

Senate File 2472 - Reprinted

SENATE FILE 2472
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 3001)

(As Amended and Passed by the Senate April 8, 2026)

A BILL FOR

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

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DIVISION I

COUNTY PROPERTY TAXES AND BUDGETS

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

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

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

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

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

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

(2) For the fiscal year beginning July 1, 2029, the greater of:

(a) A levy rate per one thousand dollars of assessed value equal to one thousand multiplied by the quotient of one hundred two percent of the current fiscal year's actual property tax dollars certified for levy under this subsection 1 divided by

1 the remainder of the total assessed value used to calculate
2 such taxes for the budget year minus value attributable to new
3 valuation.

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

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

11 NEW PARAGRAPH. d. (1) For each fiscal year beginning on or
12 after July 1, 2030, the levy rate imposed under this subsection 1
13 for the current fiscal year, unless subject to subparagraph (2),
14 and for the budget year beginning July 1, 2030, only, not less
15 than a levy rate per one thousand dollars of assessed value that
16 results in an amount of actual property tax dollars certified for
17 levy under this subsection 1 equal to one hundred and one-half
18 percent of the actual property tax dollars certified for levy
19 under this subsection 1 for the current fiscal year.

20 (2) (a) If the total assessed value, excluding value
21 attributable to new valuation, used to calculate taxes for
22 general county services under this subsection 1 for the budget
23 year is equal to or exceeds one hundred two percent of the
24 total assessed value used to calculate taxes for general county
25 services for the current fiscal year, the levy rate imposed
26 under this subsection 1 shall not exceed a levy rate per one
27 thousand dollars of assessed value that is equal to one thousand
28 multiplied by the quotient obtained by dividing the product of
29 the budget adjustment factor multiplied by the current fiscal
30 year's actual property tax dollars certified for levy under this
31 subsection 1 by the remainder of the total assessed value used to
32 calculate such taxes for the budget year minus value attributable
33 to new valuation.

34 (b) (i) For purposes of this subparagraph, "budget
35 adjustment factor" is equal to one of the following, unless

1 modified by the general assembly on or before January 31
2 immediately preceding the applicable fiscal year:

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

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

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

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

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

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

27 (1) For each fiscal year beginning on or after July 1,
28 2024, but before July 1, ~~2028~~ 2027, subject to subparagraph
29 (3), the greater of three dollars and ninety-five cents per
30 thousand dollars of assessed value used to calculate taxes for
31 rural county services for the budget year and the adjusted rural
32 county basic levy rate, as adjusted under subparagraph (2), if
33 applicable.

34 Sec. 5. Section 331.423, subsection 2, paragraph c, Code
35 2026, is amended to read as follows:

1 ~~c. (1) For each fiscal year beginning on or after July 1,~~
2 ~~2028, three dollars and ninety-five cents per thousand dollars of~~
3 ~~assessed value. For the fiscal year beginning July 1, 2027, and~~
4 ~~the fiscal year beginning July 1, 2028, the greater of:~~

5 (a) A levy rate per one thousand dollars of assessed value
6 equal to one thousand multiplied by the quotient of one hundred
7 one and three-fourths percent of the current fiscal year's actual
8 property tax dollars certified for levy under this subsection
9 2 divided by the remainder of the total assessed value used to
10 calculate such taxes for the budget year minus value attributable
11 to new valuation.

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

17 ~~(2) For the fiscal year beginning July 1, 2029, the greater~~
18 ~~of:~~

19 (a) A levy rate per one thousand dollars of assessed value
20 equal to one thousand multiplied by the quotient of one hundred
21 two percent of the current fiscal year's actual property tax
22 dollars certified for levy under this subsection 2 divided by
23 the remainder of the total assessed value used to calculate
24 such taxes for the budget year minus value attributable to new
25 valuation.

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

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

33 NEW PARAGRAPH. ~~d. (1) For each fiscal year beginning on or~~
34 ~~after July 1, 2030, the levy rate imposed under this subsection 2~~
35 ~~for the current fiscal year, unless subject to subparagraph (2),~~

1 and for the budget year beginning July 1, 2030, only, not less
2 than a levy rate per one thousand dollars of assessed value that
3 results in an amount of actual property tax dollars certified for
4 levy under this subsection 2 equal to one hundred and one-half
5 percent of the actual property tax dollars certified for levy
6 under this subsection 2 for the current fiscal year.

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

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

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

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

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

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

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

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

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

19 (1) New construction.

20 (2) Additions or improvements to existing structures that are
21 not normal and necessary repairs under section 441.21, subsection
22 8.

23 (3) Net boundary adjustments, including annexation,
24 severance, incorporation, consolidation, or discontinuance as
25 those terms are defined in section 368.1.

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

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

31 DIVISION II

32 CITY PROPERTY TAXES AND BUDGETS

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

35 (1) For each fiscal year beginning on or after July 1,

1 2024, but before July 1, ~~2028~~ 2027, subject to subparagraph
2 (3), a city's tax levy for the general fund, except for levies
3 authorized in section 384.12, shall not exceed in any tax year
4 the greater of eight dollars and ten cents per thousand dollars
5 of assessed value used to calculate taxes for the budget year
6 and the adjusted city general fund levy rate, as adjusted under
7 subparagraph (2), if applicable.

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

10 d. (1) (a) For each fiscal year beginning on or after July
11 1, 2028, a city's tax levy rate for the general fund, except
12 for levies authorized in section 384.12, shall not exceed eight
13 dollars and ten cents per thousand dollars of assessed value used
14 to calculate taxes in any fiscal year. For the fiscal year
15 beginning July 1, 2027, and the fiscal year beginning July 1,
16 2028, a city's tax levy rate for the general fund, except for
17 levies authorized in section 384.12, shall not exceed the greater
18 of:

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

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

31 (b) Notwithstanding other provisions of this subparagraph, if
32 a city's actual levy rate for the current fiscal year is zero
33 dollars per one thousand dollars of assessed value, a levy rate
34 per one thousand dollars of assessed value equal to one thousand
35 multiplied by the quotient of one hundred two percent of the

1 city's certified general fund budget for the current fiscal year
2 divided by the remainder of the total assessed value used to
3 calculate taxes for the budget year minus value attributable to
4 new valuation.

5 (2) (a) For the fiscal year beginning July 1, 2029, a city's
6 tax levy rate for the general fund, except for levies authorized
7 in section 384.12, shall not exceed the greater of:

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

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

20 (b) Notwithstanding other provisions of this subparagraph, if
21 a city's actual levy rate for the current fiscal year is zero
22 dollars per one thousand dollars of assessed value, a levy rate
23 per one thousand dollars of assessed value equal to one thousand
24 multiplied by the quotient of one hundred two percent of the
25 city's certified general fund budget for the current fiscal year
26 divided by the remainder of the total assessed value used to
27 calculate taxes for the budget year minus value attributable to
28 new valuation.

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

31 NEW PARAGRAPH. e. (1) For each fiscal year beginning on or
32 after July 1, 2030, a city's tax levy rate for the general fund,
33 except for levies authorized in section 384.12, shall not exceed
34 the levy rate imposed under this subsection for the current
35 fiscal year, unless subject to subparagraph (2), and for the

1 budget year beginning July 1, 2030, only, not less than a levy
2 rate per one thousand dollars of assessed value that results
3 in an amount of actual property tax dollars certified for levy
4 under this subsection equal to one hundred and one-half percent
5 of the actual property tax dollars certified for levy under this
6 subsection for the current fiscal year.

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

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

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

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

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

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

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

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

11 (3) Notwithstanding other provisions of this paragraph, if
12 a city's actual levy rate for the current fiscal year is zero
13 dollars per one thousand dollars of assessed value, the city's
14 levy rate under this subsection shall not exceed a levy rate
15 per one thousand dollars of assessed value equal to one thousand
16 multiplied by the quotient of one hundred two percent of the
17 city's certified general fund budget for the current fiscal year
18 divided by the remainder of the total assessed value used to
19 calculate taxes for the budget year minus value attributable to
20 new valuation.

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

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

28 (1) New construction.

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

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

35 Sec. 14. EFFECTIVE DATE. This division of this Act takes

1 effect January 1, 2027.

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

5 DIVISION III

6 SCHOOL TAXES AND BUDGETS

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

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

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

17 (c) For the budget year commencing July 1, 2027, and each
18 succeeding budget year, the regular program foundation base per
19 pupil is one hundred percent of the regular program state cost
20 per pupil.

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

25 (3) The combined foundation base is the sum of the regular
26 program foundation base, the special education support services
27 foundation base, the total teacher salary supplement district
28 cost, the total professional development supplement district
29 cost, the total early intervention supplement district cost, the
30 total teacher leadership supplement district cost, and the total
31 area education agency teacher salary supplement district cost.

32 Sec. 17. Section 257.4, subsection 1, paragraph b, Code 2026,
33 is amended to read as follows:

34 b. For the budget year beginning July 1, 2008, and succeeding
35 budget years beginning before July 1, 2027, the department

1 of management shall annually determine an adjusted additional
 2 property tax levy and a statewide maximum adjusted additional
 3 property tax levy rate, not to exceed the statewide average
 4 additional property tax levy rate, calculated by dividing the
 5 total adjusted additional property tax levy dollars statewide by
 6 the statewide total net taxable valuation. For purposes of this
 7 paragraph, the adjusted additional property tax levy shall be
 8 that portion of the additional property tax levy corresponding
 9 to the state cost per pupil multiplied by a school district's
 10 weighted enrollment, and then multiplied by one hundred percent
 11 less the regular program foundation base per pupil percentage
 12 pursuant to section 257.1, and then reduced by the amount of
 13 the property tax replacement payment to be received under section
 14 257.16B and the amount of the foundation base supplement payment
 15 to be received under section 257.16D. The district shall receive
 16 adjusted additional property tax levy aid in an amount equal
 17 to the difference between the adjusted additional property tax
 18 levy rate and the statewide maximum adjusted additional property
 19 tax levy rate, as applied per thousand dollars of assessed
 20 valuation on all taxable property in the district. The statewide
 21 maximum adjusted additional property tax levy rate shall be
 22 annually determined by the department taking into account amounts
 23 allocated pursuant to section 257.15, subsection 4, and the
 24 balance of the property tax equity and relief fund created in
 25 section 257.16A at the end of the calendar year.

26 Sec. 18. Section 257.4, subsection 2, Code 2026, is amended
 27 by adding the following new paragraph:

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

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

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

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

11 3. *Property tax adjustment aid appropriation.* There is
 12 appropriated from the general fund of the state to the department
 13 of education, for each fiscal year beginning before July 1, 2027,
 14 an amount necessary to pay property tax adjustment aid to school
 15 districts under this section. Property tax adjustment aid shall
 16 be paid to school districts in the manner provided in section
 17 257.16.

18 Sec. 20. Section 257.15, subsection 4, paragraph a,
 19 subparagraph (1), subparagraph division (d), Code 2026, is
 20 amended to read as follows:

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

24 Sec. 21. Section 257.15, subsection 4, paragraph b, Code
 25 2026, is amended to read as follows:

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

1 the general fund of the state pursuant to section 257.16 that
2 represents the increase in state foundation aid. Any moneys
3 remaining at the conclusion of the fiscal year beginning July 1,
4 2025, shall be transferred by the department of management for
5 deposit in the general fund of the state.

6 Sec. 22. Section 257.16A, subsections 2 and 3, Code 2026, are
7 amended to read as follows:

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

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

22 Sec. 23. Section 257.16B, subsection 1, Code 2026, is amended
23 to read as follows:

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

29 Sec. 24. Section 257.16D, subsection 2, paragraph a, Code
30 2026, is amended to read as follows:

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

1 supplement payment based on the distribution methodology under
2 paragraph "b".

3 Sec. 25. Section 257.16D, subsection 3, Code 2026, is amended
4 to read as follows:

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

13 Sec. 26. Section 257.31, Code 2026, is amended by adding the
14 following new subsection:

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

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

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

4 Sec. 27. 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 not
14 exceeding ~~one dollar and thirty-four~~ ninety-four cents per
15 thousand dollars of assessed valuation in the district. However,
16 the voter-approved physical plant and equipment levy may consist
17 of a combination of a physical plant and equipment property tax
18 levy and a physical plant and equipment income surtax as provided
19 in subsection 4 with the maximum amount levied and imposed
20 limited to an amount that could be raised by a ~~one dollar and~~
21 ~~thirty-four~~ ninety-four cent property tax levy. A voter-approved
22 physical plant and equipment levy approved prior to the effective
23 date of this division of this Act shall not exceed a rate that is
24 seventy percent of the rate approved at election.

25 b. For school budget years beginning on or after July 1,
26 ~~2015~~ 2027, a school district may by resolution of the board of
27 directors adopted prior to April 30 preceding the budget year
28 impose a physical plant and equipment levy at a rate in excess
29 of the levy rate limitations under paragraph "a" if the board
30 has refunded or refinanced a loan agreement entered into under
31 section 297.36 and such refunding or refinancing complies with
32 the maturity period authorized under section 297.36, subsection
33 1, paragraph "c", and results in a lower amount of interest on
34 the amount of the loan agreement. However, the rate imposed
35 by a school district under this paragraph shall not exceed the

1 rate imposed during the budget year in which the loan agreement
2 was refunded or refinanced or seventy percent of such levy rate
3 if the refunding or refinancing occurred in the budget year
4 beginning July 1, 2026. Authorization to exceed the levy rate
5 limitations of paragraph "a" shall terminate upon the maturity
6 of the loan agreement after refunding or refinancing. Upon
7 adoption of the resolution under this paragraph "b", the board
8 shall comply with the requirements of section 297.36, subsection
9 1, paragraph "b".

10 Sec. 28. Section 298.2, subsection 2, Code 2026, is amended
11 by striking the subsection.

12 Sec. 29. Section 298.4, subsection 1, unnumbered paragraph 1,
13 Code 2026, is amended to read as follows:

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

23 Sec. 30. Section 298.4, Code 2026, is amended by adding the
24 following new subsection:

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

33 (2) For the fiscal year beginning July 1, 2029, if a
34 school district's unexpended fund balance, as defined in section
35 257.2, of the district's management levy fund is equal to or

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

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

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

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

30 b. (1) For the fiscal year beginning July 1, 2028, if a
31 school district is not prohibited from certifying a levy pursuant
32 to paragraph "a", the maximum amount that the board of directors
33 may certify for levy under this section shall be an amount equal
34 to the remainder of one hundred eighty percent of the average
35 annual expenditures from the district's management levy fund for

1 the three consecutive fiscal years immediately preceding the base
2 year minus the district's management levy fund unexpended fund
3 balance for the fiscal year preceding the base year.

