

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:

DIVISION I

COUNTY PROPERTY TAXES AND BUDGETS

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

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

11
12 Sec. 2. Section 331.423, subsection 1, paragraph c, Code
13 2026, is amended to read as follows:

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

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

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

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

33 (a) A levy rate per one thousand dollars of assessed value
34 equal to one thousand multiplied by the quotient of one hundred
35 two percent of the current fiscal year's actual property tax

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

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

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

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

1 minus value attributable to new valuation.

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

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

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

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

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

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

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

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

1 applicable.

2 Sec. 5. Section 331.423, subsection 2, paragraph c, Code
3 2026, is amended to read as follows:

4 c. (1) For each fiscal year beginning on or after July 1,
5 2028, three dollars and ninety-five cents per thousand dollars
6 of assessed value. For the fiscal year beginning July 1, 2027,
7 and the fiscal year beginning July 1, 2028, the greater of:

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

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

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

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

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

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

3 NEW PARAGRAPH. *d.* (1) For each fiscal year beginning
4 on or after July 1, 2030, the levy rate imposed under this
5 subsection 2 for the current fiscal year, unless subject to
6 subparagraph (2), and for the budget year beginning July 1,
7 2030, only, not less than a levy rate per one thousand dollars
8 of assessed value that results in an amount of actual property
9 tax dollars certified for levy under this subsection 2 equal
10 to one hundred and one-half percent of the actual property tax
11 dollars certified for levy under this subsection 2 for the
12 current fiscal year.

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

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

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

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

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

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

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

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

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

25 (1) New construction.

26 (2) Additions or improvements to existing structures that
27 are not normal and necessary repairs under section 441.21,
28 subsection 8.

29 (3) Net boundary adjustments, including annexation,
30 severance, incorporation, consolidation, or discontinuance as
31 those terms are defined in section 368.1.

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

34 Sec. 9. APPLICABILITY. This division of this Act applies
35 to property taxes and budgets for fiscal years beginning on or

1 after July 1, 2027.

2 DIVISION II

3 CITY PROPERTY TAXES AND BUDGETS

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

6 (1) For each fiscal year beginning on or after July 1,
7 2024, but before July 1, ~~2028~~ 2027, subject to subparagraph
8 (3), a city's tax levy for the general fund, except for levies
9 authorized in [section 384.12](#), shall not exceed in any tax year
10 the greater of eight dollars and ten cents per thousand dollars
11 of assessed value used to calculate taxes for the budget year
12 and the adjusted city general fund levy rate, as adjusted under
13 subparagraph (2), if applicable.

14 Sec. 11. Section 384.1, subsection 3, paragraph d, Code
15 2026, is amended to read as follows:

16 ~~d. (1) (a) For each fiscal year beginning on or after July~~
17 ~~1, 2028, a city's tax levy rate for the general fund, except~~
18 ~~for levies authorized in [section 384.12](#), shall not exceed eight~~
19 ~~dollars and ten cents per thousand dollars of assessed value~~
20 ~~used to calculate taxes in any fiscal year. For the fiscal~~
21 ~~year beginning July 1, 2027, and the fiscal year beginning July~~
22 ~~1, 2028, a city's tax levy rate for the general fund, except~~
23 ~~for levies authorized in section 384.12, shall not exceed the~~
24 ~~greater of:~~

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

32 (ii) A levy rate per one thousand dollars of assessed
33 value that results in an amount of actual property tax dollars
34 certified for levy under this subsection equal to one hundred
35 and one-half percent of the actual property tax dollars

1 certified for levy under this subsection for the current fiscal
2 year.

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

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

15 (i) A levy rate per one thousand dollars of assessed value
16 equal to one thousand multiplied by the quotient of one hundred
17 two percent of the current fiscal year's actual property tax
18 dollars certified for levy under this subsection divided by
19 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 (ii) A levy rate per one thousand dollars of assessed
23 value that results in an amount of actual property tax dollars
24 certified for levy under this subsection equal to one hundred
25 and one-half percent of the actual property tax dollars
26 certified for levy under this subsection for the current fiscal
27 year.

28 (b) Notwithstanding other provisions of this subparagraph,
29 if a city's actual levy rate for the current fiscal year is
30 zero dollars per one thousand dollars of assessed value, a levy
31 rate per one thousand dollars of assessed value equal to one
32 thousand multiplied by the quotient of one hundred two percent
33 of the city's certified general fund budget for the current
34 fiscal year divided by the remainder of the total assessed
35 value used to calculate taxes for the budget year minus value

1 attributable to new valuation.

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

4 NEW PARAGRAPH. e. (1) For each fiscal year beginning on
5 or after July 1, 2030, a city's tax levy rate for the general
6 fund, except for levies authorized in section 384.12, shall
7 not exceed the levy rate imposed under this subsection for the
8 current fiscal year, unless subject to subparagraph (2), and
9 for the budget year beginning July 1, 2030, only, not less than
10 a levy rate per one thousand dollars of assessed value that
11 results in an amount of actual property tax dollars certified
12 for levy under this subsection equal to one hundred and
13 one-half percent of the actual property tax dollars certified
14 for levy under this subsection for the current fiscal year.

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

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

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

35 (B) If the percentage change in the consumer price index for

1 all urban consumers is equal to or greater than four but less
2 than six, one hundred three percent.

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

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

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

20 (3) Notwithstanding other provisions of this paragraph,
21 if a city's actual levy rate for the current fiscal year is
22 zero dollars per one thousand dollars of assessed value, the
23 city's levy rate under this subsection shall not exceed a levy
24 rate per one thousand dollars of assessed value equal to one
25 thousand multiplied by the quotient of one hundred two percent
26 of the city's certified general fund budget for the current
27 fiscal year divided by the remainder of the total assessed
28 value used to calculate taxes for the budget year minus value
29 attributable to new valuation.

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

32 NEW PARAGRAPH. *c.* "New valuation" means the increase
33 from the current fiscal year to the budget year in taxable
34 valuation, as shown on the assessment roll due to the
35 following, the amount of each as reported under section 331.510

1 by the county auditor to the department of management:

2 (1) New construction.

3 (2) Additions or improvements to existing structures that
4 are not normal and necessary repairs under section 441.21,
5 subsection 8.

6 (3) Net boundary adjustments, including annexation,
7 severance, incorporation, consolidation, or discontinuance as
8 those terms are defined in section 368.1.

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

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

14 DIVISION III

15 SCHOOL TAXES AND BUDGETS

16 Sec. 16. Section 257.1, subsection 2, paragraph b, Code
17 2026, is amended to read as follows:

18 b. (1) (a) For the budget year commencing July 1, 1999,
19 and for each succeeding budget year beginning before July
20 1, 2022, the regular program foundation base per pupil is
21 eighty-seven and five-tenths percent of the regular program
22 state cost per pupil.

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

28 (c) For the budget year commencing July 1, 2027, and each
29 succeeding budget year, the regular program foundation base per
30 pupil is one hundred percent of the regular program state cost
31 per pupil.

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

1 (3) The combined foundation base is the sum of the regular
2 program foundation base, the special education support services
3 foundation base, the total teacher salary supplement district
4 cost, the total professional development supplement district
5 cost, the total early intervention supplement district cost,
6 the total teacher leadership supplement district cost, and the
7 total area education agency teacher salary supplement district
8 cost.

9 Sec. 17. Section 257.4, subsection 1, paragraph b, Code
10 2026, is amended to read as follows:

11 b. For the budget year beginning July 1, 2008, and
12 succeeding budget years beginning before July 1, 2027, the
13 department of management shall annually determine an adjusted
14 additional property tax levy and a statewide maximum adjusted
15 additional property tax levy rate, not to exceed the statewide
16 average additional property tax levy rate, calculated by
17 dividing the total adjusted additional property tax levy
18 dollars statewide by the statewide total net taxable valuation.
19 For purposes of this paragraph, the adjusted additional
20 property tax levy shall be that portion of the additional
21 property tax levy corresponding to the state cost per pupil
22 multiplied by a school district's weighted enrollment, and then
23 multiplied by one hundred percent less the regular program
24 foundation base per pupil percentage pursuant to section
25 257.1, and then reduced by the amount of the property tax
26 replacement payment to be received under [section 257.16B](#) and
27 the amount of the foundation base supplement payment to be
28 received under [section 257.16D](#). The district shall receive
29 adjusted additional property tax levy aid in an amount equal
30 to the difference between the adjusted additional property
31 tax levy rate and the statewide maximum adjusted additional
32 property tax levy rate, as applied per thousand dollars of
33 assessed valuation on all taxable property in the district.
34 The statewide maximum adjusted additional property tax levy
35 rate shall be annually determined by the department taking

1 into account amounts allocated pursuant to section 257.15,
2 subsection 4, and the balance of the property tax equity and
3 relief fund created in [section 257.16A](#) at the end of the
4 calendar year.

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

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

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

11 *2. Property tax adjustment aid for 1992-1993 and succeeding*
12 *years beginning before 2027-2028.* For the budget year beginning
13 July 1, 1992, and succeeding budget years beginning before July
14 1, 2027, the department of education shall pay property tax
15 adjustment aid to a school district equal to the amount paid
16 to the district for the base year less an amount equal to the
17 product of the percent by which the taxable valuation in the
18 district increased, if the taxable valuation increased, from
19 January 1 of the year prior to the base year to January 1 of the
20 base year and the property tax adjustment aid. The department
21 of management shall adjust the rate of the additional property
22 tax accordingly and notify the department of education of
23 the amount of aid to be paid to each district from moneys
24 appropriated for property tax adjustment aid.

25 *3. Property tax adjustment aid appropriation.* There
26 is appropriated from the general fund of the state to the
27 department of education, for each fiscal year beginning
28 before July 1, 2027, an amount necessary to pay property
29 tax adjustment aid to school districts under [this section](#).
30 Property tax adjustment aid shall be paid to school districts
31 in the manner provided in [section 257.16](#).

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

35 (d) For the budget year beginning July 1, 2009, and

1 succeeding budget years beginning before July 1, 2027,
2 twenty-four million dollars.

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

5 ~~b.~~ After For fiscal years beginning before July 1, 2026,
6 after lowering all school district adjusted additional property
7 tax levy rates to the statewide maximum adjusted additional
8 property tax levy rate under paragraph "a", the department of
9 management shall use any remaining funds at the end of the
10 calendar year to further lower additional property taxes by
11 increasing for the budget year beginning the following July
12 1, the regular program foundation base per pupil percentage
13 under [section 257.1](#). Moneys used pursuant to this paragraph
14 shall supplant an equal amount of the appropriation made from
15 the general fund of the state pursuant to [section 257.16](#) that
16 represents the increase in state foundation aid. Any moneys
17 remaining at the conclusion of the fiscal year beginning July
18 1, 2025, shall be transferred by the department of management
19 for deposit in the general fund of the state.

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

22 2. ~~There~~ For each fiscal year beginning before July 1,
23 2027, there is appropriated annually all moneys in the fund to
24 the department of management for purposes of section 257.15,
25 subsection 4.

26 3. Notwithstanding [section 8.33](#), any moneys remaining in
27 the property tax equity and relief fund at the end of a fiscal
28 year shall not revert to any other fund but shall remain in the
29 property tax equity and relief fund for use as provided in this
30 section for the following fiscal year. However, at the end of
31 the fiscal year beginning July 1, 2026, any moneys remaining in
32 the property tax equity and relief fund shall be transferred
33 for deposit into either the secure an advanced vision for
34 education fund or the general fund of the state based on the
35 fund from which the moneys were received.

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

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

8 Sec. 24. Section 257.16D, subsection 2, paragraph a, Code
9 2026, is amended to read as follows:

10 a. There For fiscal years beginning before July 1, 2027,
11 there is appropriated annually from the fund to the department
12 of management an amount necessary to make all foundation base
13 supplement payments under [this section](#). The department of
14 management shall calculate each school district's foundation
15 base supplement payment based on the distribution methodology
16 under paragraph "b".

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

19 3. Notwithstanding [section 8.33](#), any moneys remaining in
20 the foundation base supplement fund at the end of a fiscal year
21 shall not revert to any other fund but shall remain in the
22 foundation base supplement fund for use as provided in this
23 section for the following fiscal year. However, at the end of
24 the fiscal year beginning July 1, 2026, any moneys remaining in
25 the foundation base supplement fund shall be transferred for
26 deposit in the secure an advanced vision for education fund.

