

**NINETY-FIRST GENERAL ASSEMBLY  
2026 REGULAR SESSION  
DAILY  
SENATE CLIP SHEET**

**April 20, 2026**

**Clip Sheet Summary**

Displays all amendments, fiscal notes, and conference committee reports for previous day.

<b>Bill</b>	<b>Amendment</b>	<b>Action</b>	<b>Sponsor</b>
<a href="#">SF 2039</a> .....	<a href="#">S-5188</a> .....	Filed	RECEIVED FROM THE HOUSE
<a href="#">SF 2168</a> .....	<a href="#">S-5187</a> .....	Filed	RECEIVED FROM THE HOUSE
<a href="#">SF 2187</a> .....	<a href="#">S-5186</a> .....	Filed	RECEIVED FROM THE HOUSE
<a href="#">SF 2263</a> .....	<a href="#">S-5191</a> .....	Filed	RECEIVED FROM THE HOUSE
<a href="#">SF 2284</a> .....	<a href="#">S-5192</a> .....	Filed	RECEIVED FROM THE HOUSE
<a href="#">SF 2500</a> .....	<a href="#">S-5189</a> .....	Filed	DAWN DRISCOLL
<a href="#">HF 2104</a> .....	<a href="#">S-5190</a> .....	Filed	KEVIN ALONS, et al

**Fiscal Notes**

[SF 2168](#) — [Reemployment Case Management and Unemployment Insurance Processing](#) (LSB5501SV)

[SF 2472](#) — [Property Taxation](#) (LSB5195SV)

[SF 2499](#) — [Captive Insurance Companies](#) (LSB5452SZ)

HOUSE AMENDMENT TO  
SENATE FILE 2039

S-5188

1 Amend Senate File 2039, as passed by the Senate, as follows:

2 1. Page 1, before line 1 by inserting:

3 <Section 1. Section 17A.19, subsection 10, paragraphs c and  
4 1, Code 2026, are amended to read as follows:

5 c. Based upon an erroneous interpretation of a provision  
6 of law ~~whose interpretation has not clearly been vested by a~~  
7 ~~provision of law in the discretion of the~~ by an agency that is  
8 not a licensing board as defined in section 272C.1.

9 1. (1) Based upon an erroneous interpretation of a  
10 provision of law by a licensing board as defined in section  
11 272C.1 if interpretation of the provision of law has not  
12 clearly been vested by a provision of law in the discretion of  
13 the licensing board.

14 (2) Based upon an irrational, illogical, or wholly  
15 unjustifiable interpretation of a provision of law ~~whose~~ by a  
16 licensing board as defined in section 272C.1 if interpretation  
17 of the provision of law has clearly been vested by a provision  
18 of law in the discretion of the ~~agency~~ licensing board.

19 Sec. \_\_\_\_ . Section 17A.19, subsection 11, Code 2026, is  
20 amended to read as follows:

21 11. In making the determinations required by subsection 10,  
22 ~~paragraphs "a" through "n"~~ paragraph "1", the court shall do all  
23 of the following:

24 a. Shall not give any deference to the view of the ~~agency~~  
25 licensing board with respect to whether particular matters have  
26 been vested by a provision of law in the discretion of the  
27 ~~agency~~ licensing board.

28 b. ~~Should~~ Shall not give any deference to the view of the  
29 ~~agency~~ licensing board with respect to particular matters that  
30 have not been vested by a provision of law in the discretion of  
31 the ~~agency~~ licensing board.

32 c. Shall give appropriate deference to the view of the  
33 ~~agency~~ licensing board with respect to particular matters that  
34 have been vested by a provision of law in the discretion of the  
35 ~~agency~~ licensing board.>

S-5188 (Continued)

1 2. Page 1, after line 8 by inserting:

2 <Sec. \_\_\_\_\_. Section 17A.23, Code 2026, is amended by adding  
3 the following new subsection:

4 NEW SUBSECTION. 5. *a.* Notwithstanding any provision of the  
5 Code or Acts to the contrary, a court, or a presiding officer  
6 in a contested case or other administrative action subject to  
7 this chapter, when interpreting a state statute or a rule or  
8 other agency document subject to this chapter, shall not defer  
9 to an interpretation of the statute, rule, or document by an  
10 agency that is not a licensing board as defined in section  
11 272.1, and must instead interpret the meaning and effect of the  
12 statute, rule, or document de novo.

