant
27 has complied with all the requirements of [this chapter](#), shall
28 issue a new certificate of title and, except for a mobile home,
29 manufactured home, or a vehicle returned to and accepted by a
30 manufacturer as described in [section 322G.12](#), a registration
31 card to the purchaser or transferee, shall cancel the prior
32 registration for the vehicle, and shall forward the necessary
33 copies to the department on the date of issuance, as prescribed
34 in [section 321.24](#). Mobile homes or manufactured homes titled
35 under [chapter 448](#) that have been subject under [section 446.18](#)

1 to a public bidder sale in a county shall be titled in the
2 county's name, with no fee, and the county treasurer shall
3 issue the title.

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

6 2. The department shall cancel a certificate of title that
7 appears to have been improperly issued or fraudulently obtained
8 or, in the case of a mobile home or manufactured home, if
9 taxes were owing under chapter 435, Code 2026, at the time the
10 certificate was issued and have not been paid. However, before
11 the certificate to a mobile home or manufactured home for which
12 taxes were owing can be canceled, notice and opportunity to pay
13 the taxes must be given to the person to whom the certificate
14 was issued. Upon cancellation of a certificate of title, the
15 department shall notify the county treasurer who issued it, who
16 shall enter the cancellation upon the records. The department
17 shall also notify the person to whom the certificate of title
18 was issued, as well as each lienholder who has a perfected
19 lien, of the cancellation and shall demand the surrender of the
20 certificate of title, but the cancellation shall not affect the
21 validity of any perfected lien.

22 Sec. 140. Section 321.123, subsection 2, paragraph b, Code
23 2026, is amended to read as follows:

24 *b.* A travel trailer may be stored under section 321.134,
25 provided the travel trailer is not used for human habitation
26 for any period during storage and is not moved upon the
27 highways of the state. ~~A travel trailer stored under section~~
28 ~~321.134 is not subject to a manufactured or mobile home tax~~
29 ~~assessed under chapter 435.~~

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

32 *a.* Transfers from the general fund not to exceed in any year
33 the dollar equivalent of a tax of sixteen and seven-eighths
34 cents per thousand dollars of assessed value on all taxable
35 property in the county multiplied by the ratio of current

1 taxes actually collected and apportioned for the general basic
2 levy to the total general basic levy for the current year,
3 and an amount equivalent to the moneys derived by the general
4 fund from military service tax credits under [chapter 426A](#),
5 ~~manufactured or mobile home taxes under [section 435.22](#)~~, and
6 delinquent taxes for prior years collected and apportioned to
7 the general basic fund in the current year, multiplied by the
8 ratio of sixteen and seven-eighths cents to three dollars and
9 fifty cents. The limit on transfers in this paragraph applies
10 only to property tax revenue and is not a limit on transfers of
11 revenue generated from sources other than property taxes.

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

29 Sec. 142. Section 331.559, subsection 1, Code 2026, is
30 amended by striking the subsection.

31 Sec. 143. Section 331.653, subsection 17, Code 2026, is
32 amended by striking the subsection.

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

35 2. "*Land-leased community*" means any site, lot, field,

1 or tract of land under common ownership upon which ten or
2 more occupied manufactured homes are harbored, either free of
3 charge or for revenue purposes, and shall include any building,
4 structure, or enclosure used or intended for use as part of the
5 equipment of the land-leased community. The term "*land-leased*
6 *community*" shall not be construed to include homes, buildings,
7 or other structures temporarily maintained by any individual,
8 educational institution, or company on their own premises and
9 used exclusively to house their own labor or students. A
10 manufactured home located in a land-leased community shall be
11 ~~taxed under section 435.22~~ considered for property tax purposes
12 as if the manufactured home were located in a mobile home park.

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

15 3. A manufactured home located in a land-leased community
16 shall be ~~taxed under section 435.22~~ considered for property tax
17 purposes as if the manufactured home were located in a mobile
18 home park.

19 Sec. 146. Section 427A.1, subsection 1, paragraph c, Code
20 2026, is amended to read as follows:

21 c. Buildings, structures, or improvements, any of which are
22 constructed on or in the land, attached to the land, or placed
23 upon a foundation whether or not attached to the foundation.
24 However, ~~property taxed~~ mobile homes, manufactured homes, and
25 modular homes as defined under chapter 435 located in a mobile
26 home park or manufactured home community, property that is a
27 concrete batch plant as that term is defined in subsection 4,
28 and to the extent provided in subsection 7, property that is
29 transmission property shall not be assessed and taxed as real
30 property.

31 Sec. 147. Section 435.2, Code 2026, is amended to read as
32 follows:

33 **435.2 Placement and taxation.**

34 1. If and while a mobile home is placed outside a mobile
35 home park or manufactured home community, the home is to be

1 assessed and taxed as real estate. If and while a mobile home
2 is placed in a mobile home park or manufactured home community,
3 the home is exempt from property tax.

4 2. If and while a manufactured home is placed in a
5 manufactured home community or a mobile home park, the home
6 must be titled and is ~~subject to the manufactured or mobile~~
7 ~~home square foot exempt from property tax.~~ If and while
8 a manufactured home is placed outside a manufactured home
9 community or a mobile home park, the home must be titled and is
10 to be assessed and taxed as real estate.

11 3. For the purposes of **this chapter**, a modular home shall
12 not be construed to be a mobile home or manufactured home.
13 If and while a modular home is placed inside or outside a
14 manufactured home community or a mobile home park, the home
15 shall be considered real property and is to be assessed and
16 taxed as real estate. However, if a modular home is placed in
17 a manufactured home community or mobile home park which was in
18 existence on or before January 1, 1998, that modular home shall
19 be ~~subject to exempt from~~ property tax ~~pursuant to section~~
20 ~~435.22.~~ **This subsection** shall not prohibit the location of a
21 modular home within a manufactured home community or mobile
22 home park.