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

29 NEW SUBSECTION. 19. *a.* The board of directors of each
30 school district with an unexpended fund balance in the
31 district's management levy fund under section 298A.3 at the
32 conclusion of the fiscal year beginning July 1, 2025, that
33 exceeds an amount equal to the total expenditures from the
34 district's management levy fund for the fiscal year beginning
35 July 1, 2025, shall certify such unexpended fund balance and

1 expenditure amounts, including any reserved or designated
2 amounts in the fund and the purposes therefor, to the school
3 budget review committee by November 15, 2026. The committee
4 shall prescribe the form for such certifications.

5 *b.* The committee shall conduct a review of the unexpended
6 fund balances and expenditures of school district management
7 levy funds certified under paragraph "*a*". The committee
8 shall consult with boards of directors of school districts
9 and other relevant persons to determine the appropriateness
10 of establishing district management levy fund unexpended fund
11 balance limitations. By February 1, 2027, the committee
12 shall make recommendations to the general assembly for
13 establishing district management levy fund unexpended fund
14 balance limitations for fiscal years beginning on or after July
15 1, 2028, including recommendations for limitations based on a
16 percentage of the district's management levy fund expenditures
17 and recommendations for management levy limitations and
18 expenditure requirements for excess funds.

19 Sec. 27. Section 298.2, subsection 1, Code 2026, is amended
20 to read as follows:

21 1. *a.* A physical plant and equipment levy of not exceeding
22 one dollar and ~~sixty-seven~~ eighteen cents per thousand dollars
23 of assessed valuation in the district is established except
24 as otherwise provided in [this subsection](#). The physical plant
25 and equipment levy consists of the regular physical plant and
26 equipment levy of not exceeding ~~thirty-three~~ twenty-four cents
27 per thousand dollars of assessed valuation in the district
28 and a voter-approved physical plant and equipment levy of
29 not exceeding ~~one dollar and thirty-four~~ ninety-four cents
30 per thousand dollars of assessed valuation in the district.
31 However, the voter-approved physical plant and equipment levy
32 may consist of a combination of a physical plant and equipment
33 property tax levy and a physical plant and equipment income
34 surtax as provided in [subsection 4](#) with the maximum amount
35 levied and imposed limited to an amount that could be raised

1 by a ~~one dollar and thirty-four~~ ninety-four cent property tax
2 levy. A voter-approved physical plant and equipment levy
3 approved prior to the effective date of this division of this
4 Act shall not exceed a rate that is seventy percent of the rate
5 approved at election.

6 *b.* For school budget years beginning on or after July 1,
7 ~~2015~~ 2027, a school district may by resolution of the board of
8 directors adopted prior to April 30 preceding the budget year
9 impose a physical plant and equipment levy at a rate in excess
10 of the levy rate limitations under paragraph "a" if the board
11 has refunded or refinanced a loan agreement entered into under
12 section 297.36 and such refunding or refinancing complies with
13 the maturity period authorized under section 297.36, subsection
14 1, paragraph "c", and results in a lower amount of interest on
15 the amount of the loan agreement. However, the rate imposed
16 by a school district under this paragraph shall not exceed the
17 rate imposed during the budget year in which the loan agreement
18 was refunded or refinanced or seventy percent of such levy
19 rate if the refunding or refinancing occurred in the budget
20 year beginning July 1, 2026. Authorization to exceed the levy
21 rate limitations of paragraph "a" shall terminate upon the
22 maturity of the loan agreement after refunding or refinancing.
23 Upon adoption of the resolution under this paragraph "b", the
24 board shall comply with the requirements of section 297.36,
25 subsection 1, paragraph "b".

26 Sec. 28. Section 298.2, subsection 2, Code 2026, is amended
27 by striking the subsection.

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

30 ~~The~~ Unless prohibited by subsection 1A, paragraph "a", the
31 board of directors of a school district may certify for levy by
32 April 30 of a school year, a tax on all taxable property in the
33 school district for a district management levy, subject to the
34 limitations in subsection 1A, paragraph "b". The revenue from
35 the tax levied in **this section** shall be placed in the district

1 management levy fund of the school district. The district
2 management levy shall be expended only for the following
3 purposes:

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

6 NEW SUBSECTION. 1A. a. (1) For the fiscal year beginning
7 July 1, 2028, if a school district's unexpended fund balance,
8 as defined in section 257.2, of the district's management levy
9 fund is equal to or exceeds one hundred eighty percent of the
10 average annual expenditures from the district's management
11 levy fund for the three consecutive fiscal years immediately
12 preceding the base year, the board of directors shall not
13 certify a levy under this section for the fiscal year.

14 (2) For the fiscal year beginning July 1, 2029, if a school
15 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 seventy-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
21 this section for the fiscal year.

22 (3) For the fiscal year beginning July 1, 2030, if a school
23 district's unexpended fund balance, as defined in section
24 257.2, of the district's management levy fund is equal to or
25 exceeds one hundred seventy percent of the average annual
26 expenditures from the district's management levy fund for the
27 three consecutive fiscal years immediately preceding the base
28 year, the board of directors shall not certify a levy under
29 this section for the fiscal year.

30 (4) For the fiscal year beginning July 1, 2031, if a school
31 district's unexpended fund balance, as defined in section
32 257.2, of the district's management levy fund is equal to or
33 exceeds one hundred sixty-five percent of the average annual
34 expenditures from the district's management levy fund for the
35 three consecutive fiscal years immediately preceding the base

1 year, the board of directors shall not certify a levy under
2 this section for the fiscal year.

3 (5) For the fiscal year beginning July 1, 2032, and each
4 succeeding fiscal year, if a school district's unexpended
5 fund balance, as defined in section 257.2, of the district's
6 management levy fund is equal to or exceeds one hundred sixty
7 percent of the average annual expenditures from the district's
8 management levy fund for the three consecutive fiscal years
9 immediately preceding the base year, the board of directors
10 shall not certify a levy under this section for the fiscal
11 year.

12 b. (1) For the fiscal year beginning July 1, 2028, if
13 a school district is not prohibited from certifying a levy
14 pursuant to paragraph "a", the maximum amount that the board of
15 directors may certify for levy under this section shall be an
16 amount equal to the remainder of one hundred eighty percent of
17 the average annual expenditures from the district's management
18 levy fund for the three consecutive fiscal years immediately
19 preceding the base year minus the district's management levy
20 fund unexpended fund balance for the fiscal year preceding the
21 base year.

22 (2) For the fiscal year beginning July 1, 2029, 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
25 may certify for levy under this section shall be an amount
26 equal to the remainder of one hundred seventy-five percent of
27 the average annual expenditures from the district's management
28 levy fund for the three consecutive fiscal years immediately
29 preceding the base year minus the district's management levy
30 fund unexpended fund balance for the fiscal year preceding the
31 base year.

32 (3) For the fiscal year beginning July 1, 2030, if a school
33 district is not prohibited from certifying a levy pursuant to
34 paragraph "a", the maximum amount that the board of directors
35 may certify for levy under this section shall be an amount

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

7 (4) For the fiscal year beginning July 1, 2031, if a school
8 district is not prohibited from certifying a levy pursuant to
9 paragraph "a", the maximum amount that the board of directors
10 may certify for levy under this section shall be an amount
11 equal to the remainder of one hundred sixty-five percent of
12 the average annual expenditures from the district's management
13 levy fund for the three consecutive fiscal years immediately
14 preceding the base year minus the district's management levy
15 fund unexpended fund balance for the fiscal year preceding the
16 base year.

17 (5) For the fiscal year beginning July 1, 2032, and each
18 succeeding fiscal year, if a school district is not prohibited
19 from certifying a levy pursuant to paragraph "a", the maximum
20 amount that the board of directors may certify for levy under
21 this section shall be an amount equal to the remainder of one
22 hundred sixty percent of the average annual expenditures from
23 the district's management levy fund for the three consecutive
24 fiscal years immediately preceding the base year minus the
25 district's management levy fund unexpended fund balance for the
26 fiscal year preceding the base year.

27 Sec. 31. Section 298.18, subsection 1, paragraph d, Code
28 2026, is amended to read as follows:

29 *d.* (1) The amount estimated and certified to apply on
30 principal and interest for any one year may exceed ~~two dollars~~
31 ~~and seventy~~ one dollar and eighty-nine cents per thousand
32 dollars of assessed value by the amount approved by the voters
33 of the school corporation, but not exceeding ~~four~~ two dollars
34 and ~~five~~ eighty-four cents per thousand dollars of the assessed
35 value of the taxable property within any school corporation,

1 provided that the registered voters of such school corporation
2 have first approved such increased amount at an election held
3 on a date specified in [section 39.2, subsection 4](#), paragraph
4 "c". Amounts approved at election before the effective date
5 of this division of this Act shall not exceed a rate that is
6 seventy percent of the rate approved at election.

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

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

15 (1) Prior to distribution of moneys in the secure an
16 advanced vision for education fund to school districts, an
17 amount equal to the equity transfer amount for the fiscal year
18 ~~minus the foundation base transfer amount for the fiscal year~~
19 ~~shall be distributed and credited to the property tax equity~~
20 ~~and relief fund created in [section 257.16A](#), an amount equal~~
21 ~~to the foundation base transfer amount shall be distributed~~
22 ~~and credited to the foundation base supplement fund created~~
23 ~~in [section 257.16D](#), general fund of the state to be used for~~
24 foundation aid resulting from the increase in the regular
25 program foundation base per pupil to one hundred percent of the
26 regular program state cost per pupil and an amount equal to
27 the career academy transfer amount for the fiscal year shall
28 be distributed and credited to the career academy fund created
29 in [section 257.51](#).

30 Sec. 33. Section 423F.2, subsection 3, paragraph b,
31 subparagraph (3), Code 2026, is amended by striking the
32 subparagraph.

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

35 a. Reduction of the bond levies levy under sections section

1 298.18 and ~~298.18A~~ and all other debt levies.

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

4 1. The family farm tax credit fund shall be apportioned
5 each year in the manner provided in [this chapter](#) so as to give
6 a credit against the tax on each eligible tract of agricultural
7 land within the several school districts of the state in which
8 the levy for the general school fund exceeds ~~five dollars and~~
9 ~~forty cents per thousand dollars of assessed value~~ the levy
10 rate under section 257.3, subsection 1, paragraph "a". The
11 amount of the credit on each eligible tract of agricultural
12 land shall be the amount the tax levied for the general school
13 fund exceeds the amount of tax which would be levied on each
14 eligible tract of agricultural land were the levy for the
15 general school fund ~~five dollars and forty cents per thousand~~
16 ~~dollars of assessed value~~ the levy rate under section 257.3,
17 subsection 1, paragraph "a", for the previous year. However,
18 in the case of a deficiency in the family farm tax credit fund
19 to pay the credits in full, the credit on each eligible tract
20 of agricultural land in the state shall be proportionate and
21 applied as provided in [this chapter](#).

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

24 **425A.5 Computation by county auditor.**

25 The family farm tax credit allowed each year shall be
26 computed as follows: On or before April 1, the county auditor
27 shall list by school districts all tracts of agricultural
28 land which are entitled to credit, the taxable value for the
29 previous year, the budget from each school district for the
30 previous year, and the tax rate determined for the general
31 fund of the school district in the manner prescribed in
32 section 444.3 for the previous year, and if the tax rate is in
33 excess of ~~five dollars and forty cents per thousand dollars of~~
34 ~~assessed value~~ the levy rate under section 257.3, subsection
35 1, paragraph "a", the auditor shall multiply the tax levy which

1 is in excess of ~~five dollars and forty cents per thousand~~
2 ~~dollars of assessed value~~ the levy rate under section 257.3,
3 subsection 1, paragraph "a", by the total taxable value of the
4 agricultural land entitled to credit in the school district,
5 and on or before April 1, certify the total amount of credit
6 and the total number of acres entitled to the credit to the
7 department of revenue.