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

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

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

31 (5) For the fiscal year beginning July 1, 2032, and each
32 succeeding fiscal year, if a school district is not prohibited
33 from certifying a levy pursuant to paragraph "a", the maximum
34 amount that the board of directors may certify for levy under
35 this section shall be an amount equal to the remainder of one

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

6 Sec. 31. Section 298.18, subsection 1, paragraph d, Code
7 2026, is amended to read as follows:

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

21 (2) The levy rate limitations under this paragraph shall not
22 apply to the payment of general obligation bonds approved for
23 issuance at an election held on or before November 4, 2025,
24 that are sold on or after May 1, 2026, and the payment of such
25 bonds shall be subject to the levy rate limitations under section
26 298.18, subsection 1, paragraph "d", Code 2026.

27 Sec. 32. Section 423F.2, subsection 3, paragraph b,
28 subparagraph (1), Code 2026, is amended to read as follows:

29 (1) Prior to distribution of moneys in the secure an advanced
30 vision for education fund to school districts, an amount equal
31 to the equity transfer amount for the fiscal year ~~minus the~~
32 ~~foundation base transfer amount for the fiscal year shall~~
33 ~~be distributed and credited to the property tax equity and~~
34 ~~relief fund created in section 257.16A, an amount equal to the~~
35 ~~foundation base transfer amount shall be distributed and credited~~

1 ~~to the foundation base supplement fund created in section~~
2 257.16D, general fund of the state to be used for foundation aid
3 resulting from the increase in the regular program foundation
4 base per pupil to one hundred percent of the regular program
5 state cost per pupil and an amount equal to the career academy
6 transfer amount for the fiscal year shall be distributed and
7 credited to the career academy fund created in section 257.51.

8 Sec. 33. Section 423F.2, subsection 3, paragraph b,
9 subparagraph (3), Code 2026, is amended by striking the
10 subparagraph.

11 Sec. 34. Section 423F.3, subsection 1, paragraph a, Code
12 2026, is amended to read as follows:

13 a. Reduction of the bond levies levy under ~~sections section~~
14 ~~298.18 and 298.18A~~ and all other debt levies.

15 Sec. 35. Section 425A.3, subsection 1, Code 2026, is amended
16 to read as follows:

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

34 Sec. 36. Section 425A.5, Code 2026, is amended to read as
35 follows:

1 **425A.5 Computation by county auditor.**

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

19 Sec. 37. Section 426.3, Code 2026, is amended to read as
 20 follows:

21 **426.3 Where credit given.**

22 The agricultural land credit fund shall be apportioned each
 23 year in the manner hereinafter provided so as to give a credit
 24 against the tax on each tract of agricultural lands within the
 25 several school districts of the state in which the levy for the
 26 general school fund exceeds ~~five dollars and forty cents per~~
 27 ~~thousand dollars of assessed value~~ the levy rate under section
 28 257.3, subsection 1, paragraph "a"; the amount of such credit on
 29 each tract of such lands shall be the amount the tax levied for
 30 the general school fund exceeds the amount of tax which would be
 31 levied on said tract of such lands were the levy for the general
 32 school fund ~~five dollars and forty cents per thousand dollars~~
 33 ~~of assessed value~~ the levy rate under section 257.3, subsection
 34 1, paragraph "a", for the previous year, except in the case of
 35 a deficiency in the agricultural land credit fund to pay said

1 credits in full, in which case the credit on each eligible tract
2 of such lands in the state shall be proportionate and shall be
3 applied as hereinafter provided.

4 Sec. 38. Section 426.6, subsection 1, Code 2026, is amended
5 to read as follows:

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

22 Sec. 39. REPEAL. Section 298.18A, Code 2026, is repealed.

23 Sec. 40. EFFECTIVE DATE. Except for the section of this
24 division of this Act amending section 257.31, this division of
25 this Act takes effect January 1, 2027.

26 Sec. 41. APPLICABILITY. Except for the section of this
27 division of this Act amending section 257.31, this division
28 of this Act applies to fiscal years and school budget years
29 beginning on or after July 1, 2027.

30 DIVISION IV

31 PROPERTY CLASSIFICATIONS, VALUATIONS, AND ASSESSMENT LIMITATIONS

32 Sec. 42. Section 386.8, Code 2026, is amended to read as
33 follows:

34 **386.8 Operation tax.**

35 A city may establish a self-supported improvement district

1 operation fund, and may certify taxes not to exceed the rate
 2 limitation as established in the ordinance creating the district,
 3 or any amendment thereto, each year to be levied for the fund
 4 against all of the property in the district, for the purpose
 5 of paying the administrative expenses of the district, which may
 6 include but are not limited to administrative personnel salaries,
 7 a separate administrative office, planning costs including
 8 consultation fees, engineering fees, architectural fees, and
 9 legal fees and all other expenses reasonably associated with the
 10 administration of the district and the fulfilling of the purposes
 11 of the district. The taxes levied for this fund may also be used
 12 for the purpose of paying maintenance expenses of improvements or
 13 self-liquidating improvements for a specified length of time with
 14 one or more options to renew if such is clearly stated in the
 15 petition which requests the council to authorize construction of
 16 the improvement or self-liquidating improvement, whether or not
 17 such petition is combined with the petition requesting creation
 18 of a district. Parcels of property which are assessed as
 19 residential property for property tax purposes are exempt from
 20 the tax levied under this section except residential properties
 21 within a duly designated historic district or property classified
 22 as ~~residential~~ multiresidential property under section 441.21,
 23 subsection 44 13, paragraph "a", subparagraph ~~(6)~~ (5). A tax
 24 levied under this section is not subject to the levy limitation
 25 in section 384.1.

26 Sec. 43. Section 386.9, Code 2026, is amended to read as
 27 follows:

28 **386.9 Capital improvement tax.**

29 A city may establish a capital improvement fund for a district
 30 and may certify taxes, not to exceed the rate established by
 31 the ordinance creating the district, or any subsequent amendment
 32 thereto, each year to be levied for the fund against all of the
 33 property in the district, for the purpose of accumulating moneys
 34 for the financing or payment of a part or all of the costs of any
 35 improvement or self-liquidating improvement. However, parcels of

1 property which are assessed as residential property for property
2 tax purposes are exempt from the tax levied under this section
3 except residential properties within a duly designated historic
4 district or property classified as ~~residential~~ multiresidential
5 property under section 441.21, subsection 14 13, paragraph "a",
6 subparagraph ~~(6)~~ (5). A tax levied under this section is not
7 subject to the levy limitations in section 384.1 or 384.7.

8 Sec. 44. Section 386.10, Code 2026, is amended to read as
9 follows:

10 **386.10 Debt service tax.**

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

28 Sec. 45. Section 404.2, subsection 2, paragraph f, Code 2026,
29 is amended to read as follows:

30 *f.* A statement specifying whether the revitalization is
31 applicable to none, some, or all of the property assessed
32 as residential, multiresidential, agricultural, commercial, or
33 industrial property within the designated area or a combination
34 thereof and whether the revitalization is for rehabilitation and
35 additions to existing buildings or new construction or both. If

1 revitalization is made applicable only to some property within
2 an assessment classification, the definition of that subset of
3 eligible property must be by uniform criteria which further some
4 planning objective identified in the plan. The city shall state
5 how long it is estimated that the area shall remain a designated
6 revitalization area which time shall be longer than one year from
7 the date of designation and shall state any plan by the city to
8 issue revenue bonds for revitalization projects within the area.
9 For a county, a revitalization area shall include only property
10 which will be used as industrial property, commercial property,
11 multiresidential property, or residential property. However, a
12 county shall not provide a tax exemption under this chapter to
13 commercial property, multiresidential property, or residential
14 property which is located within the limits of a city.

15 Sec. 46. Section 404.3, subsection 4, paragraph a, Code 2026,
16 is amended by striking the paragraph and inserting in lieu
17 thereof the following:

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

21 (1) Residential property.

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

25 (3) Multiresidential property if the multiresidential
26 property consists of three or more separate living quarters with
27 at least seventy-five percent of the space used for residential
28 purposes.

29 Sec. 47. Section 404.3A, Code 2026, is amended to read as
30 follows:

31 **404.3A Residential development area exemption.**

32 Notwithstanding the schedules provided for in section 404.3,
33 all qualified real estate assessed as residential property
34 or multiresidential property, excluding property classified
35 as ~~residential~~ multiresidential property under section 441.21,

1 subsection ~~14~~ 13, paragraph "a", subparagraph ~~(6)~~ (5), in an
2 area designated under section 404.1, subsection 5, is eligible
3 to receive an exemption from taxation on the first seventy-five
4 thousand dollars of actual value added by the improvements. The
5 exemption is for a period of five years.

6 Sec. 48. Section 404.3D, Code 2026, is amended to read as
7 follows:

8 **404.3D Exemptions for residential and multiresidential**
9 **property.**

10 For revitalization areas established under this chapter on or
11 after July 1, 2024, and for first-year exemption applications for
12 property located in a revitalization area in existence on July
13 1, 2024, filed on or after July 1, 2024, an exemption authorized
14 under this chapter for property that is residential property or
15 multiresidential property shall not apply to property tax levies
16 imposed by a school district.

17 Sec. 49. Section 441.21, subsection 1, paragraph b,
18 subparagraph (1), Code 2026, is amended to read as follows:

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

1 sales ~~to immediate family of the seller~~ between related parties,
2 foreclosure or other forced sales, contract sales, discounted
3 purchase transactions or purchase of adjoining land or other land
4 to be operated as a unit.

5 Sec. 50. Section 441.21, subsection 1, paragraph e, Code
6 2026, is amended to read as follows:

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

30 Sec. 51. Section 441.21, subsection 2, Code 2026, is amended
31 to read as follows:

32 2. In the event market value of the property being assessed
33 cannot be readily established in the foregoing manner, then
34 the assessor may determine the value of the property using the
35 other uniform and recognized appraisal methods including its

1 productive and earning capacity, if any, industrial conditions,
2 its cost, physical and functional depreciation and obsolescence
3 and replacement cost, and all other factors which would assist
4 in determining the fair and reasonable market value of the
5 property but the actual value shall not be determined by use of
6 only one such factor. The following shall not be taken into
7 consideration: Special value or use value of the property to
8 its present owner, and the goodwill or value of a business which
9 uses the property as distinguished from the value of the property
10 as property. In addition, for assessment years beginning on or
11 after January 1, 2018, and unless otherwise required for property
12 valued by the department of revenue pursuant to chapters 428,
13 437, and 438, the assessor shall not take into consideration
14 and shall not request from any person sales or receipts data,
15 expense data, balance sheets, bank account information, or other
16 data related to the financial condition of a business operating
17 in whole or in part on the property if the property is both
18 classified as commercial or industrial property and owned and
19 used by the owner of the business. However, in assessing
20 property that is rented or leased to low-income individuals and
21 families as authorized by section 42 of the Internal Revenue
22 Code, as amended, and which section limits the amount that the
23 individual or family pays for the rental or lease of units
24 in the property, the assessor shall, unless the owner elects
25 to withdraw the property from the assessment procedures for
26 section 42 property, use the productive and earning capacity from
27 the actual rents received as a method of appraisal and shall
28 take into account the extent to which that use and limitation
29 reduces the market value of the property. The assessor shall
30 not consider any tax credit equity or other subsidized financing
31 as income provided to the property in determining the assessed
32 value. The property owner shall notify the assessor when
33 property is withdrawn from section 42 eligibility under the
34 Internal Revenue Code or if the owner elects to withdraw the
35 property from the assessment procedures for section 42 property

1 under this subsection. The property shall not be subject to
 2 section 42 assessment procedures for the assessment year for
 3 which section 42 eligibility is withdrawn or an election is
 4 made. This notification must be provided to the assessor no
 5 later than March 1 of the assessment year or the owner will
 6 be subject to a penalty of five hundred dollars for that
 7 assessment year. The penalty shall be collected at the same
 8 time and in the same manner as regular property taxes. An
 9 election to withdraw from the assessment procedures for section
 10 42 property is irrevocable. Property that is withdrawn from the
 11 assessment procedures for section 42 property shall be classified
 12 and assessed as residential multiresidential property unless the
 13 property otherwise fails to meet the requirements of subsection
 14 ~~14~~ 13. Upon adoption of uniform rules by the department
 15 of revenue or succeeding authority covering assessments and
 16 valuations of such properties, the valuation on such properties
 17 shall be determined in accordance with such rules and in
 18 accordance with forms and guidelines contained in the real
 19 property appraisal manual prepared by the department as updated
 20 from time to time for assessment purposes to assure uniformity,
 21 but such rules, forms, and guidelines shall not be inconsistent
 22 with or change the foregoing means of determining the actual,
 23 market, taxable, and assessed values.

24 Sec. 52. Section 441.21, subsections 4 and 5, Code 2026, are
 25 amended to read as follows:

26 4. For valuations established as of January 1, ~~1979~~ 2026, the
 27 percentage of actual value at which agricultural and residential
 28 property shall be assessed shall be ~~the quotient of the dividend~~
 29 ~~and divisor as defined in this section~~ determined under this
 30 subsection.

31 a. ~~(1)~~ The percentage of actual value at which agricultural
 32 property shall be assessed shall be the quotient of the dividend
 33 and divisor as defined in this paragraph. The dividend ~~for~~
 34 ~~each class of property~~ shall be the dividend as determined for
 35 ~~each class of~~ agricultural property for valuations established

1 as of January 1, ~~1978~~ 2025, as determined under the applicable
2 law for that assessment year, adjusted by the product obtained
3 by multiplying the percentage determined for that year by the
4 amount of any additions or deletions to actual value, excluding
5 those resulting from the revaluation of existing properties, as
6 reported by the assessors on the abstracts of assessment for ~~1978~~
7 2025, plus ~~six~~ three percent of the amount so determined.