23 Sec. 148. Section 435.23, Code 2026, is amended to read as
24 follows:

25 **435.23 Exemptions — ~~prorating tax inventories.~~**

26 ~~1-~~ The manufacturer's and retailer's inventory of mobile
27 homes, manufactured homes, or modular homes not in use as a
28 place of human habitation shall be exempt from ~~the annual~~
29 property tax. ~~All travel trailers, fifth-wheel travel~~
30 ~~trailers, and towable recreational vehicles shall be exempt~~
31 ~~from this tax. The homes, travel trailers, fifth-wheel travel~~
32 ~~trailers, and towable recreational vehicles in the inventory~~
33 ~~of manufacturers and retailers shall be exempt from personal~~
34 ~~property tax.~~

35 2. ~~The homes coming into Iowa from out of state and located~~

1 ~~in a manufactured home community or mobile home park shall~~
2 ~~be liable for the tax computed pro rata to the nearest whole~~
3 ~~month, for the time the home is actually situated in Iowa.~~

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

6 **435.24 Location of homes and reporting.**

7 1. Upon issuance of a certificate of title or upon
8 transporting the home to a new site or to a location outside
9 of a manufactured home community or mobile home park, the home
10 owner shall file the address, township, and school district
11 of the location where the home is parked with the county
12 assessor's office. Failure to comply is punishable as set out
13 in section 435.18.

14 2. Each manufactured home community or mobile home park
15 owner or manager shall notify monthly the county assessor
16 concerning any home arriving in or departing from the
17 manufactured home community or mobile home park. The records
18 of the community or park owner shall be open to inspection by a
19 duly authorized representative of any law enforcement agency.
20 The manufactured home community or mobile home park owner or
21 manager shall make an annual report to the county assessor due
22 June 1 of the homes sited in the manufactured home community or
23 mobile home park, listing the owner and mailing address of each
24 home located in the manufactured home community or mobile home
25 park. The report is delinquent if not filed with the county
26 assessor by June 30.

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

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

1 lien and its priority shall remain the same on a manufactured
2 home after its certificate of title has been surrendered.

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

5 1. A mobile home or manufactured home converted to real
6 estate under [section 435.26](#) may be reconverted to a home as
7 provided in [this section](#) when it is moved to a manufactured
8 home community or mobile home park or a manufactured or mobile
9 home retailer's inventory. When the home is located within a
10 manufactured home community or mobile home park, the home shall
11 be ~~taxed pursuant to~~ exempt from property tax as provided in
12 section 435.22, subsection 1, paragraph "a" 435.2.

13 3. After compliance with [subsection 2](#) and receipt of the
14 title, the owner shall notify the assessor of the reconversion.
15 The assessor shall remove the assessed valuation of the home
16 from assessment rolls as of the succeeding January 1 when the
17 home becomes ~~subject to~~ exempt from taxation as provided under
18 ~~section 435.24~~ 435.2.

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

21 8. "*Taxes*" means an annual ad valorem tax, a special
22 assessment, a drainage tax, a rate or charge, and taxes on
23 homes pursuant to [chapter 435](#), Code 2026, which are collectible
24 by the county treasurer.

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

27 6. The county treasurer shall deliver to the taxpayer a
28 receipt stating the year of tax, date of payment, a description
29 of the parcel, and the amount of taxes, interest, fees, and
30 costs paid when payment is made by cash tender. A receipt
31 for other payment tender types shall only be delivered upon
32 request. The receipt shall be in full for the first half,
33 second half, or full year amounts unless a payment is made
34 under [section 445.36A](#) ~~or 435.24, subsection 6.~~

35 Sec. 154. Section 445.57, subsection 1, Code 2026, is

1 amended to read as follows:

2 1. On or before the tenth day of each month, the county
3 treasurer shall apportion all taxes collected during the
4 preceding month, except partial payment amounts collected
5 pursuant to [section 445.36A, subsection 1](#), and partial payments
6 collected and not yet designated by the county treasurer
7 for apportionment pursuant to section 445.36A, subsection
8 2, ~~partial payments collected pursuant to section 435.24,~~
9 ~~subsection 6, paragraph "a", and partial payments collected and~~
10 ~~not yet designated by the county treasurer for apportionment~~
11 ~~pursuant to [section 435.24, subsection 6](#), paragraph "b",~~ among
12 the several funds to which they belong according to the amount
13 levied for each fund, and shall apportion the interest, fees,
14 and costs on the taxes to the general fund, and shall enter
15 those amounts upon the treasurer's cash account, and report the
16 amounts to the county auditor.

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

19 1. A real property owner may remove or cause to be removed
20 a mobile home and other personal property which is unlawfully
21 parked, placed, or abandoned on that real property, and may
22 cause the mobile home and personal property to be placed in
23 storage until the owner of the personal property pays a fair
24 and reasonable charge for removal, storage, or other expense
25 incurred, including reasonable attorney fees, or until a
26 judgment of abandonment is entered pursuant to [section 555B.8](#)
27 provided that there is no lien on the mobile home or personal
28 property other than a tax lien pursuant to [chapter 435, Code](#)
29 [2026](#). For purposes of [this chapter](#), a lien other than a tax
30 lien exists only if the real property owner receives notice
31 of a lien on the standardized registration form completed by
32 a tenant pursuant to [section 562B.27, subsection 3](#), or a lien
33 has been filed in state or county records on a date before the
34 mobile home is considered to be abandoned. The real property
35 owner or the real property owner's agent is not liable for

1 damages caused to the mobile home and personal property by the
2 removal or storage unless the damage is caused willfully or by
3 gross negligence.