8 Sec. 37. Section 426.3, Code 2026, is amended to read as
9 follows:

10 **426.3 Where credit given.**

11 The agricultural land credit fund shall be apportioned each
12 year in the manner hereinafter provided so as to give a credit
13 against the tax on each tract of agricultural lands within the
14 several school districts of the state in which the levy for
15 the general school fund exceeds ~~five dollars and forty cents~~
16 ~~per thousand dollars of assessed value~~ the levy rate under
17 section 257.3, subsection 1, paragraph "a"; the amount of such
18 credit on each tract of such lands shall be the amount the tax
19 levied for the general school fund exceeds the amount of tax
20 which would be levied on said tract of such lands were the
21 levy for the general school fund ~~five dollars and forty cents~~
22 ~~per thousand dollars of assessed value~~ the levy rate under
23 section 257.3, subsection 1, paragraph "a", for the previous
24 year, except in the case of a deficiency in the agricultural
25 land credit fund to pay said credits in full, in which case the
26 credit on each eligible tract of such lands in the state shall
27 be proportionate and shall be applied as hereinafter provided.

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

30 1. The agricultural land tax credit allowed each year
31 shall be computed as follows: On or before April 1, the
32 county auditor shall list by school districts all tracts of
33 agricultural lands which are entitled to credit, together with
34 the taxable value for the previous year, together with the
35 budget from each school district for the previous year, and the

1 tax rate determined for the general fund of the district in
2 the manner prescribed in [section 444.3](#) for the previous year,
3 and if such tax rate is in excess of ~~five dollars and forty~~
4 ~~cents per thousand dollars of assessed value~~ the levy rate
5 under section 257.3, subsection 1, paragraph "a", the auditor
6 shall multiply the tax levy which is in excess of ~~five dollars~~
7 ~~and forty cents per thousand dollars of assessed value~~ the
8 levy rate under section 257.3, subsection 1, paragraph "a", by
9 the total taxable value of the agricultural lands entitled to
10 credit in the district, and on or before April 1, certify the
11 amount to the department of revenue.

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

13 Sec. 40. EFFECTIVE DATE. Except for the section of this
14 division of this Act amending section 257.31, this division of
15 this Act takes effect January 1, 2027.

16 Sec. 41. APPLICABILITY. Except for the section of this
17 division of this Act amending section 257.31, this division
18 of this Act applies to fiscal years and school budget years
19 beginning on or after July 1, 2027.

20 DIVISION IV

21 PROPERTY CLASSIFICATIONS, VALUATIONS, AND ASSESSMENT

22 LIMITATIONS

23 Sec. 42. Section 386.8, Code 2026, is amended to read as
24 follows:

25 **386.8 Operation tax.**

26 A city may establish a self-supported improvement district
27 operation fund, and may certify taxes not to exceed the
28 rate limitation as established in the ordinance creating the
29 district, or any amendment thereto, each year to be levied
30 for the fund against all of the property in the district,
31 for the purpose of paying the administrative expenses of
32 the district, which may include but are not limited to
33 administrative personnel salaries, a separate administrative
34 office, planning costs including consultation fees, engineering
35 fees, architectural fees, and legal fees and all other expenses

1 reasonably associated with the administration of the district
2 and the fulfilling of the purposes of the district. The taxes
3 levied for this fund may also be used for the purpose of paying
4 maintenance expenses of improvements or self-liquidating
5 improvements for a specified length of time with one or more
6 options to renew if such is clearly stated in the petition
7 which requests the council to authorize construction of the
8 improvement or self-liquidating improvement, whether or not
9 such petition is combined with the petition requesting creation
10 of a district. Parcels of property which are assessed as
11 residential property for property tax purposes are exempt from
12 the tax levied under [this section](#) except residential properties
13 within a duly designated historic district or property
14 classified as ~~residential~~ multiresidential property under
15 section 441.21, subsection ~~14~~ 13, paragraph "a", subparagraph
16 ~~(6)~~ (5). A tax levied under [this section](#) is not subject to the
17 levy limitation in [section 384.1](#).

18 Sec. 43. Section 386.9, Code 2026, is amended to read as
19 follows:

20 **386.9 Capital improvement tax.**

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

1 Sec. 44. Section 386.10, Code 2026, is amended to read as
2 follows:

3 **386.10 Debt service tax.**

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

22 Sec. 45. Section 404.2, subsection 2, paragraph f, Code
23 2026, is amended to read as follows:

24 *f.* A statement specifying whether the revitalization is
25 applicable to none, some, or all of the property assessed as
26 residential, multiresidential, agricultural, commercial, or
27 industrial property within the designated area or a combination
28 thereof and whether the revitalization is for rehabilitation
29 and additions to existing buildings or new construction or
30 both. If revitalization is made applicable only to some
31 property within an assessment classification, the definition of
32 that subset of eligible property must be by uniform criteria
33 which further some planning objective identified in the plan.
34 The city shall state how long it is estimated that the area
35 shall remain a designated revitalization area which time

1 shall be longer than one year from the date of designation
2 and shall state any plan by the city to issue revenue bonds
3 for revitalization projects within the area. For a county,
4 a revitalization area shall include only property which
5 will be used as industrial property, commercial property,
6 multiresidential property, or residential property. However, a
7 county shall not provide a tax exemption under [this chapter](#) to
8 commercial property, multiresidential property, or residential
9 property which is located within the limits of a city.

10 Sec. 46. Section 404.3, subsection 4, paragraph a, Code
11 2026, is amended by striking the paragraph and inserting in
12 lieu thereof the following:

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

17 (1) Residential property.

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

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

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

28 **404.3A Residential development area exemption.**

29 Notwithstanding the schedules provided for in [section 404.3](#),
30 all qualified real estate assessed as residential property or
31 multiresidential property, excluding property classified as
32 ~~residential~~ multiresidential property under section 441.21,
33 subsection ~~14~~ 13, paragraph "a", subparagraph ~~(6)~~ (5), in an
34 area designated under [section 404.1, subsection 5](#), is eligible
35 to receive an exemption from taxation on the first seventy-five

1 thousand dollars of actual value added by the improvements.

2 The exemption is for a period of five years.

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

5 **404.3D Exemptions for residential and multiresidential**
6 **property.**

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

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

16 (1) The actual value of all property subject to assessment
17 and taxation shall be the fair and reasonable market value of
18 such property except as otherwise provided in **this section**.

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

1 purchase transactions or purchase of adjoining land or other
2 land to be operated as a unit.

3 Sec. 50. Section 441.21, subsection 1, paragraph e, Code
4 2026, is amended to read as follows:

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

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

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

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

1 subsection. The property shall not be subject to section 42
2 assessment procedures for the assessment year for which section
3 42 eligibility is withdrawn or an election is made. This
4 notification must be provided to the assessor no later than
5 March 1 of the assessment year or the owner will be subject to a
6 penalty of five hundred dollars for that assessment year. The
7 penalty shall be collected at the same time and in the same
8 manner as regular property taxes. An election to withdraw
9 from the assessment procedures for section 42 property is
10 irrevocable. Property that is withdrawn from the assessment
11 procedures for section 42 property shall be classified and
12 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 of
15 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,
27 the percentage of actual value at which agricultural and
28 residential property shall be assessed shall be ~~the quotient of~~
29 ~~the dividend and divisor as defined in this section~~ determined
30 under this subsection.

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

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

9 ~~(2) However, if the difference between the dividend so~~
10 ~~determined for either class of property and the dividend for~~
11 ~~that class of property for valuations established as of January~~
12 ~~1, 1978, adjusted by the product obtained by multiplying~~
13 ~~the percentage determined for that year by the amount of~~
14 ~~any additions or deletions to actual value, excluding those~~
15 ~~resulting from the revaluation of existing properties, as~~
16 ~~reported by the assessors on the abstracts of assessment for~~
17 ~~1978, is less than six percent, the 1979 dividend for the other~~
18 ~~class of property shall be the dividend as determined for that~~
19 ~~class of property for valuations established as of January~~
20 ~~1, 1978, adjusted by the product obtained by multiplying~~
21 ~~the percentage determined for that year by the amount of~~
22 ~~any additions or deletions to actual value, excluding those~~
23 ~~resulting from the revaluation of existing properties, as~~
24 ~~reported by the assessors on the abstracts of assessment for~~
25 ~~1978, plus a percentage of the amount so determined which is~~
26 ~~equal to the percentage by which the dividend as determined~~
27 ~~for the other class of property for valuations established~~
28 ~~as of January 1, 1978, adjusted by the product obtained by~~
29 ~~multiplying the percentage determined for that year by the~~
30 ~~amount of any additions or deletions to actual value, excluding~~
31 ~~those resulting from the revaluation of existing properties, as~~
32 ~~reported by the assessors on the abstracts of assessment for~~
33 ~~1978, is increased in arriving at the 1979 dividend for the~~
34 ~~other class of property.~~

35 ~~(3) For valuations established for assessment years~~

1 ~~beginning on or after January 1, 2022, the calculation of the~~
2 ~~dividend for residential property under [this subsection](#) shall~~
3 ~~exclude the value of all property described in [subsection 14,](#)~~
4 ~~paragraph "a", subparagraphs (2), (3), (4), (5), and (6),~~
5 ~~and the property described in [subsection 14,](#) paragraph "a",~~
6 ~~subparagraph (7), that contains three or more separate dwelling~~
7 ~~units.~~

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

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

32 ~~c.—(1) For valuations established as of January 1, 1980,~~
33 ~~and each assessment year thereafter beginning before January~~
34 ~~1, 2013, the percentage of actual value as equalized by the~~
35 ~~director of revenue as provided in [section 441.49](#) at which~~

~~1 agricultural and residential property shall be assessed shall
2 be calculated in accordance with the methods provided in
3 [this subsection](#), including the limitation of increases in
4 agricultural and residential assessed values to the percentage
5 increase of the other class of property if the other class
6 increases less than the allowable limit adjusted to include
7 the applicable and current values as equalized by the director
8 of revenue, except that any references to six percent in this
9 subsection shall be four percent.~~

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

~~22 b. (1) For valuations established for the assessment year
23 beginning January 1, 2025, the percentage of actual value as
24 equalized by the department of revenue as provided in section
25 441.49 at which residential property shall be assessed shall
26 be forty-four and five thousand three hundred forty-five
27 ten-thousandths percent.~~

~~28 (2) For valuations established for the assessment year
29 beginning January 1, 2026, the percentage of actual value as
30 equalized by the department of revenue as provided in section
31 441.49 at which residential property shall be assessed shall
32 be fifty-five percent.~~

~~33 (3) For valuations established for the assessment year
34 beginning January 1, 2027, and each assessment year thereafter,
35 the percentage of actual value as equalized by the department~~

1 of revenue as provided in section 441.49 at which residential
2 property shall be assessed shall be sixty-five percent.

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

~~1 methods provided herein, except that any references to ten
2 percent in this subsection shall be eight percent.~~

3 ~~(2) (1)~~ For valuations established on or after January 1,
4 2013, property valued by the department of revenue pursuant to
5 chapter 434 shall be assessed at a portion of its actual value
6 determined in the same manner at which property assessed as
7 commercial property is assessed under paragraph "b" for the same
8 assessment year.

9 ~~(3) (2)~~ For valuations established for the assessment year
10 beginning January 1, 2025, the percentage of actual value at
11 which property valued by the department of revenue pursuant to
12 chapters 428 and 438 shall be assessed shall be ninety-eight
13 percent.

14 ~~(4) (3)~~ For valuations established for the assessment year
15 beginning January 1, 2026, and each assessment year thereafter,
16 the percentage of actual value at which property valued by the
17 department of revenue pursuant to chapters 428, 437, and 438
18 shall be assessed shall be ninety-six one hundred percent.

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

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

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

33 ~~b.~~ For valuations established on or after January 1, 2013,
34 ~~commercial~~ Commercial property, excluding properties referred
35 to in section 427A.1, subsection 9, shall be assessed at a

1 portion of its actual value, as determined in this paragraph
2 "b".

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

13 ~~(2)~~ (1) For valuations established for the assessment year
14 beginning January 1, 2022, and each assessment year thereafter
15 beginning before January 1, 2026, the portion of actual value
16 at which each property unit of commercial property shall be
17 assessed shall be the sum of the following:

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

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

26 (2) For valuations established for the assessment year
27 beginning January 1, 2026, the portion of actual value at which
28 each property unit of commercial property shall be assessed
29 shall be the sum of the following:

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

35 (b) An amount equal to ninety-three percent of the actual

1 value of the property for that assessment year that exceeds one
2 hundred fifty thousand dollars.