8 ~~(2) However, if the difference between the dividend so~~
9 ~~determined for either class of property and the dividend for~~
10 ~~that class of property for valuations established as of January~~
11 ~~1, 1978, adjusted by the product obtained by multiplying the~~
12 ~~percentage determined for that year by the amount of any~~
13 ~~additions or deletions to actual value, excluding those resulting~~
14 ~~from the revaluation of existing properties, as reported by~~
15 ~~the assessors on the abstracts of assessment for 1978, is less~~
16 ~~than six percent, the 1979 dividend for the other class of~~
17 ~~property shall be the dividend as determined for that class~~
18 ~~of property for valuations established as of January 1, 1978,~~
19 ~~adjusted by the product obtained by multiplying the percentage~~
20 ~~determined for that year by the amount of any additions or~~
21 ~~deletions to actual value, excluding those resulting from the~~
22 ~~revaluation of existing properties, as reported by the assessors~~
23 ~~on the abstracts of assessment for 1978, plus a percentage of~~
24 ~~the amount so determined which is equal to the percentage by~~
25 ~~which the dividend as determined for the other class of property~~
26 ~~for valuations established as of January 1, 1978, adjusted by~~
27 ~~the product obtained by multiplying the percentage determined~~
28 ~~for that year by the amount of any additions or deletions to~~
29 ~~actual value, excluding those resulting from the revaluation~~
30 ~~of existing properties, as reported by the assessors on the~~
31 ~~abstracts of assessment for 1978, is increased in arriving at the~~
32 ~~1979 dividend for the other class of property.~~

33 ~~(3) For valuations established for assessment years beginning~~
34 ~~on or after January 1, 2022, the calculation of the dividend~~
35 ~~for residential property under this subsection shall exclude the~~

1 value of all property described in subsection 14, paragraph "a",
 2 subparagraphs (2), (3), (4), (5), and (6), and the property
 3 described in subsection 14, paragraph "a", subparagraph (7), that
 4 contains three or more separate dwelling units.

5 b.—(1) The divisor for each class of property shall be
 6 the total actual value of all such agricultural property in
 7 the state in the preceding year, as reported by the assessors
 8 on the abstracts of assessment submitted for ~~1978~~ 2025, as
 9 determined under the applicable law for that assessment year,
 10 plus the amount of value added to said total actual value by
 11 the revaluation of existing properties in ~~1979~~ 2026 as equalized
 12 by the director of revenue pursuant to section 441.49. The
 13 director shall utilize information reported on abstracts of
 14 assessment submitted pursuant to section 441.45 in determining
 15 such percentage. For valuations established as of January
 16 1, 2027, and each assessment year thereafter, the percentage
 17 of actual value as equalized by the department of revenue as
 18 provided in section 441.49 at which agricultural property shall
 19 be assessed shall be calculated in accordance with the methods
 20 provided in this paragraph.

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

28 c.—(1) ~~For valuations established as of January 1, 1980,~~
 29 ~~and each assessment year thereafter beginning before January~~
 30 ~~1, 2013, the percentage of actual value as equalized by the~~
 31 ~~director of revenue as provided in section 441.49 at which~~
 32 ~~agricultural and residential property shall be assessed shall~~
 33 ~~be calculated in accordance with the methods provided in this~~
 34 ~~subsection, including the limitation of increases in agricultural~~
 35 ~~and residential assessed values to the percentage increase of~~

~~1 the other class of property if the other class increases less
2 than the allowable limit adjusted to include the applicable and
3 current values as equalized by the director of revenue, except
4 that any references to six percent in this subsection shall be
5 four percent.~~

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

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

~~24 (2) For valuations established for the assessment year
25 beginning January 1, 2026, the percentage of actual value as
26 equalized by the department of revenue as provided in section
27 441.49 at which residential property shall be assessed shall be
28 fifty-five percent.~~

~~29 (3) For valuations established for the assessment year
30 beginning January 1, 2027, 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 residential
33 property shall be assessed shall be sixty-five percent.~~

~~34 5. a. (1) For valuations established as of January 1, 1979,
35 property valued by the department of revenue pursuant to chapter~~

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

33 (2) (1) For valuations established on or after January 1,
34 2013, property valued by the department of revenue pursuant to
35 chapter 434 shall be assessed at a portion of its actual value

1 determined in the same manner at which property assessed as
2 commercial property is assessed under paragraph "b" for the same
3 assessment year.

4 ~~(3)~~ (2) For valuations established for the assessment year
5 beginning January 1, 2025, the percentage of actual value at
6 which property valued by the department of revenue pursuant to
7 chapters 428 and 438 shall be assessed shall be ninety-eight
8 percent.

9 ~~(4)~~ (3) For valuations established for the assessment year
10 beginning January 1, 2026, and each assessment year thereafter,
11 the percentage of actual value at which property valued by the
12 department of revenue pursuant to chapters 428, 437, and 438
13 shall be assessed shall be ~~ninety-six~~ one hundred percent.

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

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

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

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

32 ~~(1)~~ For valuations established for the assessment year
33 beginning January 1, 2013, the percentage of actual value as
34 equalized by the department of revenue as provided in section
35 441.49 at which commercial property shall be assessed shall

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

7 ~~(2)~~ (1) For valuations established for the assessment year
8 beginning January 1, 2022, and each assessment year thereafter
9 beginning before January 1, 2026, the portion of actual value at
10 which each property unit of commercial property shall be assessed
11 shall be the sum of the following:

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

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

20 (2) For valuations established for the assessment year
21 beginning January 1, 2026, the portion of actual value at which
22 each property unit of commercial property shall be assessed shall
23 be the sum of the following:

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

29 (b) An amount equal to ninety-three percent of the actual
30 value of the property for that assessment year that exceeds one
31 hundred fifty thousand dollars.

32 (3) For valuations established for the assessment year
33 beginning January 1, 2027, and each assessment year thereafter,
34 the portion of actual value at which each property unit of
35 commercial property shall be assessed shall be the sum of the

1 following:

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

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

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

14 ~~(1) For valuations established for the assessment year~~
15 ~~beginning January 1, 2013, the percentage of actual value as~~
16 ~~equalized by the department of revenue as provided in section~~
17 ~~441.49 at which industrial property shall be assessed shall~~
18 ~~be ninety-five percent. For valuations established for the~~
19 ~~assessment year beginning January 1, 2014, and each assessment~~
20 ~~year thereafter beginning before January 1, 2022, the percentage~~
21 ~~of actual value as equalized by the department of revenue as~~
22 ~~provided in section 441.49 at which industrial property shall be~~
23 ~~assessed shall be ninety percent.~~

24 ~~(2)~~ (1) For valuations established for the assessment year
25 beginning January 1, 2022, and each assessment year thereafter
26 beginning before January 1, 2026, the portion of actual value at
27 which each property unit of industrial property shall be assessed
28 shall be the sum of the following:

29 (a) An amount equal to the product of the assessment
30 limitation percentage applicable to residential property under
31 subsection 4 for that assessment year multiplied by the actual
32 value of the property that exceeds zero dollars but does not
33 exceed one hundred fifty thousand dollars.

34 (b) An amount equal to ninety percent of the actual value of
35 the property for that assessment year that exceeds one hundred

1 fifty thousand dollars.

2 (2) For valuations established for the assessment year
3 beginning January 1, 2026, the portion of actual value at which
4 each property unit of industrial property shall be assessed shall
5 be the sum of the following:

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

11 (b) An amount equal to ninety-three percent of the actual
12 value of the property for that assessment year that exceeds one
13 hundred fifty thousand dollars.

14 (3) For valuations established for the assessment year
15 beginning January 1, 2027, and each assessment year thereafter,
16 the portion of actual value at which each property unit of
17 industrial property shall be assessed shall be the sum of the
18 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 one hundred percent of the actual
25 value of the property for that assessment year that exceeds one
26 hundred fifty thousand dollars.

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

34 e. (1) For the fiscal year beginning July 1, 2023, there is
35 appropriated from the general fund of the state to the department

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

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

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

32 (4) On or before September 1 of each applicable fiscal year,
33 the county auditor shall prepare a statement, based on the
34 report received in subparagraph (3) and information transmitted
35 to the county auditor under chapter 434, listing for each taxing

1 district in the county:

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

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

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

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

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

29 *f.* For the purposes of this subsection, unless the context
30 otherwise requires:

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

32 (a) Parcels that share a common boundary.

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

35 (c) Permanent improvements to the land that are situated

1 on one or more parcels of land that are assessed and taxed
2 separately from the permanent improvements if the parcels of land
3 upon which the permanent improvements are situated share a common
4 boundary.

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

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

14 Sec. 53. Section 441.21, subsection 8, paragraph b, Code
15 2026, is amended to read as follows:

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

21 Sec. 54. Section 441.21, subsections 9 and 10, Code 2026, are
22 amended to read as follows:

23 9. Not later than November 1, ~~1979~~ 2026, and November 1
24 of each subsequent year, the director shall certify to the
25 county auditor of each county the percentages of actual value
26 at which ~~residential property, agricultural property, commercial~~
27 ~~property, industrial property, property valued by the department~~
28 ~~of revenue pursuant to chapters 428 and 438, property valued by~~
29 ~~the department of revenue pursuant to chapter 434, and property~~
30 ~~valued by the department of revenue pursuant to chapter 437 in~~
31 ~~each assessing jurisdiction in the county~~ each classification of
32 property shall be assessed for taxation, ~~including for assessment~~
33 ~~years beginning on or after January 1, 2022, the percentages~~
34 ~~used to apply the assessment limitations under subsection 5,~~
35 ~~paragraphs "b" and "c".~~ The county auditor shall proceed

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

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

23 Sec. 55. Section 441.21, subsection 13, paragraph a,
 24 unnumbered paragraph 1, Code 2026, is amended to read as follows:

25 Beginning with valuations established on or after January 1,
 26 ~~2016~~ 2027, ~~but before January 1, 2022,~~ all of the following
 27 shall be valued as a separate class of property known as
 28 multiresidential property and, excluding properties referred
 29 to in section 427A.1, subsection 9, shall be assessed at a
 30 percentage of its actual value, as determined in this subsection:

31 Sec. 56. Section 441.21, subsection 13, paragraph b, Code
 32 2026, is amended by striking the paragraph and inserting in lieu
 33 thereof the following:

34 b. For valuations established for the assessment year
 35 beginning January 1, 2027, and each assessment year thereafter,

1 the percentage of actual value as equalized by the department of
2 revenue as provided in section 441.49 at which multiresidential
3 property shall be assessed shall be eighty percent.

4 Sec. 57. Section 441.21, subsection 13, paragraph c, Code
5 2026, is amended to read as follows:

6 c. Beginning with valuations established on or after January
7 1, ~~2016~~ 2027, ~~but before January 1, 2022~~, for parcels for
8 which a portion of the parcel satisfies the requirements for
9 classification as multiresidential property pursuant to paragraph
10 "a", subparagraph (5) or (6), the assessor shall assign to that
11 portion of the parcel the classification of multiresidential
12 property and to such other portions of the parcel the property
13 classification for which such other portions qualify.

14 Sec. 58. Section 441.21, subsection 13, Code 2026, is amended
15 by adding the following new paragraph:

16 NEW PARAGRAPH. f. For purposes of equalization under
17 sections 441.47 through 441.49, multiresidential property shall
18 be considered residential property.

19 Sec. 59. Section 441.21, subsection 14, Code 2026, is amended
20 to read as follows:

21 14. ~~a.~~ Beginning with valuations established on or after
22 January 1, ~~2022~~ 2027, all of the following property primarily
23 used or intended for human habitation containing two or fewer
24 dwelling units shall be classified and valued as residential
25 property.

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

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

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

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

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

32 ~~(6) A parcel primarily used or intended for human habitation~~
33 ~~containing three or more separate dwelling units. If a portion~~
34 ~~of such a parcel is used or intended for a purpose that, if~~
35 ~~the primary use, would be classified as commercial property or~~

1 industrial property, each such portion, including a proportionate
2 share of the land included in the parcel, if applicable, shall
3 be assigned the appropriate classification pursuant to paragraph
4 "b".

5 (7) For a parcel that is primarily used or intended for
6 use as commercial property or industrial property, that portion
7 of the parcel that is used or intended for human habitation,
8 regardless of the number of dwelling units contained on the
9 parcel, including a proportionate share of the land included
10 in the parcel, if applicable. The portion of such a parcel
11 used or intended for use as commercial property or industrial
12 property, including a proportionate share of the land included
13 in the parcel, if applicable, shall be assigned the appropriate
14 classification pursuant to paragraph "b".

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

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

29 d. As used in this subsection:

30 (1) "Assisted living facility" means property for providing
31 assisted living as defined in section 231C.2. "Assisted living
32 facility" also includes a health care facility, as defined in
33 section 135C.1, an elder group home, as defined in section
34 231B.1, a child foster care facility under chapter 237, or
35 property used for a hospice program as defined in section 135J.1.

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

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

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

10 ~~(5) "Mobile home park" means the same as defined in section~~
11 ~~435.1.~~

12 Sec. 60. Section 441.33, Code 2026, is amended by adding the
13 following new subsection:

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

16 Sec. 61. Section 558.46, Code 2026, is amended by adding the
17 following new subsection:

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

20 Sec. 62. SAVINGS PROVISION. This division of this Act,
21 pursuant to section 4.13, does not affect the operation of, or
22 prohibit the application of, prior provisions of section 441.21,
23 or rules adopted under chapter 17A to administer prior provisions
24 of section 441.21, for assessment years beginning before January
25 1, 2026, or for duties, powers, protests, appeals, proceedings,
26 actions, or remedies attributable to an assessment year beginning
27 before January 1, 2026, including property taxes due and payable
28 in a fiscal year as the result of an assessment year beginning
29 before January 1, 2026.

30 Sec. 63. EFFECTIVE DATE. The following take effect January
31 1, 2027:

32 1. The section of this division of this Act amending section
33 386.8.

34 2. The section of this division of this Act amending section
35 386.9.

1 3. The section of this division of this Act amending section
2 386.10.

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

5 5. The section of this division of this Act amending section
6 404.3, subsection 4, paragraph "a".

7 6. The section of this division of this Act amending section
8 404.3A.