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

6 *b.* A lien of record, other than a tax lien as provided in
7 chapter 435, Code 2026, does not exist against the home. A
8 lien exists only if the real property owner receives notice of
9 a lien on the standardized registration form completed by an
10 owner or occupant pursuant to [chapter 562B](#), or a lien has been
11 filed in the state or county records on a date before the home
12 is considered to be valueless.

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

15 **555C.3 New title — third party.**

16 If a new title to a valueless home is to be issued to a
17 third party, the county treasurer shall issue a new title,
18 upon receipt of the affidavit required in [section 555C.2](#) and
19 payment of a fee pursuant to [section 321.47](#). Any tax lien
20 levied pursuant to [chapter 435, Code 2026](#), is canceled and the
21 ownership interest of the previous owner or occupant of the
22 valueless home is terminated as of the date of issuance of
23 the new title. The new title owner shall take the title free
24 of all rights and interests even though the manufactured home
25 community or mobile home park owner fails to comply with the
26 requirements of [this chapter](#) or any judicial proceedings, if
27 the new title owner acts in good faith.

28 Sec. 158. REPEAL. Sections 435.22, 435.25, 435.29, and
29 435.33, Code 2026, are repealed.

30 Sec. 159. SAVINGS PROVISION. This division of this Act,
31 pursuant to section 4.13, does not affect the operation of or
32 prohibit the application of prior provisions of law or rules
33 adopted to administer the manufactured or mobile home tax
34 assessed under chapter 435 for taxes due and payable before
35 July 1, 2026.

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DIVISION XVIII

ELDERLY AND DISABLED PROPERTY TAX CREDIT AND RENT REIMBURSEMENT

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

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

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

a. "Claimant" means any of the following:

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

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

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

11 Sec. 162. Section 425.23, subsection 1, paragraph c, Code
12 2026, is amended by striking the paragraph.

13 Sec. 163. Section 425.23, subsection 4, paragraph a, Code
14 2026, is amended to read as follows:

15 a. For the base year beginning in the 1999 calendar year and
16 for each subsequent base year, the dollar amounts set forth in
17 ~~subsection 1, paragraphs "a" and "b", and subsection~~ subsections
18 1 and 3 shall be multiplied by the cumulative adjustment factor
19 for that base year. "*Cumulative adjustment factor*" means the
20 product of the annual adjustment factor for the 1998 base year
21 and all annual adjustment factors for subsequent base years.
22 The cumulative adjustment factor applies to the base year
23 beginning in the calendar year for which the latest annual
24 adjustment factor has been determined.

25 Sec. 164. Section 425.24, Code 2026, is amended to read as
26 follows:

27 **425.24 Maximum property tax for purpose of credit or**
28 **reimbursement.**

29 ~~For claimants under section 425.17, subsection 2, paragraph~~
30 ~~"a", subparagraphs (1) and (2), and for the calculation under~~
31 ~~section 425.23, subsection 1, paragraph "c", subparagraph (1),~~
32 in In any case in which property taxes due or rent constituting
33 property taxes paid for any household exceeds one thousand
34 five hundred dollars, the amount of property taxes due or
35 rent constituting property taxes paid shall be deemed to have

1 been one thousand five hundred dollars for purposes of this
2 subchapter.

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

5 1. ~~a.~~ The elderly and disabled property tax credit fund is
6 created. There is appropriated annually from the general fund
7 of the state to the department of revenue to be credited to the
8 elderly and disabled property tax credit fund, from funds not
9 otherwise appropriated, an amount sufficient to implement this
10 subchapter for credits for property taxes due for claimants
11 described in section 425.17, subsection 2, paragraph "a",
12 ~~subparagraphs subparagraph (1) and (3), subject to paragraph~~
13 ~~"b".~~

14 ~~b.~~ ~~Regardless of the amount of the credit determined under~~
15 ~~section 425.23, subsection 1, paragraph "c", the amount paid by~~
16 ~~the director of revenue to each county treasurer for credits~~
17 ~~for claimants described under section 425.17, subsection 2,~~
18 ~~paragraph "a", subparagraph (3), shall not exceed the amount~~
19 ~~calculated for the claimant under section 425.23, subsection 1,~~
20 ~~paragraph "c", subparagraph (1), and section 25B.7, subsection~~
21 ~~1, shall not apply to the amount of the credit in excess of the~~
22 ~~amount paid by the director of revenue.~~

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

25 Sec. 167. APPLICABILITY.

26 1. This division of this Act applies to claims under chapter
27 425, subchapter II, for credits against property taxes due and
28 payable in fiscal years beginning on or after July 1, 2030.

29 2. This division of this Act applies to claims under chapter
30 425, subchapter II, for reimbursement for rent constituting
31 property taxes paid in base years beginning on or after January
32 1, 2029.

33 EXPLANATION

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

1 This bill relates to state and local government taxes,
2 financial authority, and budgets.

3 DIVISION I — COUNTY PROPERTY TAXES AND BUDGETS. Code
4 section 331.423 establishes a levy rate limitation for the
5 general county services levy and a limitation for the rural
6 county services levy. The bill modifies the general county
7 services levy rate limitation for the fiscal year beginning
8 July 1, 2027, to be a levy rate not to exceed the greater of:
9 (1) a levy rate per \$1,000 of assessed value equal to 1,000
10 multiplied by the quotient of 102 percent of the current fiscal
11 year's (immediately preceding fiscal year) actual property tax
12 dollars certified for levy for general county services divided
13 by the remainder of the total assessed value used to calculate
14 such taxes for the budget year minus value attributable to new
15 valuation, as defined in the bill; and (2) a levy rate per
16 \$1,000 of assessed value that results in an amount of actual
17 property tax dollars certified for levy for general county
18 services equal to 100.5 percent of the actual property tax
19 dollars certified for such levy for the current fiscal year.