13 *b.* In an action brought by or against an agency that is not  
14 a licensing board as defined in section 272C.1, the court or  
15 officer, after applying all customary tools of interpretation,  
16 must exercise any remaining doubt in favor of a reasonable  
17 interpretation that limits agency authority.>

18 3. Title page, by striking lines 1 and 2 and inserting <An  
19 Act relating to administrative and judicial proceedings>

20 4. By renumbering as necessary.

S-5188 FILED APRIL 16, 2026

HOUSE AMENDMENT TO  
SENATE FILE 2168

S-5187

1 Amend Senate File 2168, as amended, passed, and reprinted by  
2 the Senate, as follows:

3 1. Page 1, before line 1 by inserting:

4 <DIVISION I

5 IOWA REGISTERED APPRENTICESHIP ACT

6 Section 1. Section 84D.2, subsection 5, Code 2026, is  
7 amended to read as follows:

8 5. "*Apprenticeship sponsor*" means an entity operating  
9 an apprenticeship program or an entity in whose name an  
10 apprenticeship program is being operated, which entity is  
11 registered with or approved by the United States department  
12 of labor, office of apprenticeship, or the Iowa office of  
13 apprenticeship. "*Apprenticeship sponsor*" includes a lead  
14 apprenticeship sponsor, sponsor, or intermediary sponsor, and  
15 an employer who provides training through a lead apprenticeship  
16 sponsor, sponsor, or intermediary sponsor.

17 Sec. \_\_\_\_\_. Section 84D.2, Code 2026, is amended by adding the  
18 following new subsections:

19 NEW SUBSECTION. 11A. "*Employer partner*" means an employer  
20 who trains the employer's employees through an intermediary  
21 sponsor.

22 NEW SUBSECTION. 12A. "*Intermediary sponsor*" means  
23 an entity that provides related training instruction to  
24 apprentices for multiple employers, serves as the sponsor of  
25 the apprentices, and registers the program with the Iowa office  
26 of apprenticeship, and may also provide technical assistance to  
27 employers and assist with developing occupational standards.

28 Sec. \_\_\_\_\_. Section 84D.2, subsection 12, Code 2026, is  
29 amended by striking the subsection.

30 Sec. \_\_\_\_\_. Section 84D.2, subsection 19, paragraph a,  
31 subparagraph (2), subparagraph division (c), Code 2026, is  
32 amended to read as follows:

33 (c) Related training instruction from a lead apprenticeship  
34 sponsor, sponsor, or intermediary sponsor.

35 Sec. \_\_\_\_\_. Section 84D.4, subsection 2, Code 2026, is amended

1 by adding the following new paragraph:

2 NEW PARAGRAPH. *c.* An intermediary sponsor has the sole  
3 discretion for approving employer partners, provided that such  
4 employer partners are compliant with the employer partners'  
5 responsibilities outlined in the intermediary sponsor's  
6 standards.

7 Sec. \_\_\_\_\_. Section 84D.4, subsection 8, Code 2026, is amended  
8 to read as follows:

9 8. *a.* The office shall develop a plan providing a procedure  
10 for the cancellation or deregistration, or both, of programs  
11 and for temporary suspension, cancellation, deregistration, or  
12 any of these, of apprenticeship agreements.

13 *b.* Prior to any order to cancel or suspend an employer  
14 partner, the office must provide a comprehensive list of the  
15 grounds for cancellation or suspension and allow at least sixty  
16 days for the employer partner to become compliant. If the  
17 office orders cancellation or suspension of an employer partner  
18 after the sixty-day period, the order shall be considered final  
19 agency action, and the intermediary sponsor may seek judicial  
20 review as provided in section 17A.19.

21 *c.* (1) Prior to any permanent or temporary cancellation,  
22 suspension, or deregistration, the office must provide a  
23 comprehensive list of the grounds of the alleged violation  
24 of the apprenticeship program standards in writing to the  
25 approved apprenticeship sponsor, intermediary sponsor, or lead  
26 apprenticeship sponsor and allow at least ninety days to become  
27 compliant.