9 7. The section of this division of this Act amending section
10 404.3D.

11 8. The section of this division of this Act amending section
12 441.21, subsection 2.

13 9. The section of this division of this Act amending section
14 441.21, subsection 8, paragraph "b".

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

17 11. The section of this division of this Act amending section
18 441.21, subsection 14.

19 12. The section of this division of this Act amending section
20 558.46.

21 Sec. 64. RETROACTIVE APPLICABILITY. Except as otherwise
22 provided in this division of this Act, this division of this Act
23 applies retroactively to assessment years beginning on or after
24 January 1, 2026.

25 Sec. 65. APPLICABILITY. The following apply to assessment
26 years beginning on or after January 1, 2027:

27 1. The section of this division of this Act amending section
28 386.8.

29 2. The section of this division of this Act amending section
30 386.9.

31 3. The section of this division of this Act amending section
32 386.10.

33 4. The section of this division of this Act amending section
34 404.2, subsection 2, paragraph "f".

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

1 404.3, subsection 4, paragraph "a".

2 6. The section of this division of this Act amending section
3 404.3A.

4 7. The section of this division of this Act amending section
5 404.3D.

6 8. The section of this division of this Act amending section
7 441.21, subsection 2.

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

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

12 11. The section of this division of this Act amending section
13 441.21, subsection 14.

14 12. The section of this division of this Act amending section
15 558.46.

16 DIVISION V

17 DISABLED VETERAN AND HOMESTEAD CREDITS AND EXEMPTIONS

18 Sec. 66. Section 25B.7, subsection 2, paragraph a, Code 2026,
19 is amended to read as follows:

20 a. Homestead tax credit pursuant to section 425.1~~7~~ and
21 sections 425.2 through 425.13~~7~~ and ~~section 425.15.~~

22 Sec. 67. Section 425.1, subsection 2, Code 2026, is amended
23 by striking the subsection and inserting in lieu thereof the
24 following:

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

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

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

1 (b) A veteran as defined in section 35.1 with a permanent
2 service-connected disability rating of one hundred percent, as
3 certified by the United States department of veterans affairs,
4 or a permanent and total disability rating based on individual
5 unemployability that is compensated at the one hundred percent
6 disability rate, as certified by the United States department of
7 veterans affairs.

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

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

21 (2) (a) For an owner described in subparagraph (1),
22 subparagraph division (a), (b), or (c), the credit allowed shall
23 be continued to the estate of an owner who is deceased or the
24 surviving spouse and any child, as defined in section 234.1,
25 who are the beneficiaries of a deceased owner, so long as the
26 surviving spouse remains unmarried.

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

31 (3) An owner or a beneficiary of an owner who elects to
32 secure the credit provided in this paragraph is not eligible for
33 the credit provided in paragraph "c" or any other real property
34 tax credit or exemption provided by law for veterans of military
35 service.

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

5 (5) (a) Except as provided in subparagraph division (b),
6 the list of the names and addresses of individuals allowed
7 a credit under this paragraph and maintained by the county
8 recorder, county treasurer, county assessor, city assessor, or
9 other government body is confidential information and shall
10 not be disseminated to any person unless otherwise ordered by
11 a court or released by the lawful custodian of the records
12 pursuant to state or federal law. The county recorder, county
13 treasurer, county assessor, city assessor, or other government
14 body responsible for maintaining the names and addresses of
15 individuals allowed a credit under this paragraph may display
16 such credit on individual paper records and individual electronic
17 records, including display on an internet site.

18 (b) Upon request, a county recorder, county assessor, city
19 assessor, or other entity may share information as described in
20 subparagraph division (a) to a county veterans service officer
21 for purposes of providing information on benefits and services
22 available to veterans and their families.

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

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

32 (7) For purposes of this paragraph, "permanent and total
33 disability rating based on individual unemployability" means
34 a condition under which a person has either a permanent
35 service-connected disability rating of sixty percent or two

1 or more permanent service-connected disability conditions in
2 which one of the conditions has at least a forty percent
3 rating and the combined rating for all the conditions is at
4 least seventy percent, and the person has an administrative
5 adjustment added to the service-connected disability rating,
6 due to individual unemployability, such that the United States
7 department of veterans affairs rates the veteran permanently and
8 totally disabled for purposes of disability compensation.

9 c. (1) For assessment years beginning prior to January 1,
10 2026, unless eligible under section 425.15, Code 2026, an amount
11 equal to the actual levy on the first four thousand eight hundred
12 fifty dollars of actual value for each homestead.

13 (2) For the assessment year beginning January 1, 2026, and
14 each assessment year thereafter, unless eligible under paragraph
15 "b", zero.

16 Sec. 68. Section 425.1A, subsection 1, Code 2026, is amended
17 to read as follows:

18 1. The following exemptions from taxation shall be allowed
19 ~~in addition to following application of the homestead~~
20 ~~credit exemption under subsection 1A~~ for an owner that has
21 attained the age of sixty-five years by January 1 of the
22 assessment year:

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

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

30 Sec. 69. Section 425.1A, Code 2026, is amended by adding the
31 following new subsection:

32 NEW SUBSECTION. 1A. a. (1) Except as provided in
33 subparagraph (2), for the assessment year beginning January 1,
34 2026, an exemption from taxation of five percent of taxable
35 value, but not less than four thousand eight hundred fifty

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

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

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

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

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

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

29 b. (1) Except as provided in subparagraph (2), for each
30 assessment year beginning on or after January 1, 2027, an
31 exemption from taxation of fifteen percent of taxable value,
32 but not less than four thousand eight hundred fifty dollars in
33 taxable value and not to exceed an exemption of one hundred
34 fifty thousand dollars in taxable value, shall be allowed on each
35 eligible homestead.

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

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

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

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

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

26 c. (1) For the assessment year beginning January 1, 2028,
27 and for each subsequent assessment year, the maximum exemption
28 amounts under paragraph "b" shall be multiplied by the cumulative
29 adjustment factor for that assessment year. "Cumulative
30 adjustment factor" means the product of the annual adjustment
31 factor for the assessment year beginning January 1, 2027, and
32 all annual adjustment factors for subsequent assessment years.
33 The cumulative adjustment factor applies to the assessment year
34 beginning in the calendar year for which the latest annual
35 adjustment factor has been determined.

1 (2) The annual adjustment factor for the assessment year
2 beginning January 1, 2027, is one hundred percent. For each
3 subsequent assessment year, the annual adjustment factor equals
4 the annual inflation factor for the calendar year, in which the
5 assessment year begins, as computed in section 422.4 for purposes
6 of the individual income tax.

7 (3) The cumulative adjustment factor shall be determined
8 annually by the department of revenue.

9 Sec. 70. Section 425.1A, subsection 2, Code 2026, is amended
10 to read as follows:

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

13 Sec. 71. Section 425.2, subsections 1 and 2, Code 2026, are
14 amended to read as follows:

15 1. A person who wishes to qualify for the homestead credit
16 or exemptions allowed under this subchapter shall obtain the
17 appropriate forms for filing ~~for the credit~~ from the assessor.
18 The forms shall include the ability to claim the credit under
19 section 425.1 and the exemptions under section 425.1A.

20 However, a separate form shall be required for claiming a credit
21 under section 425.1, subsection 2, paragraph "b". The person
22 claiming the credit or exemption shall file a verified statement
23 and designation of homestead with the assessor for the year for
24 which the person is first claiming the credit or exemption. The
25 claim shall be filed not later than July 1 of the year for which
26 the person is claiming the credit or exemption. A claim filed
27 after July 1 of the year for which the person is claiming the
28 credit or exemption shall be considered as a claim filed for the
29 following year.

30 2. Upon the filing and allowance of the claim, the claim
31 shall be allowed on that homestead for successive years without
32 further filing as long as the property is legally or equitably
33 owned and used as a homestead by that person or that person's
34 spouse on July 1 of each of those successive years, and the owner
35 of the property being claimed as a homestead declares residency

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

20 Sec. 72. Section 425.2, subsection 4, Code 2026, is amended
21 by striking the subsection.

22 Sec. 73. Section 425.2, subsections 5 and 6, Code 2026, are
23 amended to read as follows:

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

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

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

7 Sec. 74. Section 425.8, subsection 1, Code 2026, is amended
8 to read as follows:

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

23 Sec. 75. 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, in
27 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. 76. 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. 77. 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 the
14 owner as provided in section 425.2.

15 Sec. 78. Section 425.17, subsection 4, Code 2026, is amended
16 to read as follows:

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

1 the person shall be considered as occupying or living in the
2 person's homestead if the person is the owner of the homestead
3 and the person maintains the homestead and does not lease, rent,
4 or otherwise receive profits from other persons for the use of
5 the homestead.

6 Sec. 79. Section 483A.24, subsection 20, Code 2026, is
7 amended to read as follows:

8 20. Upon payment of a fee established by rules adopted
9 pursuant to section 483A.1 for a lifetime trout fishing license,
10 the department shall issue a lifetime trout fishing license to a
11 person who is at least sixty-five years of age or to a person who
12 qualifies for the disabled veteran homestead credit under section
13 ~~425.15~~ 425.1, subsection 2, paragraph "b". The department shall
14 prepare an application to be used by a person requesting a
15 lifetime trout fishing license under this subsection.

16 Sec. 80. REPEAL. Section 425.15, Code 2026, is repealed.

17 Sec. 81. IMPLEMENTATION. Homestead owners who have filed for
18 or that are receiving homestead credits or exemptions under
19 chapter 425, subchapter I, before the effective date of this
20 division of this Act shall continue to receive such credits and
21 exemptions for which the owner is eligible for assessment years
22 beginning on or after January 1, 2026, without refileing, and, if
23 the owner is eligible, shall receive the exemption under section
24 425.1A, subsection 1A, as enacted in this division of this Act,
25 without filing for such exemption.

26 Sec. 82. RETROACTIVE APPLICABILITY. This division of this
27 Act applies retroactively to assessment years beginning on or
28 after January 1, 2026.

29 DIVISION VI

30 MILITARY SERVICE PROPERTY TAX EXEMPTION

31 Sec. 83. Section 426A.11, subsection 2, Code 2026, is amended
32 to read as follows:

33 2. a. The property, not to exceed one thousand eight hundred
34 fifty-two dollars in taxable value for assessment years beginning
35 before January 1, 2023, of an honorably separated, retired,

1 furloughed to a reserve, placed on inactive status, or discharged
2 veteran, as defined in section 35.1, subsection 2, paragraph "a"
3 or "b".

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

10 c. For assessment years beginning on or after January 1,
11 2026, the property of an honorably separated, retired, furloughed
12 to a reserve, placed on inactive status, or discharged veteran,
13 as defined in section 35.1, subsection 2, paragraph "a" or "b"
14 not to exceed the lesser of two percent of the taxable value of
15 the property or fourteen thousand dollars, but not less than five
16 thousand dollars.

17 Sec. 84. RETROACTIVE APPLICABILITY. This division of this
18 Act applies retroactively to January 1, 2026, for assessment
19 years beginning on or after that date.

20 DIVISION VII

21 HOSPITAL AND EMERGENCY MEDICAL SERVICES PROPERTY TAX LEVIES

22 Sec. 85. Section 347.7, Code 2026, is amended by adding the
23 following new subsection:

24 NEW SUBSECTION. 3A. a. (1) For the fiscal year beginning
25 July 1, 2027, and the fiscal year beginning July 1, 2028, any
26 property tax levy imposed for a county hospital under this
27 chapter that is limited by law to a specific property tax levy
28 rate per one thousand dollars of assessed value shall not exceed
29 a levy rate per one thousand dollars of assessed value that is
30 equal to one thousand multiplied by the quotient obtained by
31 dividing one hundred one and three-fourths percent of the current
32 fiscal year's actual property tax dollars certified for such levy
33 by 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 (2) For fiscal years beginning on or after July 1, 2029,
2 any property tax levy imposed for a county hospital under this
3 chapter that is limited by law to a specific property tax levy
4 rate per one thousand dollars of assessed value shall not exceed
5 a levy rate per one thousand dollars of assessed value that
6 is equal to one thousand multiplied by the quotient obtained
7 by dividing one hundred five 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.

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

15 Sec. 86. Section 347A.3, Code 2026, is amended by adding the
16 following new subsection:

17 NEW SUBSECTION. 3. a. (1) For the fiscal year beginning
18 July 1, 2027, and the fiscal year beginning July 1, 2028, any
19 property tax levy imposed for a county hospital under this
20 chapter that is limited by law to a specific property tax levy
21 rate per one thousand dollars of assessed value shall not exceed
22 a levy rate per one thousand dollars of assessed value that is
23 equal to one thousand multiplied by the quotient obtained by
24 dividing one hundred one and three-fourths percent of the current
25 fiscal year's actual property tax dollars certified for such levy
26 by the remainder of the total assessed value used to calculate
27 such taxes for the budget year minus value attributable to new
28 valuation.

29 (2) For fiscal years beginning on or after July 1, 2029,
30 any property tax levy imposed for a county hospital under this
31 chapter that is limited by law to a specific property tax levy
32 rate per one thousand dollars of assessed value shall not exceed
33 a levy rate per one thousand dollars of assessed value that
34 is equal to one thousand multiplied by the quotient obtained
35 by dividing one hundred five percent of the current fiscal

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

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

8 Sec. 87. Section 357F.8, Code 2026, is amended by adding the
9 following new subsection:

10 NEW SUBSECTION. 3. *a.* (1) For the fiscal year beginning
11 July 1, 2027, and the fiscal year beginning July 1, 2028, any
12 property tax levy imposed for the district under this chapter
13 that is limited by law to a specific property tax levy rate
14 per one thousand dollars of assessed value shall not exceed a
15 levy rate per one thousand dollars of assessed value that is
16 equal to one thousand multiplied by the quotient obtained by
17 dividing one hundred one and three-fourths percent of the current
18 fiscal year's actual property tax dollars certified for such levy
19 by the remainder of the total assessed value used to calculate
20 such taxes for the budget year minus value attributable to new
21 valuation.