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

32 If the total assessed value, excluding value attributable
33 to new valuation, used to calculate taxes for general county
34 services for the budget year is equal to or exceeds 102 percent
35 of the total assessed value used to calculate taxes for general

1 county services for the current fiscal year, the levy rate
2 imposed shall not exceed a levy rate per \$1,000 of assessed
3 value that is equal to 1,000 multiplied by the quotient
4 obtained by dividing the product of the budget adjustment
5 factor, as defined in the bill, unless modified by the general
6 assembly on or before January 31 immediately preceding the
7 applicable fiscal year, and which ranges from 102 percent to
8 105 percent depending upon the amount of annual increase in the
9 consumer price index, multiplied by the current fiscal year's
10 actual property tax dollars certified for levy by the remainder
11 of the total assessed value used to calculate such taxes for
12 the budget year minus value attributable to new valuation.

13 The bill similarly modifies the maximum levy rate for rural
14 county services for fiscal years beginning on or after July 1,
15 2027.

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

19 DIVISION II — CITY PROPERTY TAXES AND BUDGETS. Code
20 section 384.1 establishes the city general fund levy and limits
21 on the levy rate. The bill modifies the general fund levy
22 rate limitation for the fiscal year beginning July 1, 2027,
23 to be a levy rate not to exceed the greater of: (1) a levy
24 rate per \$1,000 of assessed value equal to 1,000 multiplied
25 by the quotient of 102 percent of the current fiscal year's
26 (immediately preceding fiscal year) actual property tax dollars
27 certified for levy divided by the remainder of the total
28 assessed value used to calculate such taxes for the budget year
29 minus value attributable to new valuation, as defined in the
30 bill; and (2) a levy rate per \$1,000 of assessed value that
31 results in an amount of actual property tax dollars certified
32 for levy equal to 100.5 percent of the actual property tax
33 dollars certified for such levy for the current fiscal year.

34 For each fiscal year beginning on or after July 1, 2028, the
35 maximum levy rate is the levy rate imposed by the city for the

1 current fiscal year unless the total assessed value, excluding
2 new valuation, used to calculate taxes for the budget year is
3 equal to or exceeds 102 percent of the total assessed value
4 used to calculate taxes for the current fiscal year, and for
5 the budget year beginning July 1, 2028, only, not less than
6 a levy rate per \$1,000 of assessed value that results in an
7 amount of actual property tax dollars certified for levy equal
8 to 100.5 percent of the actual property tax dollars certified
9 for levy for the current fiscal year.

10 If the total assessed value, excluding value attributable
11 to new valuation, used to calculate taxes for the city general
12 fund for the budget year is equal to or exceeds 102 percent
13 of the total assessed value used to calculate taxes for the
14 current fiscal year, the levy rate imposed shall not exceed
15 a levy rate per \$1,000 of assessed value that is equal to
16 1,000 multiplied by the quotient obtained by dividing the
17 product of the budget adjustment factor, as defined in the
18 bill, unless modified by the general assembly on or before
19 January 31 immediately preceding the applicable fiscal year,
20 and which ranges from 102 percent to 105 percent depending
21 upon the amount of annual increase in the consumer price
22 index, multiplied by the current fiscal year's actual property
23 tax dollars certified for levy by the remainder of the total
24 assessed value used to calculate such taxes for the budget year
25 minus value attributable to new valuation.

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

29 This division takes effect January 1, 2027, and applies to
30 property taxes and budgets for fiscal years beginning on or
31 after July 1, 2027.

32 DIVISION III — SCHOOL TAXES AND BUDGETS. As part of
33 the state school foundation program, for school budget
34 years beginning on or after July 1, 2022, Code section 257.1
35 establishes the regular program foundation base to be 88.4

1 percent of the regular program state cost per pupil. Beginning
2 with the budget year beginning July 1, 2027, the bill increases
3 that percentage to 100 percent.

4 Code section 257.3 requires school districts to levy a
5 foundation property tax of \$5.40 per \$1,000 of assessed value
6 on all taxable property in the school district. The bill
7 reduces the foundation property tax levy rate to \$4.48662 per
8 \$1,000 of assessed value for budget years beginning on or after
9 July 1, 2027.

10 Code section 257.3 provides an exception to the foundation
11 property tax levy rate of \$5.40 for those school districts that
12 have recently been reorganized. Such districts are provided
13 reduced foundation property tax levy rates for three years
14 following the reorganization. The bill adjusts those reduced
15 rates for reorganizations that take effect on or after July
16 1, 2027, to reflect the reduction made in the bill to the
17 foundation property tax levy imposed by school districts that
18 are not subject to a reorganization and eliminates certain
19 supplemental aid related to such reorganized school district
20 rates for budget years beginning on or after July 1, 2027.

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

24 The bill eliminates the \$24 million general fund
25 appropriation for adjusted additional property tax levy aid
26 under Code section 257.15(4) for fiscal years beginning on
27 or after July 1, 2027. The bill also eliminates the annual
28 appropriation of the balance of the property tax equity and
29 relief fund under Code section 257.16A for purposes designated
30 under Code section 257.15(4) and requires remaining moneys at
31 the end of a specified fiscal year to be transferred back to
32 the funds from which they were received.

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

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

6 The bill eliminates transfers from the secure an advanced
7 vision for education fund to the property tax equity and relief
8 fund and the foundation base supplement fund for fiscal years
9 beginning on or after July 1, 2027, and instead provides that
10 such amounts shall be credited to the state general fund to be
11 used for increased foundation aid resulting from the increase
12 in the regular program foundation base per pupil to 100 percent
13 of the regular program state cost per pupil.

14 In Code chapters 425A (family farm tax credit) and 426
15 (agricultural land tax credit), the bill replaces references
16 to the school foundation property tax levy rate (\$5.40) with
17 citations to the appropriate provision of the Code section
18 establishing the foundation property tax rate.