28 (2) A decision by the office to cancel, suspend, or  
29 deregister an approved apprenticeship sponsor, intermediary  
30 sponsor, or lead apprenticeship sponsor must be issued  
31 in writing and must state the reasons for the office's  
32 decision. The office shall not issue such a decision before  
33 the conclusion of the ninety-day period or later than thirty  
34 days after the conclusion of the period. The decision shall  
35 be considered final agency action subject to judicial review

1 as provided in section 17A.19. However, notwithstanding  
2 section 17A.19, the office shall have the burden to prove that  
3 the approved apprenticeship sponsor, intermediary sponsor,  
4 or lead apprenticeship sponsor violated the standards of the  
5 apprenticeship program and that the approved apprenticeship  
6 sponsor, intermediary sponsor, or lead apprenticeship sponsor  
7 did not take the necessary corrective actions to address a  
8 violation that was the basis for the cancellation, suspension,  
9 or deregistration within the ninety-day period.

10 d. If an apprenticeship sponsor, intermediary sponsor,  
11 or lead apprenticeship sponsor is canceled, suspended, or  
12 deregistered, the apprenticeship sponsor, intermediary sponsor,  
13 or lead apprenticeship sponsor shall have the right to reapply  
14 for a registration after sixty days.

15 Sec. \_\_\_\_\_. Section 84D.7, Code 2026, is amended to read as  
16 follows:

17 **84D.7 Requirements for sponsors and employers.**

18 A sponsor of a quality pre-apprenticeship program,  
19 youth apprenticeship program, registered apprenticeship  
20 program, or apprenticeship program is responsible for the  
21 administration and supervision of on-the-job training and  
22 related technical instruction for each apprentice in the  
23 quality pre-apprenticeship program, youth apprenticeship  
24 program, registered apprenticeship program, or apprenticeship  
25 program. When training is provided by a lead apprenticeship  
26 sponsor or intermediary sponsor, the employer of the apprentice  
27 is responsible for the administration and supervision of  
28 on-the-job training, and the lead apprenticeship sponsor or  
29 intermediary sponsor is responsible for related technical  
30 instruction for each apprenticeship.

31 DIVISION \_\_\_\_  
32 IOWA PLUMBER, MECHANICAL PROFESSIONAL, AND CONTRACTOR LICENSING  
33 ACT — APPRENTICESHIPS

34 Sec. \_\_\_\_\_. Section 105.18, Code 2026, is amended by adding  
35 the following new subsection:

1 NEW SUBSECTION. 5. *Regulation of apprenticeships.*

2 a. A licensed journey person or master may employ or  
3 supervise licensed apprentices at a ratio not to exceed three  
4 apprentices to one licensee.

5 b. The requirements of this section do not apply to  
6 apprenticeship classroom training.

7 DIVISION \_\_\_\_

8 IOWA APPRENTICESHIP ACT

9 Sec. \_\_\_\_ . Section 84E.2, Code 2026, is amended by adding the  
10 following new subsection:

11 NEW SUBSECTION. 8A. *"Intermediary sponsor"* means the same  
12 as defined in section 84D.2.

13 Sec. \_\_\_\_ . Section 84E.4, subsections 1, 2, 3, and 4, Code  
14 2026, are amended to read as follows:

15 1. a. An apprenticeship sponsor, intermediary sponsor, or  
16 lead apprenticeship sponsor that conducts an apprenticeship  
17 program that is registered with the United States department of  
18 labor, office of apprenticeship, through Iowa, for apprentices  
19 who will be employed at worksites located in this state may  
20 apply to the department for financial assistance under this  
21 section if the apprenticeship program includes a minimum of one  
22 hundred contact hours per apprentice for each training year of  
23 the apprenticeship program.

24 b. Financial assistance received by an apprenticeship  
25 sponsor, intermediary sponsor, or lead apprenticeship  
26 sponsor under this section shall be used only for the cost of  
27 conducting and maintaining an apprenticeship program.

28 c. An apprenticeship sponsor whose apprentices receive  
29 contact hours from a lead apprenticeship sponsor is not  
30 eligible for financial assistance under this chapter.