22 (2) For fiscal years beginning on or after July 1, 2029, any
23 property tax levy imposed for the district under this chapter
24 that is limited by law to a specific property tax levy rate per
25 one thousand dollars of assessed value shall not exceed a levy
26 rate per one thousand dollars of assessed value that is equal to
27 one thousand multiplied by the quotient obtained by dividing one
28 hundred five percent of the current fiscal year's actual property
29 tax dollars certified for such levy 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.* For purposes of this subsection, "budget year", "current
33 fiscal year", and "new valuation" mean the same as defined in
34 section 331.423.

35 Sec. 88. Section 357G.8, Code 2026, is amended by adding the

1 following new subsection:

2 NEW SUBSECTION. 3. a. (1) For the fiscal year beginning
3 July 1, 2027, and the fiscal year beginning July 1, 2028, any
4 property tax levy imposed for the district under this chapter
5 that is limited by law to a specific property tax levy rate
6 per one thousand dollars of assessed value shall not exceed a
7 levy rate per one thousand dollars of assessed value that is
8 equal to one thousand multiplied by the quotient obtained by
9 dividing one hundred one and three-fourths percent of the current
10 fiscal year's actual property tax dollars certified for such levy
11 by the remainder of the total assessed value used to calculate
12 such taxes for the budget year minus value attributable to new
13 valuation.

14 (2) For fiscal years beginning on or after July 1, 2029, any
15 property tax levy imposed for the district under this chapter
16 that is limited by law to a specific property tax levy rate per
17 one thousand dollars of assessed value shall not exceed a levy
18 rate per one thousand dollars of assessed value that is equal to
19 one thousand multiplied by the quotient obtained by dividing one
20 hundred five percent of the current fiscal year's actual property
21 tax dollars certified for such levy by the remainder of the total
22 assessed value used to calculate such taxes for the budget year
23 minus value attributable to new valuation.

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

27 Sec. 89. NEW SECTION. **422D.5A Levy limitation.**

28 1. a. For the fiscal year beginning July 1, 2027, and the
29 fiscal year beginning July 1, 2028, any property tax levy imposed
30 under this chapter that is limited by law to a specific property
31 tax levy rate per one thousand dollars of assessed value shall
32 not exceed a levy rate per one thousand dollars of assessed value
33 that is equal to one thousand multiplied by the quotient obtained
34 by dividing one hundred one and three-fourths percent of the
35 current fiscal year's actual property tax dollars certified for

1 such levy by the remainder of the total assessed value used to
2 calculate such taxes for the budget year minus value attributable
3 to new valuation.

4 b. For fiscal years beginning on or after July 1, 2029, any
5 property tax levy imposed under this chapter that is limited
6 by law to a specific property tax levy rate per one thousand
7 dollars of assessed value shall not exceed a levy rate per one
8 thousand dollars of assessed value that is equal to one thousand
9 multiplied by the quotient obtained by dividing one hundred five
10 percent of the current fiscal year's actual property tax dollars
11 certified for such levy by the remainder of the total assessed
12 value used to calculate such taxes for the budget year minus
13 value attributable to new valuation.

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

17 DIVISION VIII

18 PROPERTY TAX LEVY RATES

19 Sec. 90. Section 176A.10, subsection 2, Code 2026, is amended
20 by striking the subsection.

21 Sec. 91. Section 312.2, subsection 5, paragraph a, Code 2026,
22 is amended to read as follows:

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

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

34 (2) From the rural services fund of the county, the dollar
35 equivalent of a tax of ~~three~~ two dollars and ~~three-eighths~~ of

1 ~~a-cent~~ ten and twenty-one eightieths cents per thousand dollars
2 of assessed value on all taxable property not located within the
3 corporate limits of a city in the county.

4 Sec. 92. NEW SECTION. **444.25 Maximum property tax levy**
5 **rates — adjustments.**

6 1. For purposes of this section:

7 a. "Budget year" is the fiscal year beginning during the
8 calendar year in which a budget is certified.

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

11 c. "Rate-limited property tax levy" includes any ad valorem
12 property tax levy limited by law to a specific property tax
13 levy rate for a fiscal year beginning on or after July 1, 2027,
14 expressed in statute as a specific amount of money due other than
15 a calculated amount, per one thousand dollars of assessed value
16 used to calculate taxes. This paragraph shall not be construed
17 to include the school district foundation levy under section
18 257.3, the county general services levy under section 331.423,
19 subsection 1, the county rural services levy under section
20 331.423, subsection 2, the city general fund levy under section
21 384.1, subsection 3, the physical plant and equipment levies
22 under section 298.2, the school district bond tax under section
23 298.18, any levy under chapter 28M, a levy under section 384.12,
24 subsection 1, paragraph "a", levied for operation and maintenance
25 of a municipal transit system, a levy under section 384.12,
26 subsection 1, paragraph "b", levied for operation and maintenance
27 of a regional transit district, a levy for the office of the
28 assessor under section 441.16, a levy for a county agricultural
29 extension under section 176A.10, any levy under chapter 347 or
30 347A, any levy under chapter 386, and any levy under chapter
31 357F, 357G, or 422D. In addition, "rate-limited property tax
32 levy" does not include levy rates used in the calculations under
33 section 312.2, subsection 5, paragraph "a".

34 2. a. For the fiscal year beginning July 1, 2027, and the
35 fiscal year beginning July 1, 2028, each rate-limited property

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

14 b. For the fiscal year beginning July 1, 2029, each
15 rate-limited property tax levy may only be imposed if the
16 governmental entity imposed such levy for the immediately
17 preceding fiscal year, and shall, by operation of this section,
18 be limited to a levy rate per one thousand dollars of assessed
19 value that is equal to one thousand multiplied by the quotient
20 of one hundred two percent of the current fiscal year's actual
21 property tax dollars certified for such levy divided by the
22 total assessed value used to calculate such taxes for the budget
23 year, but not less than a levy rate per one thousand dollars of
24 assessed value that results in an amount of actual property tax
25 dollars certified for levy for such levy equal to one hundred and
26 one-half percent of the actual property tax dollars certified for
27 such levy for the immediately preceding fiscal year.

28 3. For the fiscal year beginning July 1, 2030, and each
29 fiscal year thereafter, rate-limited property tax levies may
30 be imposed by any governmental entity otherwise authorized by
31 law, regardless of whether the governmental entity imposed the
32 levy for the immediately preceding fiscal year, at rates not
33 to exceed those established by the general assembly by statute
34 following receipt and consideration of the report submitted by
35 the legislative interim committee requested to be established by

1 the legislative council in this division of this Act.

2 Sec. 93. NEW SECTION. **444.26 Use of bonds and indebtedness**
3 **for general operations — prohibition.**

4 1. For purposes of this section:

5 a. "*Exempt finance lease*" means a finance lease of the
6 governmental entity if the aggregate principal amount of all
7 finance leases of the governmental entity is less than one and
8 one-fourth percent of the governmental entity's general fund
9 budget for the most recently completed fiscal year.

10 b. "*General operations*" means services or activities
11 generally funded from the governmental entity's general fund,
12 which are necessary for the operation of the governmental entity,
13 including salaries and benefits, or which are for the health
14 and welfare of the governmental entity's citizens or primarily
15 intended to benefit all residents of the governmental entity, but
16 excluding services financed by statutory funds other than a debt
17 service fund.

18 c. "*Indebtedness*" includes but is not limited to leases
19 and finance leases, excluding exempt finance leases, for
20 public safety vehicles, maintenance vehicles and equipment,
21 sanitation vehicles and equipment, transit vehicles, public works
22 vehicles and machinery, recreation equipment and facilities,
23 and information technology and office equipment, but does not
24 include subscription-based information technology arrangements
25 for software.

26 2. On or after July 1, 2026, a city or county shall not issue
27 bonds or other indebtedness payable from an ad valorem property
28 tax levy for the purpose of funding the general operations of
29 the city or general operations of the county, as applicable, or
30 otherwise use proceeds from the sale of bonds or issuance of
31 other indebtedness to fund general operations.

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

34 Sec. 94. PROPERTY TAXATION RATES — STUDY COMMITTEE.

35 1. a. The legislative council is requested to establish a

1 legislative study committee during the 2026 legislative interim
2 and the 2027 legislative interim to examine appropriate rates of
3 property taxation imposed by governmental entities.

4 b. The study committee shall consist of the following voting
5 members of the general assembly:

6 (1) Two members of the senate appointed by the majority
7 leader of the senate.

8 (2) One member of the senate appointed by the minority leader
9 of the senate.

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

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

14 2. The committee shall make recommendations to and file a
15 report with the general assembly relating to the appropriate
16 rates of property taxation imposed by governmental entities, no
17 later than January 15, 2028.

18 Sec. 95. EFFECTIVE DATE. The following take effect January
19 1, 2027:

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

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

24 Sec. 96. APPLICABILITY. The following apply to fiscal years
25 beginning on or after July 1, 2027:

26 1. The section of this division of this Act amending section
27 176A.10.

28 2. The section of this division of this Act amending section
29 312.2.

30 DIVISION IX

31 LOCAL SALES AND SERVICES TAX

32 Sec. 97. Section 423B.1, subsection 5, paragraph d, Code
33 2026, is amended to read as follows:

34 d. The rate of a local sales and services tax shall be either
35 one percent or oneand one-fourth percent.

1 Sec. 98. Section 423B.1, subsection 6, paragraph a,
2 subparagraph (1), Code 2026, is amended to read as follows:

3 (1) (a) A local option tax may be repealed or the rate of
4 ~~the local vehicle tax~~ increased or decreased or the use of a
5 local option tax revenue changed after an election at which a
6 majority of those voting on the question of repeal or rate or use
7 change favors the repeal or rate or use change.

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

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

1 Sec. 99. Section 423B.1, subsection 6, Code 2026, is amended
2 by adding the following new paragraph:

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

12 Sec. 100. EFFECTIVE DATE. This division of this Act, being
13 deemed of immediate importance, takes effect upon enactment.

14 DIVISION X

15 ADJUSTMENTS TO MOTOR VEHICLE REGISTRATION FEES AND FUEL TAXES

16 Sec. 101. Section 321.116, Code 2026, is amended to read as
17 follows:

18 **321.116 Battery electric and plug-in hybrid electric motor**
19 **vehicle fees.**

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

35 2. For each plug-in hybrid electric motor vehicle subject

1 to an annual registration fee under section 321.109, subsection
2 1, paragraph "a", and operated on the public highways of this
3 state, the owner shall pay an annual plug-in hybrid electric
4 motor vehicle registration fee, which shall be in addition to
5 the annual registration fee imposed for the vehicle under section
6 321.109, subsection 1, paragraph "a". For purposes of this
7 subsection, "plug-in hybrid electric motor vehicle" means a
8 motor vehicle equipped with electrical drivetrain components, an
9 internal combustion engine, and a battery or other energy storage
10 device that can be recharged by plugging into an electrical
11 outlet or electric vehicle charging station. ~~The amount of~~
12 ~~the fee shall be~~ is sixty-five dollars, subject to adjustment
13 pursuant to section 321.118.

14 Sec. 102. Section 321.117, subsection 2, Code 2026, is
15 amended to read as follows:

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

23 Sec. 103. **NEW SECTION. 321.118 Electric motor vehicle**
24 **registration fee adjustments.**

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

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

32 (1) The general assembly nullifies the adjustment by joint
33 resolution, signed by the governor on or before April 30
34 preceding the adjustment.

35 (2) The fee was adjusted under this section each of the

1 preceding three years.

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

5 2. a. On or before January 15 each year, the department
6 shall calculate the adjusted fees in accordance with subsection
7 3 and submit a report with the adjusted fees in an electronic
8 format to all of the following:

9 (1) The general assembly. Copies of the report shall also
10 be sent by electronic mail to the co-chairpersons of the joint
11 appropriations subcommittee on transportation, infrastructure,
12 and capitals, the chairpersons of the senate and house standing
13 committees on transportation, and the chairpersons of the senate
14 and house standing committees on ways and means.

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

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

19 3. a. The department shall calculate the adjusted fees
20 by multiplying the applicable fee in effect with one of the
21 following, as applicable:

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

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

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

35 (2) When rounded to the nearest whole dollar, if the

1 adjusted annual electric motorcycle registration fee under
2 section 321.117, subsection 2, does not result in an increase,
3 the department shall use the unrounded adjusted fee as the fee in
4 effect when the department calculates the next adjusted fee.

5 4. The department shall adopt rules pursuant to chapter 17A
6 to administer this section.

7 Sec. 104. Section 452A.3, Code 2026, is amended by adding the
8 following new subsection:

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

11 Sec. 105. NEW SECTION. **452A.3A Excise tax adjustments.**

12 1. a. The excise taxes imposed under sections 452A.3 and
13 452A.41 shall be adjusted annually in accordance with this
14 section to reflect the increase, if any, in the consumer
15 price index for all urban consumers. The adjusted excise taxes
16 shall be imposed for twelve months beginning each July 1 after
17 the adjusted excise tax is calculated pursuant to this section.

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

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

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

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

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

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

1 committees on transportation, and the chairpersons of the senate
2 and house standing committees on ways and means.

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

4 b. The report required by this subsection may be submitted
5 jointly with the department of transportation's report required
6 under section 321.118.

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

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

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

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

24 Sec. 106. Section 452A.41, subsection 1, Code 2026, is
25 amended to read as follows:

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

31 Sec. 107. EFFECTIVE DATE. This division of this Act takes
32 effect January 1, 2027.

33 DIVISION XI

34 OFFICE OF THE ASSESSOR — BUDGET AND LEVY

35 Sec. 108. Section 441.16, subsection 2, Code 2026, is amended

1 by adding the following new paragraph:

2 NEW PARAGRAPH. c. For fiscal years beginning on or after
3 July 1, 2027, expenses of the office of the assessor, the
4 examining board, and the board of review related to duties or
5 expenses authorized to be paid using funds levied under sections
6 96.31, 97B.9, and 97C.10 shall not be paid from the levy under
7 subsection 5.

8 Sec. 109. Section 441.16, subsection 5, paragraph a, Code
9 2026, is amended to read as follows:

10 a. (1) (a) Any For fiscal years beginning before July 1,
11 2027, any tax for the maintenance of the office of assessor and
12 other assessment procedure shall be levied only upon the property
13 in the area assessed by the assessor, and such tax levy shall
14 not exceed sixty-seven and one-half cents per thousand dollars of
15 assessed value in the assessing area.