19 The bill requires each school district with an unexpended
20 fund balance in the district's management levy fund under
21 Code section 298A.3 at the conclusion of the fiscal year
22 beginning July 1, 2025, that exceeds an amount equal to the
23 total expenditures from the district's management fund for the
24 fiscal year beginning July 1, 2025, to certify such unexpended
25 fund balance and expenditure amounts, including any reserved
26 or designated amounts in the fund and the purposes therefor,
27 to the school budget review committee by November 15, 2026.
28 The committee is then required to conduct a review of the
29 unexpended fund balances and expenditures of school district
30 management levy funds certified under the bill. By February
31 1, 2027, the committee shall make recommendations to the
32 general assembly for establishing district management levy fund
33 unexpended fund balance limitations for fiscal years beginning
34 on or after July 1, 2028, including recommendations for
35 limitations based on a percentage of the district's management

1 levy fund expenditures and recommendations for management levy
2 limitations and expenditure requirements for excess funds.

3 The bill reduces by approximately 30 percent the maximum
4 levy rates for the regular and voter-approved physical plant
5 and equipment levy under Code section 298.2 and the school
6 district bond tax under Code section 298.18. The bill provides
7 that the reduced levy rate limitations under Code section
8 298.18(1)(d) do not apply to the payment of general obligation
9 bonds approved for issuance at an election held on or before
10 November 4, 2025, that are sold on or after May 1, 2026, but
11 instead are subject to the limits specified under the prior
12 rate limits. The bill also repeals an obsolete provision
13 relating to levy adjustments authorized to occur before June
14 30, 2007, in Code section 298.18A.

15 The bill also amends Code section 298.4 by providing that for
16 fiscal years beginning on or after July 1, 2028, if a school
17 district's unexpended fund balance of the district's management
18 levy fund is equal to or exceeds a specified percentage of the
19 average annual expenditures from the district's management
20 levy fund for the three consecutive fiscal years immediately
21 preceding the base year, the board of directors may not certify
22 a district management levy for the fiscal year. Additionally,
23 if a school district is not prohibited from certifying a levy
24 under the bill, the maximum amount that the board of directors
25 may certify for levy under the district management levy shall
26 be an amount equal to the remainder of a specified percentage
27 of the average annual expenditures from the district's
28 management levy fund for the three consecutive fiscal years
29 immediately preceding the base year minus the district's
30 management levy fund unexpended fund balance for the fiscal
31 year preceding the base year.

32 Except for the section of the division amending Code section
33 257.31, which relates to the school budget review committee,
34 this division of the bill takes effect January 1, 2027, and
35 applies to fiscal years and school budget years beginning on

1 or after July 1, 2027.

2 DIVISION IV — PROPERTY VALUATIONS AND ASSESSMENT

3 LIMITATIONS. Code section 441.21 provides that the actual
4 value of agricultural property shall be determined on the basis
5 of productivity and net earning capacity and that any formula
6 or method employed to determine productivity and net earning
7 capacity of property shall be adopted in full by rule of the
8 department of revenue (IDR). The bill amends that provision
9 by specifying that for assessment years beginning on or after
10 January 1, 2027, structures on agricultural land constructed on
11 or after January 1, 2027, that are not agricultural dwellings
12 shall not be included in determination of productivity and
13 net earning capacity of agricultural property and shall not
14 be allocated any portion of the total county productivity
15 value so determined. Such agricultural structures shall
16 instead be valued according to the structure's replacement
17 cost less depreciation and obsolescence and the structure's
18 assessed value subject to taxation prior to application of
19 any assessment limitation shall be equal to the product of
20 the structure's value multiplied by the agricultural factor,
21 as determined in 701 IAC 102.3(2) or succeeding rule of the
22 department. The bill also provides that such structures shall
23 be treated similarly to agricultural structures constructed
24 before January 1, 2027, when applying any IDR equalization
25 order.

26 The bill modifies the list of examples of abnormal property
27 transactions that are to be excluded from consideration or
28 adjusted to eliminate distortions of market value when valuing
29 property to include built-to-suit construction, sale-leaseback
30 transactions, leased fee sales, and instead of sales to
31 immediate family, sales between related parties.

32 Code section 441.21(4) establishes the calculation for
33 assessment limitations (rollback) for residential property and
34 agricultural property. The bill strikes the calculation of
35 the residential property assessment limitation for assessment

1 years beginning on or after January 1, 2026, and strikes
2 the provision within the agricultural property assessment
3 limitation calculation that limits growth of residential or
4 agricultural property to the growth in the other classification
5 (ag-residential tie). The bill provides that residential
6 property is assessed at 72.5 percent of the property's actual
7 value for assessment years beginning January 1, 2026, and
8 January 1, 2027. The bill then increases the percentage of
9 actual value at which residential property is assessed by 2.75
10 percent each assessment year until the percentage reaches 100
11 percent for assessment years beginning on or after January 1,
12 2037. By operation of law and through changes in the bill,
13 all other classifications of property, except for agricultural
14 property, residential property, and multiresidential property,
15 are assessed at 100 percent of actual value for assessment
16 years beginning on or after January 1, 2026.

17 The bill modifies provisions governing the calculation
18 of payments made to local governments under Code section
19 441.21(5)(e) that are made to replace property taxes due to the
20 application of the residential property assessment limitation
21 to certain portions of commercial and industrial property
22 valuations and eliminates the appropriation for such payments
23 for fiscal years beginning on or after July 1, 2027, due to
24 elimination of the assessment limitations.