31 2. The department shall provide financial assistance in the  
32 form of training grants to eligible apprenticeship sponsors,  
33 intermediary sponsors, or lead apprenticeship sponsors in the  
34 following manner:

35 a. By determining the total amount of funding allocated

1 for purposes of training grants for apprenticeship programs  
2 pursuant to section 84E.3.

3 *b.* By determining the total number of apprentices trained  
4 during the most recent training year, as calculated on the  
5 last day of the training year, in all apprenticeship programs  
6 conducted by all applying apprenticeship sponsors, intermediary  
7 sponsors, or lead apprenticeship sponsors eligible to apply for  
8 financial assistance under subsection 1.

9 *c.* By determining the total number of apprentices trained  
10 during the most recent training year, as calculated on the  
11 last day of the training year, in each apprenticeship program  
12 conducted by each apprenticeship sponsor, intermediary  
13 sponsor, or lead apprenticeship sponsor eligible to apply under  
14 subsection 1, and that applied for financial assistance under  
15 subsection 1.

16 *d.* By determining the proportion, stated as a percentage,  
17 that each applying apprenticeship sponsor's, intermediary  
18 sponsor's, or lead apprenticeship sponsor's total calculated  
19 pursuant to paragraph "c" bears to all applying apprenticeship  
20 sponsors', intermediary sponsors', or lead apprenticeship  
21 sponsors' total calculated pursuant to paragraph "b".

22 *e.* By multiplying the percentage calculated in paragraph "d"  
23 by the amount determined in paragraph "a".

24 3. An apprenticeship sponsor, intermediary sponsor, or  
25 lead apprenticeship sponsor seeking financial assistance under  
26 this section shall provide the following information to the  
27 department:

28 *a.* The federal apprentice registration number of each  
29 apprentice in the apprenticeship program.

30 *b.* The address and a description of the physical location  
31 where in-person training is conducted.

32 *c.* A certification of the apprenticeship sponsor's or  
33 intermediary sponsor's training standards as most recently  
34 approved by the United States department of labor, office  
35 of apprenticeship or, in the case of a lead apprenticeship

1 sponsor, a representative sample of participating members'  
2 training standards.

3 *d.* A certification of the apprenticeship sponsor's or  
4 intermediary sponsor's compliance review or quality assessment  
5 as most recently conducted by the United States department of  
6 labor, office of apprenticeship, unless the apprenticeship  
7 sponsor has not been subjected to a compliance review or  
8 quality assessment. In the case of a lead apprenticeship  
9 sponsor, a sampling of compliance reviews or quality  
10 assessments from participating members shall be sufficient.

11 *e.* Any other information the department reasonably  
12 determines is necessary.

13 4. The apprenticeship sponsor, intermediary sponsor, or  
14 lead apprenticeship sponsor and the department shall enter  
15 into an agreement regarding the provision of any financial  
16 assistance to the apprenticeship sponsor, intermediary sponsor,  
17 or lead apprenticeship sponsor.

18 Sec. \_\_\_\_\_. Section 84G.3, subsection 2, Code 2026, is amended  
19 to read as follows:

20 2. For the fiscal year beginning July 1, ~~2023~~ 2026,  
21 and for each fiscal year thereafter, there is annually  
22 appropriated from the workforce development fund account to  
23 the apprenticeship training program fund created in section  
24 84E.3 ~~three~~ four million five hundred thousand dollars for the  
25 purposes of chapter 84E.

26 Sec. \_\_\_\_\_. Section 422.16A, Code 2026, is amended to read as  
27 follows:

28 **422.16A Job training withholding — certification and**  
29 **transfer.**

30 Upon the completion by a business of its repayment  
31 obligation for a training project funded under chapter 260E,  
32 including a job training project funded under section 260J.2  
33 or repaid in whole or in part by the supplemental new jobs  
34 credit from withholding under section 260J.1 or section  
35 15E.197, Code 2014, the sponsoring community college shall

1 report to the department of workforce development the amount  
2 of withholding paid by the business to the community college  
3 during the final twelve months of withholding payments. The  
4 department of workforce development shall notify the department  
5 of revenue of that amount. The department of revenue shall  
6 credit to the workforce development fund account established in  
7 section 84G.3 twenty-five percent of that amount each quarter  
8 for a period of ten years. If the amount of withholding from  
9 the business or employer is insufficient, the department of  
10 revenue shall prorate the quarterly amount credited to the  
11 workforce development fund account. The maximum amount from  
12 all employers which shall be transferred to the workforce  
13 development fund account in any year is ~~seven~~ nine million  
14 ~~seven~~ two hundred fifty thousand dollars.