16 (b) For the fiscal year beginning July 1, 2027, and the
17 fiscal year beginning July 1, 2028, any tax for the maintenance
18 of the office of assessor and other assessment procedure shall
19 be levied only upon the property in the area assessed by the
20 assessor, and such tax levy shall not exceed a rate per one
21 thousand dollars of assessed value in the assessing area that is
22 equal to one thousand multiplied by the quotient of one hundred
23 one and three-fourths percent of the current fiscal year's
24 actual property tax dollars certified for such levy, excluding
25 the amounts attributable to the types of expenses described in
26 subsection 2, paragraph "c", divided by the total assessed value
27 used to calculate such taxes for the budget year.

28 (c) For each fiscal year beginning on or after July 1, 2029,
29 any tax for the maintenance of the office of assessor and other
30 assessment procedure shall be levied only upon the property in
31 the area assessed by the assessor, and such tax levy shall not
32 exceed a rate per one thousand dollars of assessed value in the
33 assessing area that is equal to one thousand multiplied by the
34 quotient of one hundred two percent of the current fiscal year's
35 actual property tax dollars certified for such levy divided by

1 the total assessed value used to calculate such taxes for the
2 budget year.

3 (d) For purposes of this subparagraph, "budget year" and
4 "current fiscal year" mean the same as defined in section
5 331.423.

6 (2) The county treasurer shall credit the sums received from
7 such levy to a separate fund to be known as the assessment
8 expense fund and from which fund all expenses incurred under this
9 chapter shall be paid. In the case of a county where there
10 is more than one assessor the treasurer shall maintain separate
11 assessment expense funds for each assessor.

12 Sec. 110. Section 441.16, subsection 6, Code 2026, is amended
13 to read as follows:

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

30 Sec. 111. EFFECTIVE DATE. This division of this Act takes
31 effect January 1, 2027.

32 Sec. 112. APPLICABILITY. This division of this Act applies
33 to property taxes due and payable in fiscal years beginning on or
34 after July 1, 2027.

35

DIVISION XII

1 REGIONAL TRANSIT DISTRICT LEVY

2 Sec. 113. Section 28M.5, subsection 1, Code 2026, is amended
3 to read as follows:

4 1. a. The commission, with the approval of the board of
5 supervisors of participating counties and the city council
6 of participating cities in the chapter 28E agreement, may,
7 subject to paragraph "b", levy annually a tax not to exceed
8 ninety-fiveeighty-eight cents per thousand dollars of the
9 assessed value of all taxable property in a regional transit
10 district to the extent provided in this section. The chapter
11 28E agreement may authorize the commission to levy the tax at
12 different rates within the participating cities and counties
13 in amounts sufficient to meet the revenue responsibilities of
14 such cities and counties as allocated in the budget adopted
15 by the commission. However, for a city participating in a
16 regional transit district, the total of all the tax levies
17 imposed in the city pursuant to section 384.12, subsection 1,
18 paragraph "b", and this section shall not exceed the aggregate
19 of ninety-fiveeighty-eight cents per thousand dollars of the
20 assessed value of all taxable property in the participating city.

21 b. (1) For the fiscal year beginning July 1, 2027, and
22 the fiscal year beginning July 1, 2028, the sum of property
23 tax dollars levied for the regional transit district under
24 this subsection and property tax dollars received by the
25 regional transit district from participating cities and counties
26 shall not exceed an amount equal to one hundred one and
27 three-fourths percent of the sum of property tax dollars levied
28 for the regional transit district under this subsection for
29 the immediately preceding fiscal year and property tax dollars
30 received by the regional transit district from participating
31 cities and counties for the immediately preceding fiscal year.

32 (2) For each fiscal year beginning on or after July 1,
33 2029, the sum of property tax dollars levied for the regional
34 transit district under this subsection and property tax dollars
35 received by the regional transit district from participating

1 cities and counties shall not exceed an amount equal to one
2 hundred five percent of the sum of property tax dollars levied
3 for the regional transit district under this subsection for
4 the immediately preceding fiscal year and property tax dollars
5 received by the regional transit district from participating
6 cities and counties for the immediately preceding fiscal year.

7 Sec. 114. Section 384.12, subsection 1, Code 2026, is amended
8 to read as follows:

9 1. a. A tax for the operation and maintenance of a municipal
10 transit system ~~or for operation and maintenance of a regional~~
11 ~~transit district,~~ and for the creation of a reserve fund
12 for the system ~~or district,~~ in an amount not to exceed
13 ninety-fiveeighty-eight cents per thousand dollars of assessed
14 value each year, when the revenues from the transit system or
15 district are insufficient for such purposes. In addition to the
16 levy rate limitation, for the fiscal year beginning July 1, 2027,
17 and the fiscal year beginning July 1, 2028, the sum of property
18 tax dollars levied for the municipal transit system under this
19 paragraph shall not exceed an amount equal to one hundred one
20 and three-fourths percent of the sum of property tax dollars
21 levied for the municipal transit system under this paragraph
22 for the immediately preceding fiscal year. In addition to the
23 levy rate limitation, for each fiscal year beginning on or after
24 July 1, 2029, the sum of property tax dollars levied for the
25 municipal transit system under this paragraph shall not exceed an
26 amount equal to one hundred five percent of the sum of property
27 tax dollars levied for the municipal transit system under this
28 paragraph for the immediately preceding fiscal year.

29 b. A tax for the operation and maintenance of a regional
30 transit district, and for the creation of a reserve fund for
31 the district under chapter 28M, in an amount not to exceed
32 eighty-eight cents per thousand dollars of assessed value each
33 year, when the revenues from the district are insufficient for
34 such purposes.

35 Sec. 115. EFFECTIVE DATE. This division of this Act takes

1 effect January 1, 2027.

2 Sec. 116. APPLICABILITY. This division of this Act applies
3 to property taxes due and payable in fiscal years beginning on or
4 after July 1, 2027.

5 DIVISION XIII

6 UTILITY REPLACEMENT TAX TASK FORCE

7 Sec. 117. Section 437A.15, subsection 7, paragraph b, Code
8 2026, is amended to read as follows:

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

27 Sec. 118. EFFECTIVE DATE. This division of this Act, being
28 deemed of immediate importance, takes effect upon enactment.

29 DIVISION XIV

30 LOCAL GOVERNMENT BUDGET STATEMENTS

31 Sec. 119. Section 24.2A, subsection 2, paragraph a, Code
32 2026, is amended to read as follows:

33 a. On or before 4:00 p.m. on March 5 of each year,
34 each political subdivision shall file with the department of
35 management a report containing all necessary information for

1 the department of management to compile and calculate amounts
2 required to be included in the statements mailed under paragraph
3 "b" or provided under paragraph "c". If a county or city
4 fails to file all necessary information with the department of
5 management by 4:00 p.m. on March 5, taxes levied by the county or
6 city shall be limited to the prior year's budget amount.

7 Sec. 120. Section 24.2A, subsection 2, paragraph b,
8 unnumbered paragraph 1, Code 2026, is amended to read as follows:

9 Not later than March 15, the county auditor, using information
10 compiled and calculated by the department of management under
11 paragraph "a", shall send to each property owner or taxpayer
12 within the county by regular mail ~~an individual~~ or post under
13 paragraph "c" a statement containing all of the following for
14 each of the political subdivisions comprising the owner's or
15 taxpayer's taxing district:

16 Sec. 121. Section 24.2A, subsection 2, Code 2026, is amended
17 by adding the following new paragraph:

18 NEW PARAGRAPH. c. For budgets for fiscal years beginning
19 on or after July 1, 2027, statements under paragraph "b", in
20 lieu of regular mail, may be provided by posting the statement
21 not later than March 15 on the political subdivision's internet
22 site for public viewing and shall be maintained on the political
23 subdivision's internet site with all such prior year statements.
24 Additionally, if the political subdivision maintains a social
25 media account on one or more social media applications, the
26 statement or an electronic link to the statement shall be posted
27 on each such account on a date no later than March 15.

28 Sec. 122. Section 24.2A, subsection 3, Code 2026, is amended
29 to read as follows:

30 3. The department of management shall prescribe the form
31 for the report required under subsection 2, paragraph "a", the
32 statements required to be mailed under subsection 2, paragraph
33 "b", or provided under subsection 2, paragraph "c", and the
34 public hearing notice required under subsection 4, paragraph "b".

35 Sec. 123. Section 24.2A, subsection 4, paragraph b,

1 subparagraph (4), subparagraph division (a), Code 2026, is
2 amended to read as follows:

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

6 Sec. 124. Section 24.3, unnumbered paragraph 1, Code 2026, is
7 amended to read as follows:

8 A municipality shall not certify or levy in any fiscal year
9 any tax on property subject to taxation unless and until the
10 following estimates have been made, filed, and considered, and
11 for school districts, the ~~individual~~ statements have been mailed
12 or posted, as applicable, and public hearings held, as provided
13 in this chapter:

14 Sec. 125. Section 331.434, subsection 3, Code 2026, is
15 amended to read as follows:

16 3. Following, and not until, the requirements of section
17 24.2A are completed, the board shall set a time and place for
18 a public hearing on the budget before the final certification
19 date and shall publish notice of the hearing not less than ten
20 nor more than twenty days prior to the hearing in the county
21 newspapers selected under chapter 349. A summary of the proposed
22 budget and a description of the procedure for protesting the
23 county budget under section 331.436, in the form prescribed by
24 the director of the department of management, shall be included
25 in the notice. Proof of publication of the notice under this
26 subsection 3 shall be filed with and preserved by the county
27 auditor. A levy is not valid unless and until the notice
28 is published and ~~individual~~ statements under section 24.2A are
29 mailed or posted. The department of management shall prescribe
30 the form for the public hearing notice for use by counties.

31 Sec. 126. Section 331.435, subsection 2, Code 2026, is
32 amended to read as follows:

33 2. The board shall prepare and adopt a budget amendment in
34 the same manner as the original budget as provided in section
35 331.434, but excluding the requirements for ~~mailing individual~~

1 statements under section 24.2A, and the amendment is subject
2 to protest as provided in section 331.436, except that the
3 director of the department of management may by rule provide that
4 amendments of certain types or up to certain amounts may be made
5 without public hearing and without being subject to protest. A
6 county budget for the ensuing fiscal year shall be amended by May
7 31 to allow time for a protest hearing to be held and a decision
8 rendered before June 30. An amendment of a budget after May 31
9 which is properly appealed but without adequate time for hearing
10 and decision before June 30 is void.

11 Sec. 127. Section 384.17, Code 2026, is amended to read as
12 follows:

13 **384.17 Levy by county.**

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

24 Sec. 128. Section 384.18, subsection 2, Code 2026, is amended
25 to read as follows:

26 2. A budget amendment must be prepared and adopted in the
27 same manner as the original budget, as provided in section
28 384.16, excluding the requirement for ~~the mailing of individual~~
29 statements under section 24.2A, and is subject to protest as
30 provided in section 384.19, except that the committee may by rule
31 provide that amendments of certain types or up to certain amounts
32 may be made without public hearing and without being subject to
33 protest. A city budget shall be amended by May 31 of the current
34 fiscal year to allow time for a protest hearing to be held and
35 a decision rendered before June 30. The amendment of a budget

1 after May 31, which is properly appealed but without adequate
2 time for hearing and decision before June 30 is void.

3 Sec. 129. APPLICABILITY. This division of this Act applies
4 to taxpayer statements under section 24.2A for budgets for fiscal
5 years beginning on or after July 1, 2027.

6 DIVISION XV

7 REAL ESTATE TRANSFER TAX FORMS

8 Sec. 130. Section 428A.7, Code 2026, is amended to read as
9 follows:

10 **428A.7 Forms provided by director of revenue.**

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

26 DIVISION XVI

27 DIVISION OF REVENUE — DATA CENTERS AND WEB SEARCH PORTAL
28 BUSINESSES

29 Sec. 131. Section 403.19, subsection 2, paragraph a, Code
30 2026, is amended to read as follows:

31 a. That portion of the taxes each year in excess of such
32 amount shall be allocated to and when collected be paid into
33 a special fund of the municipality to pay the principal of and
34 interest on loans, moneys advanced to, or indebtedness, whether
35 funded, refunded, assumed, or otherwise, including bonds issued

1 under the authority of section 403.9, subsection 1, incurred
 2 by the municipality to finance or refinance, in whole or in
 3 part, an urban renewal project within the area, and to provide
 4 assistance for low and moderate income family housing as provided
 5 in section 403.22. However, except as provided in paragraph
 6 "b", taxes for the regular and voter-approved physical plant and
 7 equipment levy of a school district imposed pursuant to section
 8 298.2, foundation property taxes of a school district imposed
 9 under section 257.3 levied against property that is a qualified
 10 data center or a qualified web search portal business or upon
 11 which a qualified data center or a qualified web search portal
 12 business is operated, and taxes for the instructional support
 13 program of a school district imposed pursuant to section 257.19,
 14 taxes for the payment of bonds and interest of each taxing
 15 district, and taxes imposed under section 346.27, subsection
 16 22, related to joint county-city buildings shall be collected
 17 against all taxable property within the taxing district without
 18 limitation by the provisions of this subsection. For purposes
 19 of this paragraph, "qualified data center" means a data center,
 20 as defined in section 423.3, subsection 95, for which site
 21 preparation activities, as defined in section 423.3, subsection
 22 95, began on or after the effective date of this division of
 23 this Act. For purposes of this paragraph, "qualified web search
 24 portal business" means a web search portal business, as defined
 25 in section 423.3, subsection 92 or 93, for which site preparation
 26 activities, as defined in section 423.3, subsection 95, began on
 27 or after the effective date of this division of this Act.

28 Sec. 132. EFFECTIVE DATE. This division of this Act, being
 29 deemed of immediate importance, takes effect upon enactment.

30 Sec. 133. APPLICABILITY. This division of this Act applies
 31 to property taxes due and payable in fiscal years beginning on or
 32 after July 1, 2027.

33 DIVISION XVII

34 FIRSHOME IOWA ACCOUNTS

35 Sec. 134. Section 12G.2, Code 2026, is amended by adding the

1 following new subsection:

2 NEW SUBSECTION. 6. Create strategies for coordination of the
3 program with the FirstHome Iowa program trust established in
4 chapter 12L.