25 The bill also reestablishes a multiresidential property
26 classification for assessment years beginning on or after
27 January 1, 2027, that includes types of property that were
28 classified as multiresidential property for assessment years
29 beginning before January 1, 2022. Such property is included
30 within the residential property classification under current
31 law. Under the bill, for purposes of equalization under Code
32 sections 441.47 through 441.49, multiresidential property shall
33 be considered residential property. The bill provides that
34 multiresidential property is assessed at 72.5 percent of actual
35 value for the assessment year beginning January 1, 2027. The

1 bill then increases the percentage of actual value at which
2 multiresidential property is assessed by 2.75 percent each
3 assessment year until the percentage reaches 100 percent for
4 assessment years beginning on or after January 1, 2037.

5 Except for provisions relating to the reestablishment of the
6 multiresidential property classification, this division of the
7 bill applies retroactively to assessment years beginning on or
8 after January 1, 2026.

9 DIVISION V — DISABLED VETERAN AND HOMESTEAD CREDITS AND
10 EXEMPTIONS. Starting with the assessment year beginning
11 January 1, 2026, the bill replaces the homestead property
12 tax credit, other than the portion of the credit provided
13 to certain disabled veterans, with a homestead property tax
14 exemption. For the assessment year beginning January 1, 2026,
15 the exemption amount is 25 percent of taxable value, not to
16 exceed \$175,000 in taxable value. The exemption percentage
17 increases by 2.5 percent and the maximum exemption amount
18 increases by \$17,500 each assessment year until the percentage
19 is 50 percent for assessment years beginning on or after
20 January 1, 2036, and the maximum exemption amount is \$350,000.
21 However, for those assessment years beginning on or after
22 January 1, 2036, such exemptions amounts for owners 60 years
23 of age and older are as follows: (1) for an owner that has
24 attained the age of 60 but has not attained the age of 70,
25 60 percent of taxable value not to exceed an exemption of
26 \$350,000; (2) for an owner that has attained the age of 70 but
27 has not attained the age of 80, 70 percent of taxable value
28 not to exceed an exemption of \$350,000; (3) for an owner that
29 has attained the age of 80 but has not attained the age of
30 90, 80 percent of taxable value not to exceed an exemption of
31 \$350,000; (4) for an owner that has attained the age of 90 but
32 has not attained the age of 100, 90 percent of taxable value
33 not to exceed an exemption of \$350,000; and (5) for an owner
34 that has attained the age of 100, 100 percent of taxable value
35 not to exceed an exemption of \$350,000.

1 The bill specifies that the elderly homestead exemption of
2 \$6,500 in taxable value under current law applies in addition
3 to the homestead exemption established in the bill and the
4 unencumbered homestead exemption established in the bill.

5 The bill establishes a homestead exemption for homesteads
6 that are unencumbered homesteads. The bill defines
7 "unencumbered homestead" to be a homestead as defined in Code
8 section 425.11, but excluding appurtenances and that portion
9 of the land upon which the dwelling house is situated that
10 exceeds one-half acre, owned by an individual that has attained
11 the age of 65 years by January 1 of the applicable assessment
12 year and for which no mortgage or other indebtedness or account
13 secured by an interest in the homestead exists on January 1 of
14 the assessment year. For the assessment year beginning January
15 1, 2026, the unencumbered homestead exemption is 25 percent of
16 the taxable value following application of the other homestead
17 exemption established in the bill, but before the homestead
18 exemption for persons 65 years of age, if applicable. The
19 exemption percentage increases by 25 percent each assessment
20 year until the percentage is 100 percent for assessment years
21 beginning on or after January 1, 2029. The unencumbered
22 homestead exemption, however, does not apply to voter-approved
23 levies, as defined in the bill, or property tax levies, or
24 portions thereof, that are for the payment of voter-approved
25 bonds or other voter-approved indebtedness. The provisions
26 of Code section 25B.7 relating to funding of new property tax
27 credits and exemptions are made inapplicable to the exemptions
28 in the bill.

29 The bill moves the disabled veteran homestead credit from
30 Code section 425.15 to Code section 425.1, and makes changes
31 to the scope of the disabled veteran homestead credit for new
32 applicants. Currently, a disabled veteran with a 100 percent
33 permanent and total disability rating receives a homestead
34 credit on the entire amount of tax levied on the homestead.
35 The bill specifies that a separate application form is required

1 to claim the disabled veteran homestead credit. The bill
2 does not change the homestead credit for an eligible disabled
3 veteran who makes an application for the homestead credit
4 before July 1, 2026. For a disabled veteran who makes an
5 application for the homestead credit on or after July 1, 2026,
6 the bill changes the definition of "homestead" to exclude
7 appurtenances and limits the size of the homestead credit to
8 property on one-half acre.

9 The state continues to reimburse local governments for the
10 homestead credit, which for assessment years beginning on or
11 after January 1, 2026, includes only the disabled veterans
12 homestead credit, but does not reimburse local governments for
13 the homestead exemption under current law and in the bill.

14 The bill provides that homestead owners who have filed for
15 or who are receiving homestead credits or exemptions before
16 the effective date of this division of the bill shall continue
17 to receive such credits and exemptions for which the owner is
18 eligible for assessment years beginning on or after January
19 1, 2026, without refileing, and, if the owner is eligible,
20 shall receive the exemption under Code section 425.1A(1A), as
21 enacted in this division of the bill, without filing for such
22 exemption.

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

25 DIVISION VI — MILITARY SERVICE PROPERTY TAX EXEMPTION.

26 Under current law, a veteran receives a property tax exemption
27 of \$4,000 in taxable value on property owned by the veteran.
28 The bill increases the veterans property tax exemption from
29 \$4,000 to the following exemption amounts: for the assessment
30 year beginning January 1, 2026, \$5,000; for the assessment year
31 beginning January 1, 2027, \$6,000; and for assessment years
32 beginning on or after January 1, 2028, \$7,000.

