

Senate Study Bill 3138 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
LOCAL GOVERNMENT BILL BY
CHAIRPERSON WEBSTER)

A BILL FOR

1 An Act relating to the division of revenue of school district
2 foundation property taxes for urban renewal projects,
3 authorizing voluntary payments by school districts, and
4 including applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 403.19, subsection 2, paragraph a, Code
2 2026, is amended to read as follows:

3 a. That portion of the taxes each year in excess of such
4 amount shall be allocated to and when collected be paid into a
5 special fund of the municipality to pay the principal of and
6 interest on loans, moneys advanced to, or indebtedness, whether
7 funded, refunded, assumed, or otherwise, including bonds
8 issued under the authority of [section 403.9, subsection 1](#),
9 incurred by the municipality to finance or refinance, in whole
10 or in part, an urban renewal project within the area, and to
11 provide assistance for low and moderate income family housing
12 as provided in [section 403.22](#). However, except as provided
13 in paragraph "b", taxes for the regular and voter-approved
14 physical plant and equipment levy of a school district imposed
15 pursuant to [section 298.2](#), foundation property taxes of a
16 school district imposed under section 257.3, and taxes for the
17 instructional support program of a school district imposed
18 pursuant to [section 257.19](#), taxes for the payment of bonds
19 and interest of each taxing district, and taxes imposed under
20 section 346.27, subsection 22, related to joint county-city
21 buildings shall be collected against all taxable property
22 within the taxing district without limitation by the provisions
23 of [this subsection](#).

24 Sec. 2. Section 403.19, Code 2026, is amended by adding the
25 following new subsection:

26 NEW SUBSECTION. 12. For any fiscal year beginning on
27 or after July 1, 2027, following written request filed with
28 the county auditor and the board of directors of the school
29 district, a school district may approve by resolution of the
30 board of directors the payment from the school district's
31 general fund to the municipality for deposit in the special
32 fund under this section all or a portion of the school
33 district's foundation property taxes under section 257.3 levied
34 against property located in the urban renewal area for one
35 or more applicable fiscal years. If approved, the board of