5 Sec. 135. NEW SECTION. **12L.1 FirstHome Iowa program —**
6 **purpose and definitions.**

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

23 2. As used in this chapter, unless the context otherwise
24 requires:

25 a. "Administrative fund" means the administrative fund
26 established under section 12L.4.

27 b. "Beneficiary" means the individual designated by a
28 participation agreement to benefit from advance payments of
29 qualified homebuyer expenses on behalf of the beneficiary.

30 c. "First-time homebuyer" means an individual who is a
31 resident of Iowa and who does not own, either individually
32 or jointly, a single-family or multifamily residence, and who
33 has not previously owned or purchased, either individually or
34 jointly, a single-family or multifamily residence prior to the
35 date of the qualified purchase for which the eligible home costs

1 are paid or reimbursed from an account.

2 *d. "FirstHome Iowa program trust" or "trust" means the trust*
3 *created under section 12L.2.*

4 *e. "FirstHome Iowa program trust account" or "account" means*
5 *an account within the trust that was established for the purpose*
6 *of paying or reimbursing a beneficiary's eligible qualified*
7 *homebuyer expenses in connection with a qualified purchase.*

8 *f. "Individual" means a natural person.*

9 *g. "Participant" means an individual, individual's legal*
10 *representative, trust, or estate that has entered into a*
11 *participation agreement under this chapter, either individually*
12 *or jointly with the individual's spouse, for the advance payment*
13 *of qualified homebuyer expenses on behalf of a beneficiary.*

14 *h. "Participation agreement" means an agreement between a*
15 *participant and the trust entered into under this chapter.*

16 *i. "Program fund" means the program fund established under*
17 *section 12L.4.*

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

19 (1) *A down payment or closing costs for the qualified*
20 *purchase of a single-family residence in Iowa that is to be the*
21 *homestead, as defined in section 425.11, of the beneficiary if*
22 *such beneficiary is a first-time homebuyer with respect to such*
23 *purchase.*

24 (2) *A cost, fee, tax, or payment incurred by, or charged*
25 *or assigned to, a beneficiary as part of the purchase under*
26 *subparagraph (1) and listed on the statement of receipts and*
27 *disbursements for the sale, including any statement prescribed by*
28 *12 C.F.R. §1026.38, as amended.*

29 (3) *Any United States veterans administration funding fee*
30 *incurred by, or charged or assigned to, a beneficiary in*
31 *connection with a veterans administration home loan guaranty*
32 *program.*

33 *k. "Qualified purchase" means the purchase of a single-family*
34 *residence in Iowa by the account's beneficiary for which the*
35 *account's beneficiary will use as a homestead, as defined in*

1 section 425.11, one year or more after the date the participant
2 first opened the account.

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

4 m. "Single-family residence" means a single-family residence
5 owned and occupied by a beneficiary as the beneficiary's
6 homestead within the meaning of section 425.1, including but not
7 limited to a manufactured home, mobile home, condominium unit, or
8 cooperative.

9 Sec. 136. NEW SECTION. **12L.2 Creation of FirstHome Iowa**
10 **program trust.**

11 A FirstHome Iowa program trust is created. The treasurer
12 of state is the trustee of the trust, and has all powers
13 necessary to carry out and effectuate the purposes, objectives,
14 and provisions of this chapter pertaining to the trust, including
15 the power to do all of the following:

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

18 2. Enter into agreements with any financial institution, the
19 state, or any federal or other state agency, or other entity as
20 required to implement this chapter.

21 3. Carry out the duties and obligations of the trust pursuant
22 to this chapter.

23 4. Accept any grants, gifts, legislative appropriations, and
24 other moneys from the state, any unit of federal, state, or
25 local government, or any other person, firm, partnership, or
26 corporation which the treasurer of state shall deposit into the
27 administrative fund or the program fund.

28 5. Carry out studies and projections so the treasurer of
29 state may advise participants regarding present and estimated
30 future qualified homebuyer expenses and levels of financial
31 participation in the trust required in order to enable
32 participants to achieve their qualifying purchase objectives.

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

35 7. Procure insurance against any loss in connection with the

1 property, assets, or activities of the trust.

2 8. Enter into participation agreements with participants.

3 9. Make payments to or on behalf of beneficiaries
4 for qualified homebuyer expenses pursuant to participation
5 agreements.

6 10. Make refunds to participants upon the termination of
7 participation agreements, and partial nonqualified distributions
8 to participants, pursuant to the provisions, limitations, and
9 restrictions set forth in this chapter.

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

12 12. Engage investment advisors, if necessary, to assist in
13 the investment of trust assets.

14 13. Contract for goods and services and engage personnel
15 as necessary, including consultants, actuaries, managers, legal
16 counsel, and auditors for the purpose of rendering professional,
17 managerial, and technical assistance and advice to the treasurer
18 of state regarding trust administration and operation.

19 14. Establish, impose, and collect administrative fees and
20 charges in connection with transactions of the trust for deposit
21 in the administrative fund and provide for reasonable service
22 charges.

23 15. Administer the funds of the trust.

24 16. Adopt rules pursuant to chapter 17A for the
25 administration of the trust.

26 Sec. 137. NEW SECTION. **12L.3 Participation agreements for**
27 **trust.**

28 The trust may enter into participation agreements with
29 participants on behalf of beneficiaries pursuant to the following
30 terms and agreements:

31 1. Each participation agreement may require a participant
32 to agree to invest a specific amount of money in the trust
33 for a specific period of time for the benefit of a specific
34 beneficiary. A participant shall not be required to make an
35 annual contribution on behalf of a beneficiary. The maximum

1 contribution that may be deducted for Iowa income tax purposes
2 shall be the amount contributed by the participant during the
3 applicable tax year, not to exceed five thousand five hundred
4 dollars per beneficiary per year adjusted annually to reflect
5 increases in the consumer price index.

6 2. The execution of a participation agreement by the trust
7 shall not guarantee in any way that qualified homebuyer expenses
8 will be equal to projections and estimates provided by the trust
9 or that the beneficiary named in any participation agreement will
10 qualify for a mortgage, home loan, or other forms of credit for a
11 qualified purchase.

12 3. a. A beneficiary under a participation agreement may be
13 changed as permitted under rules adopted by the treasurer of
14 state upon written request of the participant as long as the
15 substitute beneficiary is eligible for participation.

16 b. Participation agreements may otherwise be freely amended
17 throughout their terms in order to enable participants to
18 increase or decrease the level of participation, change the
19 designation of beneficiaries, and carry out similar matters as
20 authorized by rule.

21 4. Each participation agreement shall provide that the
22 participation agreement may be canceled upon the terms and
23 conditions, and upon payment of applicable fees and costs set
24 forth and contained in the rules adopted by the treasurer of
25 state.

26 5. A participant may designate a successor in accordance
27 with rules adopted by the treasurer of state. The designated
28 successor shall succeed to the ownership of the account in
29 the event of the death of the participant. In the event a
30 participant dies and has not designated a successor to the
31 account, the following criteria shall apply:

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

1 b. If the beneficiary of the account is under the age of
2 eighteen, account ownership shall be transferred to the first
3 surviving parent or other legal guardian of the beneficiary to
4 file the appropriate forms in accordance with rules adopted by
5 the treasurer of state.

6 Sec. 138. NEW SECTION. **12L.4 FirstHome Iowa program and**
7 **administrative funds — investment and payments.**

8 1. a. The treasurer of state shall segregate moneys received
9 by the trust into two funds: the FirstHome Iowa program fund
10 and the administrative fund to be used for administration of the
11 program.

12 b. All moneys paid by participants in connection with
13 participation agreements shall be deposited as received into
14 separate accounts within the program fund.

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

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

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

23 Sec. 139. NEW SECTION. **12L.5 Cancellation of agreements.**

24 A participant may cancel a participation agreement at will.
25 Upon cancellation of a participation agreement, a participant
26 shall be entitled to the return of the participant's account
27 balance.

28 Sec. 140. NEW SECTION. **12L.6 Ownership of payments and**
29 **investment income — transfer of ownership rights.**

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

33 b. All income derived from the investment of the payments
34 made by the participant shall be considered to be held in trust
35 for the benefit of the beneficiary.

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

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

8 4. A participant may transfer ownership rights to another
9 participant or may transfer funds to another account under the
10 trust. The transfer shall be made and the property distributed
11 in accordance with rules adopted by the treasurer of state or
12 with the terms of the participation agreement.

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

15 Sec. 141. NEW SECTION. **12L.7 Annual audited financial**
16 **report to governor and general assembly.**

17 1. a. The treasurer of state shall submit an annual audited
18 financial report, prepared in accordance with generally accepted
19 accounting principles, on the operations of the trust by November
20 1 to the governor and the general assembly.

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

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

28 a. Any related studies or evaluations prepared in the
29 preceding year.

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

32 c. Any other information which is relevant in order to make
33 a full, fair, and effective disclosure of the operations of the
34 trust.

35 Sec. 142. NEW SECTION. **12L.8 Tax considerations.**

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

3 Sec. 143. NEW SECTION. **12L.9 Property rights to assets in**
4 **trust.**

5 1. The assets of the trust shall at all times be preserved,
6 invested, and expended solely and only for the purposes of
7 the trust and shall be held in trust for the participants and
8 beneficiaries.

9 2. No property rights in the trust shall exist in favor of
10 the state.

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

14 Sec. 144. NEW SECTION. **12L.10 Construction.**

15 This chapter shall be construed liberally in order to
16 effectuate its purpose.

17 Sec. 145. Section 232D.503, subsection 6, Code 2026, is
18 amended by adding the following new paragraph:

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

21 Sec. 146. Section 422.7, Code 2026, is amended by adding the
22 following new subsections:

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

1 the preceding sentence.

2 b. Add the amount resulting from the cancellation of a
3 participation agreement refunded to the taxpayer as a participant
4 in the FirstHome Iowa program trust to the extent previously
5 deducted as a contribution to the trust.

6 c. Add, to the extent previously deducted as a contribution
7 to the trust, the amount resulting from a withdrawal or transfer
8 made by the taxpayer from the FirstHome Iowa program trust for
9 purposes other than the payment of qualified homebuyer expenses.

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

13 Sec. 147. Section 541B.4, Code 2026, is amended by adding the
14 following new subsections:

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

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

27 Sec. 148. Section 627.6, Code 2026, is amended by adding the
28 following new subsection:

29 NEW SUBSECTION. 18. The debtor's interest, whether as
30 participant or beneficiary, in contributions and assets,
31 including the accumulated earnings and market increases in value,
32 held in an account in the FirstHome Iowa program trust organized
33 under chapter 12L.

34 Sec. 149. Section 633.108, subsection 2, Code 2026, is
35 amended by adding the following new paragraph:

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

3 Sec. 150. Section 633.555, subsection 1, Code 2026, is
4 amended by adding the following new paragraph:

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

8 Sec. 151. Section 633.678, subsection 1, Code 2026, is
9 amended by adding the following new paragraph:

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

13 Sec. 152. Section 633.681, subsection 1, Code 2026, is
14 amended by adding the following new paragraph:

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

18 Sec. 153. APPLICABILITY. The following applies to
19 contributions made under chapter 12L on or after July 1, 2026,
20 for tax years ending on or after that date:

21 The section of this division of this Act enacting section
22 422.7, subsections 46 and 47.

23

DIVISION XVIII

24 ELDERLY AND DISABLED PROPERTY TAX CREDIT AND RENT REIMBURSEMENT

25 Sec. 154. Section 25B.7, subsection 2, paragraph b, Code
26 2026, is amended to read as follows:

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

31 Sec. 155. Section 425.17, subsection 2, paragraph a, Code
32 2026, is amended to read as follows:

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

34 (1) A person filing a claim for credit under this subchapter
35 who has attained the age of sixty-five years ~~but who has not~~

1 ~~attained the age of seventy years~~ on or before December 31 of the
2 base year, a person filing a claim for credit or reimbursement
3 under this subchapter who is totally disabled and was totally
4 disabled on or before December 31 of the base year, or a person
5 filing a claim for reimbursement under this subchapter who has
6 attained the age of sixty-five years on or before December 31
7 of the base year and who is domiciled in this state at the time
8 the claim is filed or at the time of the person's death in the
9 case of a claim filed by the executor or administrator of the
10 claimant's estate.

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

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

31 Sec. 156. Section 425.23, subsection 1, paragraph c, Code
32 2026, is amended by striking the paragraph.

33 Sec. 157. Section 425.23, subsection 4, paragraph a, Code
34 2026, is amended to read as follows:

35 a. For the base year beginning in the 1999 calendar year and

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

10 Sec. 158. Section 425.24, Code 2026, is amended to read as
11 follows:

12 **425.24 Maximum property tax for purpose of credit or**
13 **reimbursement.**

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

22 Sec. 159. Section 425.39, subsection 1, Code 2026, is amended
23 to read as follows:

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

32 ~~b.~~ ~~Regardless of the amount of the credit determined under~~
33 ~~section 425.23, subsection 1, paragraph "c", the amount paid by~~
34 ~~the director of revenue to each county treasurer for credits for~~
35 ~~claimants described under section 425.17, subsection 2, paragraph~~

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

6 Sec. 160. EFFECTIVE DATE. This division of this Act takes
7 effect January 1, 2030.

8 Sec. 161. APPLICABILITY.

9 1. This division of this Act applies to claims under chapter
10 425, subchapter II, for credits against property taxes due and
11 payable in fiscal years beginning on or after July 1, 2030.

12 2. This division of this Act applies to claims under chapter
13 425, subchapter II, for reimbursement for rent constituting
14 property taxes paid in base years beginning on or after January
15 1, 2029.

16 DIVISION XIX

17 PROPERTY TAX EXEMPTIONS — IMPOUNDMENT STRUCTURES AND SPECULATIVE
18 SHELL BUILDINGS

19 Sec. 162. Section 331.401, subsection 1, paragraph i, Code
20 2026, is amended by striking the paragraph.

21 Sec. 163. Section 427.1, subsections 20 and 27, Code 2026,
22 are amended by striking the subsections.

23 Sec. 164. EFFECTIVE DATE. This division of this Act takes
24 effect January 1, 2031.

25 Sec. 165. APPLICABILITY. This division of this Act applies
26 to assessment years beginning on or after January 1, 2031.