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

35 DIVISION VII — HOSPITAL AND EMERGENCY MEDICAL SERVICES

1 PROPERTY TAX LEVIES. The bill provides that for fiscal years
 2 beginning on or after July 1, 2027, any property tax levy
 3 imposed for a county hospital under Code chapter 347 that is
 4 limited by law to a specific property tax levy rate per \$1,000
 5 of assessed value shall not exceed a levy rate per \$1,000
 6 of assessed value that is equal to 1,000 multiplied by the
 7 quotient obtained by dividing 105 percent of the current fiscal
 8 year's actual property tax dollars certified for such levy by
 9 the remainder of the total assessed value used to calculate
 10 such taxes for the budget year minus value attributable to new
 11 valuation. The bill defines "budget year", "current fiscal
 12 year", and "new valuation" to mean the same as defined in Code
 13 section 331.423, as amended in the bill.

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

21 DIVISION VIII — PROPERTY TAX LEVY RATES. The bill
 22 establishes a reduction for rate-limited property tax levies.
 23 The bill defines "rate-limited property tax levy" to be any ad
 24 valorem property tax levy limited by law to a specific property
 25 tax levy rate per \$1,000 of assessed value used to calculate
 26 taxes, but does not include the school district foundation
 27 levy under Code section 257.3, the county general services
 28 levy under Code section 331.423(1), the county rural services
 29 levy under Code section 331.423(2), the city general fund levy
 30 under Code section 384.1(3), the physical plant and equipment
 31 levies under Code section 298.2, the school district bond tax
 32 under Code section 298.18, any levy under Code chapter 28M,
 33 a levy under Code section 384.12(1)(a) levied for operation
 34 and maintenance of a municipal transit system, a levy under
 35 Code section 384.12(1)(b) levied for operation and maintenance

1 of a regional transit district, a levy for the office of
2 the assessor under Code section 441.16, a levy for a county
3 agricultural extension under section 176A.10, any levy under
4 Code chapter 386, any levy under Code chapter 347 or 347A, and
5 any levy under Code chapter 357F, 357G, or 422D. In addition,
6 "rate-limited property tax levy" does not include levy rates
7 used in the calculations under Code section 312.2(5)(a).

8 For the fiscal year beginning July 1, 2027, each
9 rate-limited property tax levy may only be imposed if the
10 governmental entity imposed such levy for the fiscal year
11 beginning July 1, 2026, and shall, by operation of the bill,
12 be limited to a levy rate that is equal to 1,000 multiplied
13 by the quotient of 102 percent of the current fiscal year's
14 actual property tax dollars certified for such levy divided
15 by the total assessed value used to calculate such taxes for
16 the budget year, but not less than a levy rate per \$1,000 of
17 assessed value that results in an amount of actual property tax
18 dollars certified for levy for such levy equal to 100.5 percent
19 of the actual property tax dollars certified for such levy for
20 the fiscal year beginning July 1, 2026.

21 For the fiscal year beginning July 1, 2028, and each fiscal
22 year thereafter, rate-limited property tax levies may be
23 imposed by any governmental entity otherwise authorized by law,
24 regardless of whether the governmental entity imposed the levy
25 for the fiscal year beginning July 1, 2026, at rates not to
26 exceed those established by the general assembly by statute
27 following receipt and consideration of the report submitted by
28 the legislative interim committee requested to be established
29 by the legislative council in this division of the bill.

30 The bill also provides that, on or after July 1, 2026, a
31 city or county shall not issue bonds or other indebtedness,
32 as defined in the bill, payable from an ad valorem property
33 tax levy for the purpose of funding the general operations of
34 the city or general operations of the county, as applicable,
35 or otherwise use proceeds from the sale of bonds or issuance

1 of other indebtedness to fund general operations. The bill
2 defines "general operations" to mean services or activities
3 generally funded from the governmental entity's general fund,
4 which are necessary for the operation of the governmental
5 entity, including salaries and benefits, or which are for the
6 health and welfare of the governmental entity's citizens or
7 primarily intended to benefit all residents of the governmental
8 entity, but excluding services financed by statutory funds
9 other than a debt service fund.

10 The department of management is required to adopt rules
11 under Code chapter 17A to implement the new Code section
12 governing funding of general operations.

13 The bill reduces levy rates used to make certain
14 calculations related to the secondary road fund allocations
15 under Code section 312.2.

16 The bill requests the legislative council to establish a
17 legislative study committee during the 2026 legislative interim
18 and the 2027 legislative interim to examine appropriate rates
19 of property taxation imposed by governmental entities following
20 enactment of the bill and determine an alternative methodology
21 and period of time to increase the percentage of actual value
22 at which residential and multiresidential property are subject
23 to tax from 75 percent to 100 percent. The study committee
24 shall consist of six voting members of the general assembly.
25 Two members shall be appointed by the majority leader of the
26 senate, one member appointed by the minority member of the
27 senate, two members appointed by the speaker of the house of
28 representatives, and one member appointed by the minority
29 leader of the house of representatives. The study committee
30 is required to make recommendations to the general assembly by
31 January 15, 2028.

32 DIVISION IX — LOCAL SALES AND SERVICES TAX. Code chapter
33 423B authorizes a local sales and services tax to be imposed at
34 a rate of 1 percent. The bill authorizes the local sales and
35 services tax to be imposed at either 1 percent or 1.5 percent.

1 The bill also provides that for amendments to local sales and
2 services tax revenue purpose statements approved at election
3 on or after the effective date of this division of the bill,
4 if the existing revenue purpose statement expressly provides
5 for an amount or percentage of revenue for uses related to
6 road construction, repair, or maintenance, the amended revenue
7 purpose statement shall require amounts or percentages of
8 revenue equal to or greater than those in the existing revenue
9 purpose statement.