3 (3) For valuations established for the assessment year
4 beginning January 1, 2027, and each assessment year thereafter,
5 the portion of actual value at which each property unit of
6 commercial property shall be assessed shall be the sum of the
7 following:

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

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

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

21 ~~(1) For valuations established for the assessment year~~
22 ~~beginning January 1, 2013, the percentage of actual value~~
23 ~~as equalized by the department of revenue as provided in~~
24 ~~section 441.49 at which industrial property shall be assessed~~
25 ~~shall be ninety-five percent. For valuations established~~
26 ~~for the assessment year beginning January 1, 2014, and each~~
27 ~~assessment year thereafter beginning before January 1, 2022,~~
28 ~~the percentage of actual value as equalized by the department~~
29 ~~of revenue as provided in section 441.49 at which industrial~~
30 ~~property shall be assessed shall be ninety percent.~~

31 ~~(2)~~ (1) For valuations established for the assessment year
32 beginning January 1, 2022, and each assessment year thereafter
33 beginning before January 1, 2026, the portion of actual value
34 at which each property unit of industrial property shall be
35 assessed shall be the sum of the following:

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

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

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

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

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

21 (3) For valuations established for the assessment year
22 beginning January 1, 2027, and each assessment year thereafter,
23 the portion of actual value at which each property unit of
24 industrial property shall be assessed shall be the sum of the
25 following:

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

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

34 d. For valuations established for the assessment year
35 beginning January 1, 2019, and each assessment year thereafter,

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

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

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

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

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

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

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

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

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

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

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

1 taxing authority shall be treated the same as property taxes
2 paid.

3 *f.* For the purposes of **this subsection**, unless the context
4 otherwise requires:

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

6 (a) Parcels that share a common boundary.

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

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

14 (2) "*Parcel*" means the same as defined in **section 445.1**.
15 "*Parcel*" also means that portion of a parcel assigned a
16 classification of commercial property or industrial property
17 pursuant to ~~section 441.21~~, subsection 14, paragraph "*b*", Code
18 2026.

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

23 Sec. 53. Section 441.21, subsection 8, paragraph b, Code
24 2026, is amended to read as follows:

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

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

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

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

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

35 Sec. 55. Section 441.21, subsection 13, paragraph a,

1 unnumbered paragraph 1, Code 2026, is amended to read as
2 follows:

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

10 Sec. 56. Section 441.21, subsection 13, paragraph b, Code
11 2026, is amended by striking the paragraph and inserting in
12 lieu thereof the following:

13 *b.* For valuations established for the assessment
14 year beginning January 1, 2027, and each assessment year
15 thereafter, the percentage of actual value as equalized by the
16 department of revenue as provided in section 441.49 at which
17 multiresidential property shall be assessed shall be eighty
18 percent.

19 Sec. 57. Section 441.21, subsection 13, paragraph c, Code
20 2026, is amended to read as follows:

21 *c.* Beginning with valuations established on or after
22 January 1, ~~2016~~ 2027, ~~but before January 1, 2022~~, for parcels
23 for which a portion of the parcel satisfies the requirements
24 for classification as multiresidential property pursuant to
25 paragraph "a", subparagraph (5) or (6), the assessor shall
26 assign to that portion of the parcel the classification
27 of multiresidential property and to such other portions of
28 the parcel the property classification for which such other
29 portions qualify.

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

32 NEW PARAGRAPH. *f.* For purposes of equalization under
33 sections 441.47 through 441.49, multiresidential property shall
34 be considered residential property.

35 Sec. 59. Section 441.21, subsection 14, Code 2026, is

1 amended to read as follows:

2 14. ~~a.~~ Beginning with valuations established on or after
3 January 1, 2022 2027, ~~all of the following property primarily~~
4 used or intended for human habitation containing two or fewer
5 dwelling units shall be classified and valued as residential
6 property.

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

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

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

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

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

13 ~~(6) A parcel primarily used or intended for human habitation~~
14 ~~containing three or more separate dwelling units. If a~~
15 ~~portion of such a parcel is used or intended for a purpose~~
16 ~~that, if the primary use, would be classified as commercial~~
17 ~~property or industrial property, each such portion, including~~
18 ~~a proportionate share of the land included in the parcel, if~~
19 ~~applicable, shall be assigned the appropriate classification~~
20 ~~pursuant to paragraph "b".~~

21 ~~(7) For a parcel that is primarily used or intended for use~~
22 ~~as commercial property or industrial property, that portion~~
23 ~~of the parcel that is used or intended for human habitation,~~
24 ~~regardless of the number of dwelling units contained on the~~
25 ~~parcel, including a proportionate share of the land included~~
26 ~~in the parcel, if applicable. The portion of such a parcel~~
27 ~~used or intended for use as commercial property or industrial~~
28 ~~property, including a proportionate share of the land included~~
29 ~~in the parcel, if applicable, shall be assigned the appropriate~~
30 ~~classification pursuant to paragraph "b".~~

31 ~~b.~~ Beginning with valuations established on or after
32 January 1, 2022, for parcels for which a portion of the parcel
33 satisfies the requirements for classification as residential
34 property pursuant to paragraph "a", subparagraph (6) or (7),
35 the assessor shall assign to that portion of the parcel the

1 ~~classification of residential property and to such other~~
2 ~~portions of the parcel the property classification for which~~
3 ~~such other portions qualify.~~

4 ~~c. Property that is rented or leased to low-income~~
5 ~~individuals and families as authorized by section 42 of the~~
6 ~~Internal Revenue Code, and that has not been withdrawn from~~
7 ~~section 42 assessment procedures under subsection 2 of this~~
8 ~~section, or a hotel, motel, inn, or other building where rooms~~
9 ~~or dwelling units are usually rented for less than one month~~
10 ~~shall not be classified as residential property under this~~
11 ~~subsection.~~

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

13 ~~(1) "Assisted living facility" means property for providing~~
14 ~~assisted living as defined in section 231C.2. "Assisted living~~
15 ~~facility" also includes a health care facility, as defined in~~
16 ~~section 135C.1, an elder group home, as defined in section~~
17 ~~231B.1, a child foster care facility under chapter 237, or~~
18 ~~property used for a hospice program as defined in section~~
19 ~~135J.1.~~

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

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

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

29 ~~(5) "Mobile home park" means the same as defined in section~~
30 ~~435.1.~~

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

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

35 Sec. 61. Section 558.46, Code 2026, is amended by adding the

1 following new subsection:

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

4 Sec. 62. SAVINGS PROVISION. This division of this Act,
5 pursuant to section 4.13, does not affect the operation of,
6 or prohibit the application of, prior provisions of section
7 441.21, or rules adopted under chapter 17A to administer prior
8 provisions of section 441.21, for assessment years beginning
9 before January 1, 2026, or for duties, powers, protests,
10 appeals, proceedings, actions, or remedies attributable to an
11 assessment year beginning before January 1, 2026, including
12 property taxes due and payable in a fiscal year as the result
13 of an assessment year beginning before January 1, 2026.

14 Sec. 63. EFFECTIVE DATE. The following take effect January
15 1, 2027:

16 1. The section of this division of this Act amending section
17 386.8.

18 2. The section of this division of this Act amending section
19 386.9.

20 3. The section of this division of this Act amending section
21 386.10.

22 4. The section of this division of this Act amending section
23 404.2, subsection 2, paragraph "f".

24 5. The section of this division of this Act amending section
25 404.3, subsection 4, paragraph "a".

26 6. The section of this division of this Act amending section
27 404.3A.

28 7. The section of this division of this Act amending section
29 404.3D.

30 8. The section of this division of this Act amending section
31 441.21, subsection 2.

32 9. The section of this division of this Act amending section
33 441.21, subsection 8, paragraph "b".

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

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

3 12. The section of this division of this Act amending
4 section 558.46.

5 Sec. 64. RETROACTIVE APPLICABILITY. Except as otherwise
6 provided in this division of this Act, this division of this
7 Act applies retroactively to assessment years beginning on or
8 after January 1, 2026.

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

11 1. The section of this division of this Act amending section
12 386.8.

13 2. The section of this division of this Act amending section
14 386.9.

15 3. The section of this division of this Act amending section
16 386.10.

17 4. The section of this division of this Act amending section
18 404.2, subsection 2, paragraph "f".

19 5. The section of this division of this Act amending section
20 404.3, subsection 4, paragraph "a".

21 6. The section of this division of this Act amending section
22 404.3A.

23 7. The section of this division of this Act amending section
24 404.3D.

25 8. The section of this division of this Act amending section
26 441.21, subsection 2.

27 9. The section of this division of this Act amending section
28 441.21, subsection 8, paragraph "b".

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

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

33 12. The section of this division of this Act amending
34 section 558.46.

35

DIVISION V

1 DISABLED VETERAN AND HOMESTEAD CREDITS AND EXEMPTIONS

2 Sec. 66. Section 25B.7, subsection 2, paragraph a, Code
3 2026, is amended to read as follows:

4 a. Homestead tax credit pursuant to section 425.1, and
5 sections 425.2 through 425.13, ~~and section 425.15~~.

6 Sec. 67. Section 425.1, subsection 2, Code 2026, is amended
7 by striking the subsection and inserting in lieu thereof the
8 following:

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

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

17 (a) A veteran of any of the military forces of the United
18 States who acquired the homestead under 38 U.S.C. §21.801,
19 21.802 prior to August 6, 1991, or under 38 U.S.C. §2101, 2102.

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

27 (c) A former member of the national guard of any state
28 who otherwise meets the service requirements of section 35.1,
29 subsection 2, paragraph "b", subparagraph (2) or (7), with a
30 permanent service-connected disability rating of one hundred
31 percent, as certified by the United States department of
32 veterans affairs, or a permanent and total disability rating
33 based on individual unemployability that is compensated at the
34 one hundred percent disability rate, as certified by the United
35 States department of veterans affairs.

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

5 (2) (a) For an owner described in subparagraph (1),
6 subparagraph division (a), (b), or (c), the credit allowed
7 shall be continued to the estate of an owner who is deceased
8 or the surviving spouse and any child, as defined in section
9 234.1, who are the beneficiaries of a deceased owner, so long
10 as the surviving spouse remains unmarried.

11 (b) An individual described in subparagraph (1),
12 subparagraph division (d), is no longer eligible for the credit
13 upon termination of dependency and indemnity compensation under
14 38 U.S.C. §1301 et seq.

15 (3) An owner or a beneficiary of an owner who elects to
16 secure the credit provided in this paragraph is not eligible
17 for the credit provided in paragraph "c" or any other real
18 property tax credit or exemption provided by law for veterans
19 of military service.

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

24 (5) (a) Except as provided in subparagraph division (b),
25 the list of the names and addresses of individuals allowed
26 a credit under this paragraph and maintained by the county
27 recorder, county treasurer, county assessor, city assessor, or
28 other government body is confidential information and shall
29 not be disseminated to any person unless otherwise ordered by
30 a court or released by the lawful custodian of the records
31 pursuant to state or federal law. The county recorder, county
32 treasurer, county assessor, city assessor, or other government
33 body responsible for maintaining the names and addresses
34 of individuals allowed a credit under this paragraph may
35 display such credit on individual paper records and individual

1 electronic records, including display on an internet site.

2 (b) Upon request, a county recorder, county assessor, city
3 assessor, or other entity may share information as described in
4 subparagraph division (a) to a county veterans service officer
5 for purposes of providing information on benefits and services
6 available to veterans and their families.

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

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

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

29 c. (1) For assessment years beginning prior to January
30 1, 2026, unless eligible under section 425.15, Code 2026, an
31 amount equal to the actual levy on the first four thousand
32 eight hundred fifty dollars of actual value for each homestead.

33 (2) For the assessment year beginning January 1, 2026,
34 and each assessment year thereafter, unless eligible under
35 paragraph "b", zero.

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

3 1. The following exemptions from taxation shall be
4 allowed ~~in addition to~~ following application of the homestead
5 credit exemption under subsection 1A for an owner that has
6 attained the age of sixty-five years by January 1 of the
7 assessment year:

8 *a.* For the assessment year beginning January 1, 2023, the
9 eligible homestead, not to exceed three thousand two hundred
10 fifty dollars in taxable value.

11 *b.* For ~~the assessment year~~ years beginning on or after
12 January 1, 2024, and each succeeding assessment year, the
13 eligible homestead, not to exceed six thousand five hundred
14 dollars in taxable value.

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

17 NEW SUBSECTION. 1A. *a.* (1) Except as provided in
18 subparagraph (2), for the assessment year beginning January 1,
19 2026, an exemption from taxation of five percent of taxable
20 value, but not less than four thousand eight hundred fifty
21 dollars in taxable value and not to exceed an exemption of
22 thirty-five thousand dollars in taxable value, shall be allowed
23 on each eligible homestead.