15 DIVISION \_\_\_\_\_

16 CAREER TRAINING PHYSICAL EXPANSION PROGRAM

17 Sec. \_\_\_\_\_. Section 84A.5, subsection 5, Code 2026, is amended  
18 by adding the following new paragraph:

19 NEW PARAGRAPH. *m.* The career training physical expansion  
20 program under chapter 84J.

21 Sec. \_\_\_\_\_. NEW SECTION. **84J.1 Definition.**

22 As used in this chapter, "*department*" means the department of  
23 workforce development.

24 Sec. \_\_\_\_\_. NEW SECTION. **84J.2 Career training physical  
25 expansion program.**

26 1. A career training physical expansion program is created  
27 that shall be administered by the department. The purpose of  
28 the program is to provide financial assistance for construction  
29 of new facilities and procurement of equipment that will  
30 expand the capacity of community colleges and unionized and  
31 nonunionized private sector apprenticeship programs to provide  
32 education and training for workers in high-demand fields in  
33 this state.

34 2. The department shall establish eligibility requirements,  
35 award criteria, and application and other necessary procedures

1 for the program. To be eligible for financial assistance, a  
2 community college or apprenticeship program must demonstrate  
3 to the department that construction of the new facility or  
4 procurement of equipment will directly result in an increase  
5 in the number of workers in high-demand fields in this state  
6 by expanding the physical capacity of the community college or  
7 apprenticeship program to train more students or apprentices in  
8 such fields. The community college or apprenticeship program  
9 must also demonstrate that there is employer demand in this  
10 state for the training to be provided. Projects to increase  
11 internet-based education or training shall be ineligible for  
12 financial assistance.

13 3. The department shall give priority for financial  
14 assistance to community colleges or apprenticeship programs  
15 that demonstrate the training for which the physical capacity  
16 will be expanded is nonduplicative of training offered by other  
17 community colleges or apprenticeship programs in this state.

18 Sec. \_\_\_\_ . NEW SECTION. **84J.3 Career training physical**  
19 **expansion program fund — appropriation.**

20 1. A career training physical expansion program fund is  
21 created as a fund in the state treasury under the control of  
22 the department.

23 2. The fund shall consist of moneys appropriated for  
24 purposes of the career training physical expansion program,  
25 and any other moneys lawfully available to the department for  
26 purposes of this chapter.

27 3. Moneys in the fund are appropriated to the department for  
28 the purposes of this chapter.

29 4. For the fiscal year beginning July 1, 2026, and each  
30 fiscal year thereafter, there is appropriated from the general  
31 fund of the state to the department nine million five hundred  
32 thousand dollars for deposit in the career training physical  
33 expansion program fund.

34 5. Notwithstanding section 8.33, moneys in the fund at  
35 the close of the fiscal year shall not revert but shall

1 remain available for expenditure for the purposes designated  
2 for subsequent fiscal years. Notwithstanding section 12C.7,  
3 subsection 2, interest or earnings on moneys in the fund shall  
4 be credited to the fund.

5 Sec. \_\_\_\_ . NEW SECTION. **84J.4 Rules.**

6 The department of workforce development shall adopt rules  
7 pursuant to chapter 17A to administer this chapter.

8 DIVISION \_\_\_\_

9 APPRENTICESHIP TRAINING IN SCHOOL DISTRICTS

10 Sec. \_\_\_\_ . NEW SECTION. **279.89 Increasing access to**  
11 **apprenticeship training.**

12 1. As used in this section, unless the context otherwise  
13 requires:

14 *a. "Apprenticeship sponsor", "registered apprenticeship*  
15 *program", "work-based learning", and "youth apprenticeship" mean*  
16 *the same as defined in section 84D.2.*