27 DIVISION XX

28 SCHOOL DISTRICT UNSPENT BALANCES — ON-TIME FUNDING AND MODIFIED
29 SUPPLEMENTAL AMOUNTS

30 Sec. 166. Section 257.7, Code 2026, is amended by adding the
31 following new subsection:

32 NEW SUBSECTION. 3. *Unspent balances.* For school budget
33 years beginning on or after July 1, 2026, a school district's
34 actual unspent balance from the preceding year used to calculate
35 the authorized budget under subsection 1 shall not exceed an

1 amount equal to thirty-five percent of the school district's
2 authorized expenditures for the budget year immediately preceding
3 the base year unless a greater amount is authorized by the school
4 budget review committee based on one or more grounds authorized
5 for the approval of a modified supplemental amount under section
6 257.31.

7 Sec. 167. Section 257.13, Code 2026, is amended to read as
8 follows:

9 **257.13 On-time ~~funding~~ budget adjustment.**

10 1. a. For the school budget year beginning July 1, 2001,
11 and succeeding budget years beginning before July 1, 2026, if
12 a district's actual enrollment for the budget year, determined
13 under section 257.6, is greater than its budget enrollment for
14 the budget year, the district shall be eligible to receive an
15 on-time ~~funding~~ budget adjustment. The adjustment shall be in an
16 amount equal to the difference between the actual enrollment for
17 the budget year and the budget enrollment for the budget year,
18 multiplied by the district cost per pupil.

19 ~~2.~~ b. The board of directors of a school district that
20 wishes to receive an on-time ~~funding~~ budget adjustment under this
21 subsection shall adopt a resolution to receive the adjustment
22 and notify the school budget review committee annually, but not
23 earlier than November 1, as determined by the department of
24 education. The school budget review committee shall establish
25 a modified supplemental amount pursuant to ~~subsection 1~~ paragraph
26 "a".

27 2. a. For the school budget years beginning on or after
28 July 1, 2026, if a district's actual enrollment for the budget
29 year, determined under section 257.6, is greater than its budget
30 enrollment for the budget year, the district may request an
31 on-time budget adjustment. The adjustment shall not exceed an
32 amount equal to the difference between the actual enrollment for
33 the budget year and the budget enrollment for the budget year,
34 multiplied by the district cost per pupil.

35 b. To request an on-time budget adjustment under this

1 subsection, the board of directors of a school district shall
2 adopt a resolution to receive the adjustment and notify the
3 school budget review committee on or before a date established by
4 the committee. The school budget review committee may establish
5 a modified supplemental amount pursuant to paragraph "a".

6 3. If the board of directors of a school district determines
7 that a need exists for additional funds exceeding the on-time
8 ~~funding~~ budget adjustment pursuant to this section, a request for
9 a modified supplemental amount based upon increased enrollment
10 may be submitted to the school budget review committee as
11 provided in section 257.31.

12 Sec. 168. NEW SECTION. 279.63A Unspent balance — policy.

13 1. The board of directors of each school district shall
14 establish a policy that defines a targeted range and maximum
15 amount of unspent balance of authorized expenditures, determined
16 by a percent of authorized expenditures under section 257.7 or
17 other methodology specified in the policy. The policy shall also
18 state the date the policy was adopted and the date the policy
19 was most recently reviewed or revised under subsection 2. The
20 targeted range and maximum amount established in the policy shall
21 be made with the intent to equalize educational opportunity,
22 provide a good education for all the children of the school
23 district, provide property tax relief, decrease the percentage of
24 school costs paid from property taxes, and to provide reasonable
25 control of school costs.

26 2. Targeted ranges and maximum amounts defined in the policy
27 under subsection 1 shall be reviewed annually by the board of
28 directors and such review shall be entered in the minutes of the
29 board and approved revisions shall be made to the policy.

30 Sec. 169. EFFECTIVE DATE. This division of this Act, being
31 deemed of immediate importance, takes effect upon enactment.

32 DIVISION XXI

33 PROPERTY PARCEL INFORMATION

34 Sec. 170. Section 331.510, Code 2026, is amended by adding
35 the following new subsection:

1 constitute an additional indebtedness, unless such refinancing
2 results in an increase in the amount of debt service that
3 qualifies for payment from the special fund or extends the term
4 for payment or retirement of the indebtedness.

5 c. An ordinance described in subsection 1 providing for a
6 division of revenue shall terminate and be of no further force
7 and effect at the conclusion of the fiscal year during which
8 the retirement or payment of all indebtedness payable from such
9 division of revenue in existence on the effective date of this
10 division of this Act occurs or after twenty years following
11 the effective date of this division of this Act, whichever
12 occurs first. Upon request filed by the municipality, the
13 department of management may extend the termination date under
14 this paragraph if such an extension is necessary to retire and
15 pay all indebtedness incurred prior to the effective date of this
16 division of this Act.

17 d. An ordinance described in subsection 1 or any applicable
18 urban renewal area shall not be amended on or after the effective
19 date of this division of this Act to include territory that
20 is not subject to the ordinance on the effective date of this
21 division of this Act.

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

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

29 Sec. 172. Section 403.19, subsection 2, paragraph a, Code
30 2026, is amended to read as follows:

31 a. That portion of the taxes each year in excess of such
32 amount shall be allocated to and when collected be paid into
33 a special fund of the municipality to pay the principal of and
34 interest on loans, moneys advanced to, or indebtedness, whether
35 funded, refunded, assumed, or otherwise, including bonds issued

1 under the authority of section 403.9, subsection 1, incurred by
 2 the municipality to finance or refinance, in whole or in part, an
 3 urban renewal project within the area, and to provide assistance
 4 for low and moderate income family housing as provided in section
 5 403.22. However, except as provided in paragraph "b", taxes
 6 for the regular and voter-approved physical plant and equipment
 7 levy of a school district imposed pursuant to section 298.2; and
 8 taxes for the instructional support program of a school district
 9 imposed pursuant to section 257.19~~7~~i; taxes for the payment of
 10 bonds and interest of each taxing district~~7~~i; taxes levied against
 11 wind energy conversion property, as defined in section 427B.26,
 12 for which construction begins on or after the effective date
 13 of this division of this Act; foundation property taxes of
 14 a school district imposed under section 257.3 levied against
 15 property upon which new construction or renovations begin on or
 16 after the effective date of this division of this Act, unless
 17 such construction or renovations were approved and subject to
 18 an agreement adopted before January 1, 2027; taxes for emergency
 19 medical services imposed pursuant to chapter 357F, 357G, or 422D;
 20 and taxes imposed under section 346.27, subsection 22, related
 21 to joint county-city buildings shall be collected against all
 22 taxable property within the taxing district without limitation by
 23 the provisions of this subsection.

24 Sec. 173. Section 403.19, Code 2026, is amended by adding the
 25 following new subsection:

26 NEW SUBSECTION. 3A. An ordinance providing for a division
 27 of revenue under this section that is adopted on or after the
 28 effective date of this division of this Act and that is not
 29 limited in duration under section 403.17, subsection 10, or
 30 section 403.22, subsection 5, shall be limited to twenty years
 31 from the calendar year following the calendar year in which the
 32 municipality first certifies to the county auditor the amount
 33 of any loans, advances, indebtedness, or bonds that qualify
 34 for payment from the division of revenue provided for in this
 35 section. The ordinance shall terminate and be of no further

1 force and effect following the twenty-year period provided in
2 this subsection.

3 Sec. 174. Section 403.19, Code 2026, is amended by adding the
4 following new subsections:

5 NEW SUBSECTION. 9A. a. In addition to the limitations and
6 requirements for relocations under subsection 9, moneys from any
7 source deposited into the special fund created in this section
8 shall not be expended for or otherwise used in connection with
9 an urban renewal project approved on or after the effective date
10 of this division of this Act that includes the relocation of
11 a commercial or industrial enterprise receiving assistance or
12 incentives from a different municipality's special fund under
13 this section and not presently located within the municipality,
14 if the total amount of assistance or incentives for such
15 enterprise exceeds the total amount of assistance or incentives
16 received or agreed to be received from the other municipality.

17 b. For the purposes of this subsection, "relocation" means
18 the closure or substantial reduction of an enterprise's existing
19 operations in one area of the state and the initiation of
20 substantially the same operation in the same metropolitan
21 statistical area. This subsection does not prohibit an
22 enterprise from expanding its operations in another area of the
23 state provided that existing operations of a similar nature are
24 not closed or substantially reduced.

25 NEW SUBSECTION. 12. For any fiscal year beginning on or
26 after July 1, 2027, following written request filed with the
27 county auditor and the board of directors of the school district,
28 a school district may approve by resolution of the board of
29 directors the payment from the school district's general fund
30 to the municipality for deposit in the special fund under this
31 section all or a portion of the school district's foundation
32 property taxes under section 257.3 levied against property
33 upon which new construction or renovations begin on or after
34 the effective date of this division of this Act, unless such
35 construction or renovations were approved and subject to an

1 agreement adopted before January 1, 2027, for one or more
2 applicable fiscal years. If approved, the board of directors
3 shall file such resolution with the county auditor. Payments
4 approved under this subsection are voluntary and a school
5 district is not required to pay over the revenue to the
6 municipality unless approved by resolution. Amounts paid by
7 a school district under this subsection shall continue to be
8 considered foundation property taxes levied under section 257.3
9 and such payment shall not result in the adjustment of state
10 foundation aid or other amounts under chapter 257.

11 Sec. 175. Section 403.19, subsection 10, Code 2026, is
12 amended by adding the following new paragraph:

13 NEW PARAGRAPH. c. For fiscal years beginning on or after
14 July 1, 2027, moneys from any source deposited into the special
15 fund created in this section shall not be expended for salaries
16 or benefits of a permanent staff member of a municipality or
17 local or regional economic development entity.

18 Sec. 176. URBAN RENEWAL REPORT — TASK FORCE.

19 1. By January 1, 2027, the department of revenue shall
20 prepare and submit a report, including any recommended changes,
21 to the general assembly regarding statewide use of chapter 403
22 and divisions of revenue.

23 2. The department of revenue shall convene a task force
24 of local and state officials, state legislators, and technical
25 experts to assist in the review undertaken pursuant to subsection
26 1.

27 Sec. 177. EFFECTIVE DATE. This division of this Act, being
28 deemed of immediate importance, takes effect upon enactment.

29 Sec. 178. APPLICABILITY. The following applies to property
30 taxes due and payable in fiscal years beginning on or after July
31 1, 2027:

32 The section of this division of this Act amending section
33 403.19, subsection 2, paragraph "a".

34

DIVISION XXIII

35

PROPERTY TAX DEFERRAL — TASK FORCE

1 Sec. 179. PROPERTY TAX DEFERRAL TASK FORCE — REPORT.

2 1. By January 10, 2027, the department of revenue shall
3 prepare and submit a report approved by the task force created
4 under subsection 2, including recommended legislative actions, to
5 the general assembly regarding the establishment of a program
6 under which low-income elderly homestead owners may apply to
7 defer property taxes owed until the occurrence of a qualifying
8 event, including but not limited to death of the owner, sale of
9 the property, or transfer of the property to someone other than a
10 surviving spouse.

11 2. The department shall convene a task force consisting of at
12 least all of the following persons:

13 a. The director of revenue, or the director's designee.

14 b. The director of the department of management, or the
15 director's designee.

16 c. A representative of the Iowa league of cities.

17 d. A representative of the Iowa state association of
18 counties.

19 e. Three homestead owners from this state, selected by the
20 director of revenue.

21 f. Four ex officio, nonvoting legislative members consisting
22 of the following:

23 (1) Two state senators, one appointed by the president of the
24 senate after consultation with the majority leader of the senate
25 and one appointed by the minority leader of the senate from their
26 respective parties.

27 (2) Two state representatives, one appointed by the speaker
28 and one appointed by the minority leader of the house of
29 representatives from their respective parties.

30 3. Task force meetings shall be open to the public.

31 4. The task force shall compile and analyze at least all of
32 the following prior to preparation of the department's report
33 under subsection 1:

34 a. An inventory of potentially eligible property in the
35 state.

1 b. Feasible program structures.

2 c. Possible methods for calculation and payment of deferred
3 amounts.

4 d. Implementation timelines and procedures.

5 DIVISION XXIV

6 PAYMENTS IN LIEU OF PROPERTY TAXES — TASK FORCE

7 Sec. 180. PAYMENTS IN LIEU OF PROPERTY TAXES TASK FORCE —
8 REPORT.

9 1. By January 10, 2027, the department of revenue shall
10 prepare and submit a report approved by the task force created
11 under subsection 2, including recommended legislative actions,
12 to the general assembly regarding the establishment of a program
13 under which counties may implement a program for the collection
14 of payments in lieu of property taxes from owners of property
15 that is exempt, in whole or in part, from ad valorem property
16 taxes, but excluding government-owned property.

17 2. The department shall convene a task force consisting of at
18 least all of the following persons:

19 a. The director of revenue, or the director's designee.

20 b. The director of the department of management, or the
21 director's designee.

22 c. All members of the Polk county board of supervisors.

23 d. One mayor from a city located, in whole or in part, within
24 Polk county, selected by the director of revenue.

25 e. Three representatives from tax-exempt entities located
26 in Polk county of varying sizes, selected by the director of
27 revenue.

28 f. One private property owner, selected by the director of
29 revenue.

30 g. Four ex officio, nonvoting legislative members consisting
31 of the following:

32 (1) Two state senators, one appointed by the president of the
33 senate after consultation with the majority leader of the senate
34 and one appointed by the minority leader of the senate from their
35 respective parties.

1 (2) Two state representatives, one appointed by the speaker
2 and one appointed by the minority leader of the house of
3 representatives from their respective parties.

4 3. Task force meetings shall be open to the public.

5 4. The task force shall compile and analyze at least all of
6 the following prior to preparation of the department's report
7 under subsection 1:

8 a. An inventory of tax-exempt property.

9 b. Interest and feasibility of county participation in such a
10 program.

11 c. Feasible program structures.

12 d. Possible methods for calculation of program payment
13 amounts, not to exceed the proportionate amount of a county's
14 budget for law enforcement, fire protection, and public works
15 services.

16 e. Implementation timelines and procedures.