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

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

34 (c) For an owner that has attained the age of eighty years
35 but has not yet attained the age of ninety by January 1 of the

1 assessment year, the amount of the exemption shall be eighty
2 percent of taxable value, not to exceed an exemption of three
3 hundred fifty thousand dollars in taxable value.

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

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

14 b. (1) Except as provided in subparagraph (2), for each
15 assessment year beginning on or after January 1, 2027, an
16 exemption from taxation of fifteen percent of taxable value,
17 but not less than four thousand eight hundred fifty dollars in
18 taxable value and not to exceed an exemption of one hundred
19 fifty thousand dollars in taxable value, shall be allowed on
20 each eligible homestead.

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

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

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

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

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

11 c. (1) For the assessment year beginning January 1,
12 2028, and for each subsequent assessment year, the maximum
13 exemption amounts under paragraph "b" shall be multiplied by
14 the cumulative adjustment factor for that assessment year.
15 "*Cumulative adjustment factor*" means the product of the annual
16 adjustment factor for the assessment year beginning January
17 1, 2027, and all annual adjustment factors for subsequent
18 assessment years. The cumulative adjustment factor applies to
19 the assessment year beginning in the calendar year for which
20 the latest annual adjustment factor has been determined.

21 (2) The annual adjustment factor for the assessment year
22 beginning January 1, 2027, is one hundred percent. For each
23 subsequent assessment year, the annual adjustment factor equals
24 the annual inflation factor for the calendar year, in which
25 the assessment year begins, as computed in section 422.4 for
26 purposes of the individual income tax.

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

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

31 2. [Section 25B.7, subsection 1](#), shall not apply to the
32 property tax ~~exemption~~ exemptions provided in [this section](#).

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

35 1. A person who wishes to qualify for the homestead credit

1 or exemptions allowed under this subchapter shall obtain the
2 appropriate forms for filing ~~for the credit~~ from the assessor.
3 The forms shall include the ability to claim the credit under
4 section 425.1 and the exemptions under section 425.1A.
5 However, a separate form shall be required for claiming a
6 credit under section 425.1, subsection 2, paragraph "b". The
7 person claiming the credit or exemption shall file a verified
8 statement and designation of homestead with the assessor for
9 the year for which the person is first claiming the credit
10 or exemption. The claim shall be filed not later than July
11 1 of the year for which the person is claiming the credit or
12 exemption. A claim filed after July 1 of the year for which the
13 person is claiming the credit or exemption shall be considered
14 as a claim filed for the following year.

15 2. Upon the filing and allowance of the claim, the claim
16 shall be allowed on that homestead for successive years without
17 further filing as long as the property is legally or equitably
18 owned and used as a homestead by that person or that person's
19 spouse on July 1 of each of those successive years, and the
20 owner of the property being claimed as a homestead declares
21 residency in Iowa for purposes of income taxation, and the
22 property is occupied by that person or that person's spouse
23 for at least six months in each of those calendar years in
24 which the fiscal year begins. When the property is sold or
25 transferred, the buyer or transferee who wishes to qualify
26 shall refile for the credit or exemption. However, when the
27 property is transferred as part of a distribution made pursuant
28 to chapter 598, the transferee who is the spouse retaining
29 ownership of the property is not required to refile for the
30 credit or exemption. Property divided pursuant to chapter 598
31 shall not be modified following the division of the property.
32 An owner who ceases to use a property for a homestead or
33 intends not to use it as a homestead for at least six months in
34 a calendar year shall provide written notice to the assessor
35 by July 1 following the date on which the use is changed. A

1 person who sells or transfers a homestead or the personal
2 representative of a deceased person who had a homestead at the
3 time of death, shall provide written notice to the assessor
4 that the property is no longer the homestead of the former
5 claimant.

6 Sec. 72. Section 425.2, subsection 4, Code 2026, is amended
7 by striking the subsection.

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

10 5. Any person sixty-five years of age or older or any person
11 who is disabled may request, in writing, from the appropriate
12 assessor forms for filing ~~for homestead tax credit~~. Any
13 person sixty-five years of age or older or who is disabled
14 may complete the form, which shall include a statement of
15 homestead, and mail or return it to the appropriate assessor.
16 The signature of the claimant on the statement shall be
17 considered the claimant's acknowledgment that all statements
18 and facts entered on the form are correct to the best of the
19 claimant's knowledge.

20 6. Upon adoption of a resolution by the county board
21 of supervisors, any person may request, in writing, from
22 the appropriate assessor forms for the filing ~~for homestead~~
23 ~~tax credit~~. The person may complete the form, which shall
24 include a statement of homestead, and mail or return it to
25 the appropriate assessor. The signature of the claimant on
26 the statement of homestead shall be considered the claimant's
27 acknowledgment that all statements and facts entered on the
28 form are correct to the best of the claimant's knowledge.

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

31 1. The director of revenue shall prescribe the form
32 for the making of a verified statement and designation of
33 homestead, the form for the supporting affidavits required
34 herein, and such other forms as may be necessary for the proper
35 administration of [this subchapter](#). Whenever necessary, the

1 department of revenue shall forward to the county auditors of
2 the several counties in the state the prescribed sample forms,
3 and the county auditors shall furnish blank forms prepared in
4 accordance therewith with the assessment rolls, books, and
5 supplies delivered to the assessors. The department of revenue
6 shall prescribe and the county auditors shall provide on the
7 forms ~~for claiming the homestead credit~~ a statement to the
8 effect that the owner realizes that the owner must give written
9 notice to the assessor when the owner changes the use of the
10 property.

11 Sec. 75. Section 425.11, subsection 1, paragraph d,
12 subparagraph (1), unnumbered paragraph 1, Code 2026, is amended
13 to read as follows:

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

19 Sec. 76. Section 425.11, subsection 1, paragraph d,
20 subparagraph (3), Code 2026, is amended to read as follows:

21 (3) It must not embrace more than one dwelling house, but
22 where a homestead has more than one dwelling house situated
23 thereon, the exemption ~~and~~ or credit provided for in this
24 subchapter shall apply to the home and buildings used by the
25 owner, but shall not apply to any other dwelling house and
26 buildings appurtenant.

27 Sec. 77. Section 425.11, subsection 1, paragraph e,
28 subparagraph (2), Code 2026, is amended to read as follows:

29 (2) For the purpose of **this subchapter**, the word "owner"
30 shall be construed to mean a bona fide owner and not one for
31 the purpose only of availing the person of the benefits of this
32 subchapter. In order to qualify for the homestead tax credit
33 ~~and~~ or exemption, evidence of ownership shall be on file in the
34 office of the clerk of the district court or recorded in the
35 office of the county recorder at the time the owner files with

1 the assessor a verified statement of the homestead claimed by
2 the owner as provided in [section 425.2](#).

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

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

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

32 20. Upon payment of a fee established by rules adopted
33 pursuant to [section 483A.1](#) for a lifetime trout fishing
34 license, the department shall issue a lifetime trout fishing
35 license to a person who is at least sixty-five years of age or

1 to a person who qualifies for the disabled veteran homestead
2 credit under ~~section 425.15~~ 425.1, subsection 2, paragraph "b".
3 The department shall prepare an application to be used by a
4 person requesting a lifetime trout fishing license under this
5 subsection.

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

7 Sec. 81. IMPLEMENTATION. Homestead owners who have filed
8 for or that are receiving homestead credits or exemptions under
9 chapter 425, subchapter I, before the effective date of this
10 division of this Act shall continue to receive such credits and
11 exemptions for which the owner is eligible for assessment years
12 beginning on or after January 1, 2026, without refileing, and,
13 if the owner is eligible, shall receive the exemption under
14 section 425.1A, subsection 1A, as enacted in this division of
15 this Act, without filing for such exemption.

16 Sec. 82. RETROACTIVE APPLICABILITY. This division of this
17 Act applies retroactively to assessment years beginning on or
18 after January 1, 2026.

19 DIVISION VI

20 MILITARY SERVICE PROPERTY TAX EXEMPTION

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

23 2. a. The property, not to exceed one thousand eight
24 hundred fifty-two dollars in taxable value for assessment years
25 beginning before January 1, 2023, of an honorably separated,
26 retired, furloughed to a reserve, placed on inactive status,
27 or discharged veteran, as defined in section 35.1, subsection
28 2, paragraph "a" or "b".

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

35 c. For assessment years beginning on or after January

1 1, 2026, the property of an honorably separated, retired,
2 furloughed to a reserve, placed on inactive status, or
3 discharged veteran, as defined in section 35.1, subsection 2,
4 paragraph "a" or "b" not to exceed the lesser of two percent of
5 the taxable value of the property or fourteen thousand dollars,
6 but not less than five thousand dollars.

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

10

DIVISION VII

11 HOSPITAL AND EMERGENCY MEDICAL SERVICES PROPERTY TAX LEVIES

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

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

26 (2) For fiscal years beginning on or after July 1, 2029,
27 any property tax levy imposed for a county hospital under
28 this chapter that is limited by law to a specific property
29 tax levy rate per one thousand dollars of assessed value
30 shall not exceed a levy rate per one thousand dollars of
31 assessed value that is equal to one thousand multiplied by the
32 quotient obtained by dividing one hundred five percent of the
33 current fiscal year's actual property tax dollars certified
34 for such levy by the remainder of the total assessed value
35 used to calculate such taxes for the budget year minus value

1 attributable to new valuation.

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

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

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

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

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

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

35 NEW SUBSECTION. 3. *a.* (1) For the fiscal year beginning

1 July 1, 2027, and the fiscal year beginning July 1, 2028, any
2 property tax levy imposed for the district under this chapter
3 that is limited by law to a specific property tax levy rate per
4 one thousand dollars of assessed value shall not exceed a levy
5 rate per one thousand dollars of assessed value that is equal
6 to one thousand multiplied by the quotient obtained by dividing
7 one hundred one and three-fourths 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 (2) For fiscal years beginning on or after July 1, 2029, any
13 property tax levy imposed for the district under this chapter
14 that is limited by law to a specific property tax levy rate per
15 one thousand dollars of assessed value shall not exceed a levy
16 rate per one thousand dollars of assessed value that is equal
17 to one thousand multiplied by the quotient obtained by dividing
18 one hundred five percent of the current fiscal year's actual
19 property tax dollars certified for such levy by the remainder
20 of the total assessed value used to calculate such taxes for
21 the budget year minus value attributable to new valuation.

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

25 Sec. 88. Section 357G.8, Code 2026, is amended by adding the
26 following new subsection:

27 NEW SUBSECTION. 3. *a.* (1) For the fiscal year beginning
28 July 1, 2027, and the fiscal year beginning July 1, 2028, any
29 property tax levy imposed for the district under this chapter
30 that is limited by law to a specific property tax levy rate per
31 one thousand dollars of assessed value shall not exceed a levy
32 rate per one thousand dollars of assessed value that is equal
33 to one thousand multiplied by the quotient obtained by dividing
34 one hundred one and three-fourths percent of the current fiscal
35 year's actual property tax dollars certified for such levy 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 (2) For fiscal years beginning on or after July 1, 2029, any
5 property tax levy imposed for the district under this chapter
6 that is limited by law to a specific property tax levy rate per
7 one thousand dollars of assessed value shall not exceed a levy
8 rate per one thousand dollars of assessed value that is equal
9 to one thousand multiplied by the quotient obtained by dividing
10 one hundred five percent of the current fiscal year's actual
11 property tax dollars certified for such levy by the remainder
12 of the total assessed value used to calculate such taxes for
13 the budget year minus value attributable to new valuation.

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

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

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

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

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

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

7 DIVISION VIII

8 PROPERTY TAX LEVY RATES

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

11 Sec. 91. Section 312.2, subsection 5, paragraph a, Code
12 2026, is amended to read as follows:

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

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

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

29 Sec. 92. NEW SECTION. 444.25 Maximum property tax levy
30 rates — adjustments.

31 1. For purposes of this section:

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

34 b. "Current fiscal year" is the fiscal year ending during
35 the calendar year in which a budget for the budget year is

1 certified.