17 *b. "HVAC" means the same as defined in section 105.2.*

18 2. The board of directors of each school district is  
19 encouraged to establish or expand quality pre-apprenticeship  
20 opportunities and youth apprenticeship programs at secondary  
21 schools in partnership with apprenticeship sponsors and the  
22 Iowa office of apprenticeship. Activities boards may pursue  
23 in furtherance of this goal include but are not limited to all  
24 of the following:

25 *a. Aligning existing industrial technology, construction,*  
26 *electronics, metalwork, and related coursework with*  
27 *requirements of registered apprenticeship programs.*

28 *b. Establishing new coursework in subjects such as plumbing,*  
29 *HVAC, and math for skilled trades as well as an introductory*  
30 *course on apprenticeships to prepare students for a wide*  
31 *variety of opportunities in registered apprenticeship programs.*

32 *c. Construction, improvement, or expansion of skilled trade*  
33 *extension centers to provide additional work-based learning*  
34 *opportunities.*

35 *d. Partnering with apprenticeship sponsors to ensure*

1 curricula for coursework described in paragraphs "a", "b", and  
2 "c" are industry-aligned so that such coursework can be credited  
3 toward completion of an apprenticeship.

4 3. The board of directors of each school district is  
5 encouraged to establish a work-based learning program at  
6 each secondary school. The work-based learning program  
7 shall facilitate implementation of this section and other  
8 pre-apprenticeship, apprenticeship, and work-based learning  
9 initiatives at the school. The work-based learning program  
10 shall be a program that is recognized as a work-based learning  
11 program by the department of education and shall be operated  
12 by trained and credentialed staff who have prior experience  
13 relevant to implementation of quality pre-apprenticeships,  
14 youth apprenticeships, or other work-based learning  
15 initiatives.

16 4. The board of directors of each school district is  
17 encouraged to pursue funding sources and in-kind contributions  
18 through private sector partnerships and from apprenticeship  
19 sponsors and nonprofit sources to implement this section.

20 DIVISION \_\_\_\_

21 HIGH-DEMAND AND HIGH-NEED JOBS AND SCHOLARSHIP ELIGIBILITY

22 Sec. \_\_\_\_ . Section 84A.1B, subsection 3, Code 2026, is  
23 amended to read as follows:

24 3. Create, and update ~~as necessary~~ every five years, a  
25 list of high-demand jobs statewide for purposes of the future  
26 ready Iowa registered apprenticeship programs created in  
27 chapter 84F, the summer youth intern pilot program established  
28 under section 84A.12, the Iowa employer innovation program  
29 established under section 84A.13, ~~the future ready Iowa skilled~~  
30 ~~workforce last-dollar scholarship program established under~~  
31 ~~section 256.228~~, the future ready Iowa skilled workforce grant  
32 program established under section 256.229, and postsecondary  
33 summer classes for high school students as provided under  
34 section 261E.8, subsection 8. In addition to the list created  
35 by the workforce development board under this subsection,

1 each community college, in consultation with regional career  
2 and technical education planning partnerships, and with the  
3 approval of the board of directors of the community college,  
4 may identify and maintain a list of not more than five regional  
5 high-demand jobs in the community college region, and shall  
6 share the lists with the workforce development board. The  
7 lists submitted by community colleges under the subsection  
8 may be used in that community college region for purposes of  
9 programs identified under this subsection. The workforce  
10 development board shall ~~have full discretion~~ collaborate  
11 with community colleges to select and prioritize statewide  
12 high-demand jobs after consulting with business and education  
13 stakeholders, as appropriate, and seeking public comment. The  
14 workforce development board may add to the list of high-demand  
15 jobs as it deems necessary. For purposes of this subsection,  
16 "high-demand job" means a job in the state that the board, or  
17 a community college in accordance with this subsection, has  
18 identified in accordance with this subsection. In creating  
19 a list under this subsection, the following criteria, at a  
20 minimum, shall apply:

21 a. ~~An~~ A competitive entry-level hourly wage ~~of not less than~~  
22 ~~fourteen dollars.~~

23 b. Educational attainment of a qualifying credential up to a  
24 bachelor's degree.

25 c. One or both of the following criteria:

26 (1) Projected annual job openings of at least two hundred  
27 fifty or more during the next five years.