10 This division of the bill takes effect upon enactment.

11 DIVISION X — ADJUSTMENTS TO MOTOR VEHICLE REGISTRATION FEES
12 AND FUEL TAXES. Under current law, in addition to the required
13 annual registration fee, the owner of a battery electric
14 motor vehicle or a plug-in hybrid electric motor vehicle,
15 including a motorcycle, must pay an additional electric motor
16 vehicle registration fee each year. The additional fee for
17 a battery electric motor vehicle is \$130, the additional fee
18 for a plug-in hybrid electric motor vehicle is \$65, and the
19 additional fee for an electric motorcycle is \$9.

20 The bill requires the department of transportation (DOT)
21 to adjust these fees beginning July 1 each year to account
22 for increases in the consumer price index (CPI) for all urban
23 consumers. The DOT must calculate the adjusted fees using a
24 formula based on the change in CPI. The fees must increase
25 with a positive change in CPI, up to 3 percent, rounded to the
26 nearest dollar. However, if the general assembly nullifies the
27 adjustment by joint resolution signed by the governor on or
28 before April 30, or if the CPI is zero or negative for the prior
29 year ending December 31, the applicable adjusted fees in effect
30 at the time of the calculation are not adjusted. Similarly,
31 if a fee increased for three consecutive years prior to the
32 calculation, the fee must not be adjusted in the fourth year.
33 If, when rounded to the nearest dollar, the adjusted annual
34 electric motorcycle registration fee does not result in an
35 increase, the DOT is required to use the unrounded adjusted fee

1 as the fee in effect when the DOT calculates the next adjusted
2 fee.

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

26 The bill requires IDR to calculate the adjusted excise taxes
27 using a formula based on the change in CPI. The adjusted
28 excise taxes must increase with a positive change in CPI, up
29 to 3 percent, rounded to the nearest one-tenth of 1 cent.
30 However, if the general assembly nullifies the adjustment by
31 joint resolution signed by the governor on or before April 30,
32 or if the CPI is zero or negative for the prior year ending
33 December 31, the applicable excise taxes in effect at the
34 time of the calculation are not adjusted. Similarly, if an
35 excise tax increased for three consecutive years prior to the

1 calculation, the excise tax must not be adjusted in the fourth
2 year.

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

7 Pursuant to Code section 452A.59, IDR is empowered to
8 adopt administrative rules relating to the administration and
9 enforcement of Code chapter 452A, including as amended by the
10 bill, as IDR deems necessary.

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

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

20 DIVISION XI — OFFICE OF THE ASSESSOR — BUDGET AND LEVY.

21 Code section 441.16(5) authorizes a \$0.675 per \$1,000 of
22 assessed value property tax levy for the maintenance of the
23 office of the assessor and other assessment procedure. The
24 bill provides that for fiscal years beginning on or after July
25 1, 2027, expenses of the office of the assessor, the examining
26 board, and the board of review related to duties or expenses
27 authorized to be paid using funds levied under Code sections
28 96.31, 97B.9, and 97C.10 shall not be paid from the levy under
29 Code section 441.16(5). The bill also provides that the levy
30 under Code section 441.16(5) for the fiscal year beginning
31 July 1, 2027, shall not exceed a rate per \$1,000 of assessed
32 value that is equal to 1,000 multiplied by the quotient of
33 102 percent of the current fiscal year's actual property tax
34 dollars certified for such levy, excluding amounts attributable
35 to specified types of expenses under Code sections 97B.9 and

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

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

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

30 The bill also lowers the \$0.95 city levy for the operation
31 and maintenance of a municipal transit system to \$0.80 and
32 establishes an annual limitation on the total amount of
33 property taxes levied by a city for such purpose to be an
34 amount not to exceed 105 percent of the amount levied for the
35 immediately preceding fiscal year.

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

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

22 DIVISION XIV — LOCAL GOVERNMENT BUDGET STATEMENTS. Code
23 section 24.2A requires the county auditor to mail statements
24 containing certain county, city, and school district budget and
25 property tax information to each property owner or taxpayer.
26 For budgets for fiscal years beginning on or after July 1,
27 2027, the bill authorizes those statements to be to be posted
28 on the political subdivision's internet site by March 15 in
29 lieu of mailing individual statements. Additionally, if the
30 political subdivision maintains a social media account on
31 one or more social media applications, the statement or an
32 electronic link to the statement shall be posted on each such
33 account on a date no later than March 15.

34 DIVISION XV — REAL ESTATE TRANSFER TAX FORMS. The bill
35 amends Code section 428A.7 governing real estate transfer tax

1 forms for the declaration of value prescribed by the department
2 of revenue by specifying examples of the types of special facts
3 and circumstances that may distort market value.

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

20 DIVISION XVII — MOBILE HOME, MANUFACTURED HOME, AND MODULAR
21 HOME TAXES. Code chapter 435 imposes a square footage tax on
22 mobile homes and manufactured homes placed in a mobile home
23 park or manufactured home community. The bill strikes the
24 portions of Code chapter 435 imposing the square footage tax
25 and provides instead that such homes are exempt from property
26 tax. However, the bill does not modify the provisions of law
27 governing the taxation of mobile homes and manufactured homes
28 placed outside of manufactured home communities and mobile
29 home parks, which are assessed and taxed in the same manner
30 as other real property. Additionally, the bill provides that
31 modular homes placed in a manufactured home community or mobile
32 home park in existence on or before January 1, 1998, which are
33 subject to the square footage tax under current law, are exempt
34 from property tax. The bill also makes corresponding changes
35 to several other provisions of law that relate to Code chapter

1 435. This division of the bill does not affect the operation
2 of, or prohibit the application of, prior provisions of law or
3 rules adopted to administer the manufactured or mobile home
4 tax assessed under Code chapter 435 for taxes due and payable
5 before July 1, 2026.

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

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

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