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

26 2. *a.* For the fiscal year beginning July 1, 2027, and the
27 fiscal year beginning July 1, 2028, each rate-limited property
28 tax levy may only be imposed if the governmental entity imposed
29 such levy for the immediately preceding fiscal year, and shall,
30 by operation of this section, be limited to a levy rate per
31 one thousand dollars of assessed value that is equal to one
32 thousand multiplied by the quotient of one hundred one and
33 three-fourths percent of the current fiscal year's actual
34 property tax dollars certified for such levy divided by the
35 total assessed value used to calculate such taxes for the

1 budget year, but not less than a levy rate per one thousand
2 dollars of assessed value that results in an amount of actual
3 property tax dollars certified for levy for such levy equal to
4 one hundred and one-half percent of the actual property tax
5 dollars certified for such levy for the immediately preceding
6 fiscal year.

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

22 3. For the fiscal year beginning July 1, 2030, and each
23 fiscal year thereafter, rate-limited property tax levies may
24 be imposed by any governmental entity otherwise authorized by
25 law, regardless of whether the governmental entity imposed the
26 levy for the immediately preceding fiscal year, at rates not
27 to exceed those established by the general assembly by statute
28 following receipt and consideration of the report submitted by
29 the legislative interim committee requested to be established
30 by the legislative council in this division of this Act.

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

33 1. For purposes of this section:

34 *a.* "*Exempt finance lease*" means a finance lease of the
35 governmental entity if the aggregate principal amount of all

1 finance leases of the governmental entity is less than one and
2 one-fourth percent of the governmental entity's general fund
3 budget for the most recently completed fiscal year.

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

12 *c. "Indebtedness"* includes but is not limited to leases and
13 finance leases, excluding exempt finance leases, for public
14 safety vehicles, maintenance vehicles and equipment, sanitation
15 vehicles and equipment, transit vehicles, public works vehicles
16 and machinery, recreation equipment and facilities, and
17 information technology and office equipment, but does not
18 include subscription-based information technology arrangements
19 for software.

20 2. On or after July 1, 2026, a city or county shall not
21 issue bonds or other indebtedness payable from an ad valorem
22 property tax levy for the purpose of funding the general
23 operations of the city or general operations of the county, as
24 applicable, or otherwise use proceeds from the sale of bonds or
25 issuance of other indebtedness to fund general operations.

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

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

29 1. a. The legislative council is requested to establish a
30 legislative study committee during the 2026 legislative interim
31 and the 2027 legislative interim to examine appropriate rates
32 of property taxation imposed by governmental entities.

33 b. The study committee shall consist of the following voting
34 members of the general assembly:

35 (1) Two members of the senate appointed by the majority

1 leader of the senate.

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

4 (3) Two members of the house of representatives appointed by
5 the speaker of the house of representatives.

6 (4) One member of the house of representatives appointed by
7 the minority leader of the house of representatives.

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

12 Sec. 95. EFFECTIVE DATE. The following take effect January
13 1, 2027:

14 1. The section of this division of this Act amending section
15 176A.10.

16 2. The section of this division of this Act amending section
17 312.2.

18 Sec. 96. APPLICABILITY. The following apply to fiscal years
19 beginning on or after July 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 DIVISION IX

25 LOCAL SALES AND SERVICES TAX

26 Sec. 97. Section 423B.1, subsection 5, paragraph d, Code
27 2026, is amended to read as follows:

28 *d.* The rate of a local sales and services tax shall be
29 either one percent or one and one-fourth percent.

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

32 (1) (a) A local option tax may be repealed or the rate of
33 ~~the local vehicle tax~~ increased or decreased or the use of a
34 local option tax revenue changed after an election at which a
35 majority of those voting on the question of repeal or rate or

1 use change favors the repeal or rate or use change.

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

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

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

32 NEW PARAGRAPH. *d.* For amendments to local sales and
33 services tax revenue purpose statements approved at election
34 on or after the effective date of this division of this Act,
35 if the existing revenue purpose statement expressly provides

1 for an amount or percentage of revenue for uses related to
2 road construction, repair, or maintenance, the amended revenue
3 purpose statement shall require amounts or percentages of
4 revenue equal to or greater than those in the existing revenue
5 purpose statement for such uses.

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

8

DIVISION X

9 ADJUSTMENTS TO MOTOR VEHICLE REGISTRATION FEES AND FUEL TAXES

10 Sec. 101. Section 321.116, Code 2026, is amended to read as
11 follows:

12 **321.116 Battery electric and plug-in hybrid electric motor**
13 **vehicle fees.**

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

30 2. For each plug-in hybrid electric motor vehicle subject to
31 an annual registration fee under section 321.109, subsection
32 1, paragraph "a", and operated on the public highways of this
33 state, the owner shall pay an annual plug-in hybrid electric
34 motor vehicle registration fee, which shall be in addition
35 to the annual registration fee imposed for the vehicle under

1 section 321.109, subsection 1, paragraph "a". For purposes of
2 this subsection, "plug-in hybrid electric motor vehicle" means a
3 motor vehicle equipped with electrical drivetrain components,
4 an internal combustion engine, and a battery or other energy
5 storage device that can be recharged by plugging into an
6 electrical outlet or electric vehicle charging station. The
7 ~~amount of the fee shall be~~ is sixty-five dollars, subject to
8 adjustment pursuant to section 321.118.

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

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

18 Sec. 103. **NEW SECTION. 321.118 Electric motor vehicle**
19 **registration fee adjustments.**

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

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

27 (1) The general assembly nullifies the adjustment by joint
28 resolution, signed by the governor on or before April 30
29 preceding the adjustment.

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

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

35 2. a. On or before January 15 each year, the department

1 shall calculate the adjusted fees in accordance with subsection
2 3 and submit a report with the adjusted fees in an electronic
3 format to all of the following:

4 (1) The general assembly. Copies of the report shall also
5 be sent by electronic mail to the co-chairpersons of the joint
6 appropriations subcommittee on transportation, infrastructure,
7 and capitals, the chairpersons of the senate and house standing
8 committees on transportation, and the chairpersons of the
9 senate and house standing committees on ways and means.

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

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

14 3. *a.* The department shall calculate the adjusted fees
15 by multiplying the applicable fee in effect with one of the
16 following, as applicable:

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

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

29 *b.* (1) The adjusted fees shall be rounded to the nearest
30 whole dollar.

31 (2) When rounded to the nearest whole dollar, if the
32 adjusted annual electric motorcycle registration fee under
33 section 321.117, subsection 2, does not result in an increase,
34 the department shall use the unrounded adjusted fee as the fee
35 in effect when the department calculates the next adjusted fee.

1 4. The department shall adopt rules pursuant to chapter 17A
2 to administer this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 divided by the total assessed value used to calculate such
2 taxes for the 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
7 from such levy to a separate fund to be known as the assessment
8 expense fund and from which fund all expenses incurred under
9 this 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
13 amended 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
19 funds budgeted for specific items for the operation of the
20 assessor's office from one unexpended balance to another; such
21 transfer shall not be made so as to increase the total amount
22 budgeted for the operation of the office of assessor, and no
23 funds shall be used to increase the salary of the assessor or
24 the salaries of permanent deputy assessors. The assessor shall
25 issue requisitions for the examining board and for the board of
26 review on order of the chairperson of each board and for costs
27 and expenses incident to assessment appeals, only on order of
28 the city legal department, in the case of cities and of the
29 county 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
34 or 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
21 city.

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

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

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

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

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

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

1 such purposes.

2 Sec. 115. EFFECTIVE DATE. This division of this Act takes
3 effect January 1, 2027.

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

7 DIVISION XIII

8 UTILITY REPLACEMENT TAX TASK FORCE

9 Sec. 117. Section 437A.15, subsection 7, paragraph b, Code
10 2026, is amended to read as follows:

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

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

32 DIVISION XIV

33 LOCAL GOVERNMENT BUDGET STATEMENTS

34 Sec. 119. Section 24.2A, subsection 2, paragraph a, Code
35 2026, is amended to read as follows:

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

11 Sec. 120. Section 24.2A, subsection 2, paragraph *b*,
12 unnumbered paragraph 1, Code 2026, is amended to read as
13 follows:

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

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

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

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

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

7 Sec. 123. Section 24.2A, subsection 4, paragraph b,
8 subparagraph (4), subparagraph division (a), Code 2026, is
9 amended to read as follows:

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

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

16 A municipality shall not certify or levy in any fiscal year
17 any tax on property subject to taxation unless and until the
18 following estimates have been made, filed, and considered,
19 and for school districts, the ~~individual~~ statements have been
20 mailed or posted, as applicable, and public hearings held, as
21 provided in [this chapter](#):

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

24 3. Following, and not until, the requirements of section
25 24.2A are completed, the board shall set a time and place for
26 a public hearing on the budget before the final certification
27 date and shall publish notice of the hearing not less than
28 ten nor more than twenty days prior to the hearing in the
29 county newspapers selected under [chapter 349](#). A summary of
30 the proposed budget and a description of the procedure for
31 protesting the county budget under [section 331.436](#), in the form
32 prescribed by the director of the department of management,
33 shall be included in the notice. Proof of publication of
34 the notice under [this subsection 3](#) shall be filed with and
35 preserved by the county auditor. A levy is not valid unless

1 and until the notice is published and ~~individual~~ statements
2 under [section 24.2A](#) are mailed or posted. The department of
3 management shall prescribe the form for the public hearing
4 notice for use by counties.

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

7 2. The board shall prepare and adopt a budget amendment in
8 the same manner as the original budget as provided in section
9 331.434, but excluding the requirements for ~~mailing individual~~
10 statements under [section 24.2A](#), and the amendment is subject
11 to protest as provided in [section 331.436](#), except that the
12 director of the department of management may by rule provide
13 that amendments of certain types or up to certain amounts may
14 be made without public hearing and without being subject to
15 protest. A county budget for the ensuing fiscal year shall be
16 amended by May 31 to allow time for a protest hearing to be
17 held and a decision rendered before June 30. An amendment of
18 a budget after May 31 which is properly appealed but without
19 adequate time for hearing and decision before June 30 is void.

20 Sec. 127. Section 384.17, Code 2026, is amended to read as
21 follows:

22 **384.17 Levy by county.**

23 At the time required by law, the county board of supervisors
24 shall levy the taxes necessary for each city fund for the
25 following fiscal year. The levy must be as shown in the
26 adopted city budget and as certified by the clerk, subject to
27 any changes made after a protest hearing, and any additional
28 tax rates approved at a city election. A city levy is not valid
29 until proof of publication or posting of notice of a budget
30 hearing under [section 384.16, subsection 3](#), is filed with the
31 county auditor and ~~individual~~ statements are mailed or posted
32 under [section 24.2A](#).

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

35 2. A budget amendment must be prepared and adopted in the

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

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

16 DIVISION XV

17 REAL ESTATE TRANSFER TAX FORMS

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

20 **428A.7 Forms provided by director of revenue.**

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

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DIVISION XVI

DIVISION OF REVENUE — DATA CENTERS AND WEB SEARCH PORTAL
BUSINESSES

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

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

1 section 423.3, subsection 92 or 93, for which site preparation
2 activities, as defined in section 423.3, subsection 95, began
3 on or after the effective date of this division of this Act.

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

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

9 DIVISION XVII

10 FIRSTHOME IOWA ACCOUNTS

11 Sec. 134. Section 12G.2, Code 2026, is amended by adding the
12 following new subsection:

13 NEW SUBSECTION. 6. Create strategies for coordination of
14 the program with the FirstHome Iowa program trust established
15 in chapter 12L.

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

18 1. The general assembly finds that the general welfare and
19 well-being of the state are directly related to homeownership
20 of the citizens of the state, and that a vital and valid
21 public purpose is served by the creation and implementation
22 of programs which encourage and make possible the attainment
23 of homeownership by the greatest number of citizens of the
24 state. The general welfare of the citizens of the state will
25 be enhanced by establishing a FirstHome Iowa program which
26 allows citizens of the state to invest money in a public trust
27 for future application to the payment of qualified homebuyer
28 expenses. The creation of the means of encouragement for
29 citizens to invest in such a program represents the carrying
30 out of a vital and valid public purpose. In order to make
31 available to the citizens of the state an opportunity to fund
32 future first-time homeownership, it is necessary that a public
33 trust be established in which moneys may be invested for future
34 use.

35 2. As used in this chapter, unless the context otherwise

1 requires:

2 *a. "Administrative fund"* means the administrative fund
3 established under section 12L.4.

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

7 *c. "First-time homebuyer"* means an individual who is a
8 resident of Iowa and who does not own, either individually or
9 jointly, a single-family or multifamily residence, and who
10 has not previously owned or purchased, either individually or
11 jointly, a single-family or multifamily residence prior to the
12 date of the qualified purchase for which the eligible home
13 costs are paid or reimbursed from an account.

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

16 *e. "FirstHome Iowa program trust account" or "account"*
17 means an account within the trust that was established for
18 the purpose of paying or reimbursing a beneficiary's eligible
19 qualified homebuyer expenses in connection with a qualified
20 purchase.

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

22 *g. "Participant"* means an individual, individual's legal
23 representative, trust, or estate that has entered into a
24 participation agreement under this chapter, either individually
25 or jointly with the individual's spouse, for the advance
26 payment of qualified homebuyer expenses on behalf of a
27 beneficiary.

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

30 *i. "Program fund"* means the program fund established under
31 section 12L.4.

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

34 (1) A down payment or closing costs for the qualified
35 purchase of a single-family residence in Iowa that is to be the

1 homestead, as defined in section 425.11, of the beneficiary if
2 such beneficiary is a first-time homebuyer with respect to such
3 purchase.

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

9 (3) Any United States veterans administration funding
10 fee incurred by, or charged or assigned to, a beneficiary in
11 connection with a veterans administration home loan guaranty
12 program.

13 *k.* "Qualified purchase" means the purchase of a
14 single-family residence in Iowa by the account's beneficiary
15 for which the account's beneficiary will use as a homestead, as
16 defined in section 425.11, one year or more after the date the
17 participant first opened the account.

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

19 *m.* "Single-family residence" means a single-family residence
20 owned and occupied by a beneficiary as the beneficiary's
21 homestead within the meaning of section 425.1, including but
22 not limited to a manufactured home, mobile home, condominium
23 unit, or cooperative.

24 Sec. 136. NEW SECTION. 12L.2 **Creation of FirstHome Iowa**
25 **program trust.**

26 A FirstHome Iowa program trust is created. The treasurer of
27 state is the trustee of the trust, and has all powers necessary
28 to carry out and effectuate the purposes, objectives, and
29 provisions of this chapter pertaining to the trust, including
30 the power to do all of the following:

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

33 2. Enter into agreements with any financial institution,
34 the state, or any federal or other state agency, or other
35 entity as required to implement this chapter.

- 1 3. Carry out the duties and obligations of the trust
2 pursuant to this chapter.
- 3 4. Accept any grants, gifts, legislative appropriations,
4 and other moneys from the state, any unit of federal, state, or
5 local government, or any other person, firm, partnership, or
6 corporation which the treasurer of state shall deposit into the
7 administrative fund or the program fund.
- 8 5. Carry out studies and projections so the treasurer of
9 state may advise participants regarding present and estimated
10 future qualified homebuyer expenses and levels of financial
11 participation in the trust required in order to enable
12 participants to achieve their qualifying purchase objectives.
- 13 6. Participate in any federal, state, or local governmental
14 program for the benefit of the trust.
- 15 7. Procure insurance against any loss in connection with the
16 property, assets, or activities of the trust.
- 17 8. Enter into participation agreements with participants.
- 18 9. Make payments to or on behalf of beneficiaries for
19 qualified homebuyer expenses pursuant to participation
20 agreements.
- 21 10. Make refunds to participants upon the termination
22 of participation agreements, and partial nonqualified
23 distributions to participants, pursuant to the provisions,
24 limitations, and restrictions set forth in this chapter.
- 25 11. Invest moneys from the program fund in any investments
26 which are determined by the treasurer of state to be
27 appropriate.
- 28 12. Engage investment advisors, if necessary, to assist in
29 the investment of trust assets.
- 30 13. Contract for goods and services and engage personnel
31 as necessary, including consultants, actuaries, managers,
32 legal counsel, and auditors for the purpose of rendering
33 professional, managerial, and technical assistance and advice
34 to the treasurer of state regarding trust administration and
35 operation.

1 14. Establish, impose, and collect administrative fees
2 and charges in connection with transactions of the trust for
3 deposit in the administrative fund and provide for reasonable
4 service charges.

5 15. Administer the funds of the trust.

6 16. Adopt rules pursuant to chapter 17A for the
7 administration of the trust.

8 Sec. 137. NEW SECTION. 12L.3 Participation agreements for
9 trust.

10 The trust may enter into participation agreements with
11 participants on behalf of beneficiaries pursuant to the
12 following terms and agreements:

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

23 2. The execution of a participation agreement by the
24 trust shall not guarantee in any way that qualified homebuyer
25 expenses will be equal to projections and estimates provided by
26 the trust or that the beneficiary named in any participation
27 agreement will qualify for a mortgage, home loan, or other
28 forms of credit for a qualified purchase.

29 3. *a.* A beneficiary under a participation agreement may be
30 changed as permitted under rules adopted by the treasurer of
31 state upon written request of the participant as long as the
32 substitute beneficiary is eligible for participation.

33 *b.* Participation agreements may otherwise be freely amended
34 throughout their terms in order to enable participants to
35 increase or decrease the level of participation, change the

1 designation of beneficiaries, and carry out similar matters as
2 authorized by rule.

3 4. Each participation agreement shall provide that the
4 participation agreement may be canceled upon the terms and
5 conditions, and upon payment of applicable fees and costs set
6 forth and contained in the rules adopted by the treasurer of
7 state.

8 5. A participant may designate a successor in accordance
9 with rules adopted by the treasurer of state. The designated
10 successor shall succeed to the ownership of the account in
11 the event of the death of the participant. In the event a
12 participant dies and has not designated a successor to the
13 account, the following criteria shall apply:

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

18 b. If the beneficiary of the account is under the age of
19 eighteen, account ownership shall be transferred to the first
20 surviving parent or other legal guardian of the beneficiary to
21 file the appropriate forms in accordance with rules adopted by
22 the treasurer of state.

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

25 1. a. The treasurer of state shall segregate moneys
26 received by the trust into two funds: the FirstHome Iowa
27 program fund and the administrative fund to be used for
28 administration of the program.

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

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

34 d. A participant or beneficiary may, directly or indirectly,
35 direct the investment of any contributions to the trust or any

1 earnings thereon no more than four times in a calendar year.

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

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

6 A participant may cancel a participation agreement at will.
7 Upon cancellation of a participation agreement, a participant
8 shall be entitled to the return of the participant's account
9 balance.

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

12 1. a. A participant retains ownership of all payments
13 made under a participation agreement up to the date of
14 utilization for payment of qualified homebuyer expenses for the
15 beneficiary.

16 b. All income derived from the investment of the payments
17 made by the participant shall be considered to be held in trust
18 for the benefit of the beneficiary.

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

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

26 4. A participant may transfer ownership rights to another
27 participant or may transfer funds to another account under the
28 trust. The transfer shall be made and the property distributed
29 in accordance with rules adopted by the treasurer of state or
30 with the terms of the participation agreement.

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

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

35 1. a. The treasurer of state shall submit an annual

1 audited financial report, prepared in accordance with generally
2 accepted accounting principles, on the operations of the trust
3 by November 1 to the governor and the general assembly.

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

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

12 *a.* Any related studies or evaluations prepared in the
13 preceding year.

14 *b.* A summary of the benefits provided by the trust including
15 the number of participants and beneficiaries in the trust.

16 *c.* Any other information which is relevant in order to make
17 a full, fair, and effective disclosure of the operations of the
18 trust.

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

20 State income tax treatment of the FirstHome Iowa program
21 trust shall be as provided in section 422.7, subsections 46 and
22 47.

23 Sec. 143. NEW SECTION. 12L.9 **Property rights to assets in**
24 **trust.**

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

29 2. No property rights in the trust shall exist in favor of
30 the state.

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

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

35 This chapter shall be construed liberally in order to

1 effectuate its purpose.

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

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

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

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

22 *b.* Add the amount resulting from the cancellation of
23 a participation agreement refunded to the taxpayer as a
24 participant in the FirstHome Iowa program trust to the extent
25 previously deducted as a contribution to the trust.

26 *c.* Add, to the extent previously deducted as a contribution
27 to the trust, the amount resulting from a withdrawal or
28 transfer made by the taxpayer from the FirstHome Iowa program
29 trust for purposes other than the payment of qualified
30 homebuyer expenses.

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

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

1 NEW SUBSECTION. 5. *Withdrawal for deposit into FirstHome*
2 *Iowa program trust account.* First-time homebuyer account
3 balances under this chapter may be withdrawn without penalty or
4 taxation in this state if such withdrawal is deposited in an
5 account within the FirstHome Iowa program trust under chapter
6 12L within thirty days of the withdrawal. The treasurer of
7 state may by rule provide for the direct transfer of moneys
8 within an account under this chapter to a FirstHome Iowa
9 program trust account and such transfer shall not be subject to
10 penalty or taxation in this state.

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

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

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

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

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

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

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

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

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

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

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

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

7 The section of this division of this Act enacting section
8 422.7, subsections 46 and 47.

9

DIVISION XVIII

10 ELDERLY AND DISABLED PROPERTY TAX CREDIT AND RENT REIMBURSEMENT

11 Sec. 154. Section 25B.7, subsection 2, paragraph b, Code
12 2026, is amended to read as follows:

13 b. Low-income property tax credit and elderly and disabled
14 property tax credit pursuant to [sections 425.16 through 425.40](#),
15 ~~subject to the limitation of [section 425.39, subsection 1,](#)~~
16 ~~paragraph "b".~~

17 Sec. 155. Section 425.17, subsection 2, paragraph a, Code
18 2026, is amended to read as follows:

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

20 (1) A person filing a claim for credit under [this subchapter](#)
21 who has attained the age of sixty-five years ~~but who has~~
22 ~~not attained the age of seventy years~~ on or before December
23 31 of the base year, a person filing a claim for credit or
24 reimbursement under [this subchapter](#) who is totally disabled
25 and was totally disabled on or before December 31 of the base
26 year, or a person filing a claim for reimbursement under this
27 subchapter who has attained the age of sixty-five years on or
28 before December 31 of the base year and who is domiciled in
29 this state at the time the claim is filed or at the time of the
30 person's death in the case of a claim filed by the executor or
31 administrator of the claimant's estate.

32 (2) A person filing a claim for credit or reimbursement
33 under [this subchapter](#) who has attained the age of twenty-three
34 years on or before December 31 of the base year or was a head
35 of household on December 31 of the base year, as defined in

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

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

19 Sec. 156. Section 425.23, subsection 1, paragraph c, Code
20 2026, is amended by striking the paragraph.

21 Sec. 157. Section 425.23, subsection 4, paragraph a, Code
22 2026, is amended to read as follows:

23 a. For the base year beginning in the 1999 calendar year and
24 for each subsequent base year, the dollar amounts set forth in
25 subsection 1, paragraphs "a" and "b", and subsection subsections
26 1 and 3 shall be multiplied by the cumulative adjustment factor
27 for that base year. "Cumulative adjustment factor" means the
28 product of the annual adjustment factor for the 1998 base year
29 and all annual adjustment factors for subsequent base years.
30 The cumulative adjustment factor applies to the base year
31 beginning in the calendar year for which the latest annual
32 adjustment factor has been determined.

33 Sec. 158. Section 425.24, Code 2026, is amended to read as
34 follows:

35 **425.24 Maximum property tax for purpose of credit or**

1 reimbursement.

2 For claimants under ~~section 425.17, subsection 2, paragraph~~
3 ~~"a", subparagraphs (1) and (2), and for the calculation under~~
4 ~~section 425.23, subsection 1, paragraph "c", subparagraph (1),~~
5 In any case in which property taxes due or rent constituting
6 property taxes paid for any household exceeds one thousand
7 five hundred dollars, the amount of property taxes due or
8 rent constituting property taxes paid shall be deemed to have
9 been one thousand five hundred dollars for purposes of this
10 subchapter.

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

13 1. ~~a.~~ The elderly and disabled property tax credit fund is
14 created. There is appropriated annually from the general fund
15 of the state to the department of revenue to be credited to the
16 elderly and disabled property tax credit fund, from funds not
17 otherwise appropriated, an amount sufficient to implement this
18 subchapter for credits for property taxes due for claimants
19 described in ~~section 425.17, subsection 2, paragraph "a",~~
20 subparagraph (1) and (3), subject to paragraph
21 "b".

22 ~~b.~~ Regardless of the amount of the credit determined under
23 ~~section 425.23, subsection 1, paragraph "c", the amount paid by~~
24 ~~the director of revenue to each county treasurer for credits~~
25 ~~for claimants described under section 425.17, subsection 2,~~
26 ~~paragraph "a", subparagraph (3), shall not exceed the amount~~
27 ~~calculated for the claimant under section 425.23, subsection 1,~~
28 ~~paragraph "c", subparagraph (1), and section 25B.7, subsection~~
29 ~~1, shall not apply to the amount of the credit in excess of the~~
30 ~~amount paid by the director of revenue.~~

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

33 Sec. 161. APPLICABILITY.

34 1. This division of this Act applies to claims under chapter
35 425, subchapter II, for credits against property taxes due and

1 payable in fiscal years beginning on or after July 1, 2030.

2 2. This division of this Act applies to claims under chapter
3 425, subchapter II, for reimbursement for rent constituting
4 property taxes paid in base years beginning on or after January
5 1, 2029.

6 DIVISION XIX

7 PROPERTY TAX EXEMPTIONS — IMPOUNDMENT STRUCTURES AND
8 SPECULATIVE SHELL BUILDINGS

9 Sec. 162. Section 331.401, subsection 1, paragraph i, Code
10 2026, is amended by striking the paragraph.

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

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

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

17 DIVISION XX

18 SCHOOL DISTRICT UNSPENT BALANCES — ON-TIME FUNDING AND
19 MODIFIED SUPPLEMENTAL AMOUNTS

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

22 NEW SUBSECTION. 3. *Unspent balances.* For school budget
23 years beginning on or after July 1, 2026, a school district's
24 actual unspent balance from the preceding year used to
25 calculate the authorized budget under subsection 1 shall
26 not exceed an amount equal to thirty-five percent of the
27 school district's authorized expenditures for the budget year
28 immediately preceding the base year unless a greater amount
29 is authorized by the school budget review committee based on
30 one or more grounds authorized for the approval of a modified
31 supplemental amount under section 257.31.

32 Sec. 167. Section 257.13, Code 2026, is amended to read as
33 follows:

34 **257.13 On-time ~~funding~~ budget adjustment.**

35 1. a. For the school budget year beginning July 1, 2001,

1 and succeeding budget years beginning before July 1, 2026, if a
2 district's actual enrollment for the budget year, determined
3 under section 257.6, is greater than its budget enrollment for
4 the budget year, the district shall be eligible to receive an
5 on-time ~~funding~~ budget adjustment. The adjustment shall be in
6 an amount equal to the difference between the actual enrollment
7 for the budget year and the budget enrollment for the budget
8 year, multiplied by the district cost per pupil.

9 2. b. The board of directors of a school district that
10 wishes to receive an on-time ~~funding~~ budget adjustment under
11 this subsection shall adopt a resolution to receive the
12 adjustment and notify the school budget review committee
13 annually, but not earlier than November 1, as determined by the
14 department of education. The school budget review committee
15 shall establish a modified supplemental amount pursuant to
16 subsection 1 paragraph "a".

17 2. a. For the school budget years beginning on or after
18 July 1, 2026, if a district's actual enrollment for the budget
19 year, determined under section 257.6, is greater than its
20 budget enrollment for the budget year, the district may request
21 an on-time budget adjustment. The adjustment shall not exceed
22 an amount equal to the difference between the actual enrollment
23 for the budget year and the budget enrollment for the budget
24 year, multiplied by the district cost per pupil.

25 b. To request an on-time budget adjustment under this
26 subsection, the board of directors of a school district shall
27 adopt a resolution to receive the adjustment and notify the
28 school budget review committee on or before a date established
29 by the committee. The school budget review committee may
30 establish a modified supplemental amount pursuant to paragraph
31 "a".

32 3. If the board of directors of a school district determines
33 that a need exists for additional funds exceeding the on-time
34 ~~funding~~ budget adjustment pursuant to this section, a request
35 for a modified supplemental amount based upon increased

1 enrollment may be submitted to the school budget review
2 committee as provided in [section 257.31](#).

3 **Sec. 168. NEW SECTION. 279.63A Unspent balance — policy.**

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

18 2. Targeted ranges and maximum amounts defined in the policy
19 under subsection 1 shall be reviewed annually by the board of
20 directors and such review shall be entered in the minutes of
21 the board and approved revisions shall be made to the policy.

22 **Sec. 169. EFFECTIVE DATE.** This division of this Act, being
23 deemed of immediate importance, takes effect upon enactment.

24

DIVISION XXI

25

PROPERTY PARCEL INFORMATION

26 **Sec. 170.** Section 331.510, Code 2026, is amended by adding
27 the following new subsection:

28 **NEW SUBSECTION.** 5. *a.* An annual report not later
29 than January 1 to the department of management containing
30 parcel-level property data, including parcel identification
31 information, location, size, valuation, classification, types
32 of structures and improvements, exemptions, credits, historical
33 amounts of property taxes due and payable, and whether the
34 parcel is subject to a division of revenue.

35 *b.* In addition to the information required under paragraph

1 "a", the department of management may require additional
2 parcel-level data deemed necessary by the director of the
3 department of management. The department shall prescribe the
4 form and manner of submitting the annual report under this
5 subsection.

6 DIVISION XXII

7 URBAN RENEWAL

8 Sec. 171. NEW SECTION. 403.18A Division of revenue
9 ordinances duration — limitations.

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

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

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

32 c. An ordinance described in subsection 1 providing for a
33 division of revenue shall terminate and be of no further force
34 and effect at the conclusion of the fiscal year during which
35 the retirement or payment of all indebtedness payable from such

1 division of revenue in existence on the effective date of this
2 division of this Act occurs or after twenty years following
3 the effective date of this division of this Act, whichever
4 occurs first. Upon request filed by the municipality, the
5 department of management may extend the termination date under
6 this paragraph if such an extension is necessary to retire and
7 pay all indebtedness incurred prior to the effective date of
8 this division of this Act.

9 *d.* An ordinance described in subsection 1 or any applicable
10 urban renewal area shall not be amended on or after the
11 effective date of this division of this Act to include
12 territory that is not subject to the ordinance on the effective
13 date of this division of this Act.

14 3. The duration limits under this section and the
15 limitations on the duration of ordinances providing for a
16 division of revenue under section 403.19, subsection 3A, shall
17 not apply to divisions of taxes established by community
18 colleges under chapter 260E or rural improvement zones under
19 chapter 357H.

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

22 Sec. 172. Section 403.19, subsection 2, paragraph a, Code
23 2026, is amended to read as follows:

24 *a.* That portion of the taxes each year in excess of such
25 amount shall be allocated to and when collected be paid into a
26 special fund of the municipality to pay the principal of and
27 interest on loans, moneys advanced to, or indebtedness, whether
28 funded, refunded, assumed, or otherwise, including bonds
29 issued under the authority of [section 403.9, subsection 1](#),
30 incurred by the municipality to finance or refinance, in whole
31 or in part, an urban renewal project within the area, and to
32 provide assistance for low and moderate income family housing
33 as provided in [section 403.22](#). However, except as provided
34 in paragraph "*b*", taxes for the regular and voter-approved
35 physical plant and equipment levy of a school district imposed

1 pursuant to [section 298.2](#); ~~and~~ taxes for the instructional
2 support program of a school district imposed pursuant to
3 [section 257.19](#); taxes for the payment of bonds and interest
4 of each taxing district; taxes levied against wind energy
5 conversion property, as defined in section 427B.26, for which
6 construction begins on or after the effective date of this
7 division of this Act; foundation property taxes of a school
8 district imposed under section 257.3 levied against property
9 upon which new construction or renovations begin on or after
10 the effective date of this division of this Act, unless such
11 construction or renovations were approved and subject to an
12 agreement adopted before January 1, 2027; taxes for emergency
13 medical services imposed pursuant to chapter 357F, 357G, or
14 422D; and taxes imposed under [section 346.27, subsection 22](#),
15 related to joint county-city buildings shall be collected
16 against all taxable property within the taxing district without
17 limitation by the provisions of [this subsection](#).

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

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

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

34 NEW SUBSECTION. 9A. a. In addition to the limitations
35 and requirements for relocations under subsection 9, moneys

1 from any source deposited into the special fund created in
2 this section shall not be expended for or otherwise used
3 in connection with an urban renewal project approved on
4 or after the effective date of this division of this Act
5 that includes the relocation of a commercial or industrial
6 enterprise receiving assistance or incentives from a different
7 municipality's special fund under this section and not
8 presently located within the municipality, if the total amount
9 of assistance or incentives for such enterprise exceeds the
10 total amount of assistance or incentives received or agreed to
11 be received from the other municipality.

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

20 NEW SUBSECTION. 12. For any fiscal year beginning on
21 or after July 1, 2027, following written request filed with
22 the county auditor and the board of directors of the school
23 district, a school district may approve by resolution of the
24 board of directors the payment from the school district's
25 general fund to the municipality for deposit in the special
26 fund under this section all or a portion of the school
27 district's foundation property taxes under section 257.3 levied
28 against property upon which new construction or renovations
29 begin on or after the effective date of this division of this
30 Act, unless such construction or renovations were approved and
31 subject to an agreement adopted before January 1, 2027, for one
32 or more applicable fiscal years. If approved, the board of
33 directors shall file such resolution with the county auditor.
34 Payments approved under this subsection are voluntary and a
35 school district is not required to pay over the revenue to the

1 municipality unless approved by resolution. Amounts paid by
2 a school district under this subsection shall continue to be
3 considered foundation property taxes levied under section 257.3
4 and such payment shall not result in the adjustment of state
5 foundation aid or other amounts under chapter 257.

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

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

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

14 1. By January 1, 2027, the department of revenue shall
15 prepare and submit a report, including any recommended changes,
16 to the general assembly regarding statewide use of chapter 403
17 and divisions of revenue.

18 2. The department of revenue shall convene a task force of
19 local and state officials, state legislators, and technical
20 experts to assist in the review undertaken pursuant to
21 subsection 1.

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

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

27 The section of this division of this Act amending section
28 403.19, subsection 2, paragraph "a".

29 DIVISION XXIII

30 PROPERTY TAX DEFERRAL — TASK FORCE

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

32 1. By January 10, 2027, the department of revenue shall
33 prepare and submit a report approved by the task force created
34 under subsection 2, including recommended legislative actions,
35 to the general assembly regarding the establishment of a

1 program under which low-income elderly homestead owners may
2 apply to defer property taxes owed until the occurrence of a
3 qualifying event, including but not limited to death of the
4 owner, sale of the property, or transfer of the property to
5 someone other than a surviving spouse.

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

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

9 b. The director of the department of management, or the
10 director's designee.

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

12 d. A representative of the Iowa state association of
13 counties.

14 e. Three homestead owners from this state, selected by the
15 director of revenue.

16 f. Four ex officio, nonvoting legislative members
17 consisting of the following:

18 (1) Two state senators, one appointed by the president of
19 the senate after consultation with the majority leader of the
20 senate and one appointed by the minority leader of the senate
21 from their respective parties.

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

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

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

29 a. An inventory of potentially eligible property in the
30 state.

31 b. Feasible program structures.

32 c. Possible methods for calculation and payment of deferred
33 amounts.

34 d. Implementation timelines and procedures.

35

DIVISION XXIV

1 PAYMENTS IN LIEU OF PROPERTY TAXES — TASK FORCE

2 Sec. 180. PAYMENTS IN LIEU OF PROPERTY TAXES TASK FORCE —
3 REPORT.

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

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

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

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

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

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

20 e. Three representatives from tax-exempt entities located
21 in Polk county of varying sizes, selected by the director of
22 revenue.

23 f. One private property owner, selected by the director of
24 revenue.

25 g. Four ex officio, nonvoting legislative members
26 consisting of the following:

27 (1) Two state senators, one appointed by the president of
28 the senate after consultation with the majority leader of the
29 senate and one appointed by the minority leader of the senate
30 from their respective parties.

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

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

35 4. The task force shall compile and analyze at least all of

1 the following prior to preparation of the department's report
2 under subsection 1:

- 3 a. An inventory of tax-exempt property.
- 4 b. Interest and feasibility of county participation in such
5 a program.
- 6 c. Feasible program structures.
- 7 d. Possible methods for calculation of program payment
8 amounts, not to exceed the proportionate amount of a county's
9 budget for law enforcement, fire protection, and public works
10 services.
- 11 e. Implementation timelines and procedures.