28 (2) Annual job growth of at least one percent.

29 Sec. \_\_\_\_ . Section 256.228, subsection 1, paragraphs d and f,  
30 Code 2026, are amended to read as follows:

31 d. "Credential" means a postsecondary certificate, diploma,  
32 or degree, conferring no more than an associate degree, awarded  
33 by an eligible institution and earned in a program of study  
34 that leads to a ~~high-demand~~ high-need job and is authorized  
35 for federal student aid under Tit. IV of the federal Higher

1 Education Act of 1965, as amended.

2 *f.* *"Eligible program"* means a program of study or an  
3 academic major ~~jointly~~ approved by the commission ~~and the~~  
4 ~~department of workforce development, in consultation with~~  
5 ~~an eligible institution,~~ that leads to a credential aligned  
6 with a ~~high-demand~~ high-need job designated by the ~~workforce~~  
7 ~~development board or a community college and verified by the~~  
8 department of workforce development pursuant to this section  
9 ~~84A.1B, subsection 3.~~ If the ~~board or a community college~~  
10 removes a ~~high-demand~~ high-need job from a list created under  
11 this section 84A.1B, subsection 3, an eligible student who  
12 received a scholarship for a program based on that ~~high-demand~~  
13 high-need job shall continue to receive the scholarship until  
14 achieving a postsecondary credential, up to an associate  
15 degree, as long as the student continues to meet all other  
16 eligibility requirements.

17 Sec. \_\_\_\_\_. Section 256.228, subsection 1, paragraph g,  
18 subparagraph (5), Code 2026, is amended to read as follows:

19 ~~(5) Has a student aid index of less than or equal to~~  
20 ~~twenty thousand dollars at the time of initial application,~~  
21 ~~as determined by the application forms submitted pursuant to~~  
22 ~~subparagraph (2), including the free application for federal~~  
23 ~~student aid Meets financial need criteria as established by the~~  
24 commission.

25 Sec. \_\_\_\_\_. Section 256.228, subsection 1, Code 2026, is  
26 amended by adding the following new paragraph:

27 NEW PARAGRAPH. *0i.* *"High-need job"* means an occupation in  
28 Iowa to which at least two of the following apply:

29 (1) An occupation in which state, local, or regional labor  
30 market forecasting shows occupational demand exceeds the  
31 overall state, local, or regional employer demand metrics,  
32 including job openings, numeric change in the number of persons  
33 in the occupation, and job growth.

34 (2) An occupation with education or training requirements,  
35 including the completion of an apprenticeship program,

1 an industry-recognized credential, a short-term college  
2 credential such as a certificate or diploma, a noncredit  
3 college credential or certification, on-the-job training for an  
4 associate degree or higher degree, or an on-the-job credential  
5 or certification.

6 (3) An occupation for which at least three of five hourly  
7 wage or annual salary measurements for the occupation exceed  
8 the hourly wage or annual salary for all occupations in the  
9 state or community college region.

10 Sec. \_\_\_\_\_. Section 256.228, subsection 4, paragraph b, Code  
11 2026, is amended to read as follows:

12 *b.* Adopt rules under chapter 17A, in collaboration with  
13 the department of workforce development, for administration of  
14 this section, including but not limited to establishing the  
15 duties and responsibilities of eligible institutions under  
16 the program; defining residence and satisfactory academic  
17 progress for purposes of the program; defining financial need  
18 for purposes of the program; and establishing procedures  
19 for scholarship application, processing, and approval. The  
20 rules shall provide for determining the priority awarding of  
21 scholarships if funds available for purposes of this section  
22 are insufficient to pay all eligible students. Priority shall  
23 be given to fully awarding each eligible student approved for a  
24 scholarship rather than to prorating scholarship awards among  
25 all eligible students.

26 Sec. \_\_\_\_\_. Section 256.228, subsection 4, paragraph d, Code  
27 2026, is amended by striking the paragraph and inserting in  
28 lieu thereof the following:

29 *d.* Transmit to the department of workforce development the  
30 compilation of information, data, and statistics compiled under  
31 subsection 1, paragraph "e", subparagraph (6).

32 Sec. \_\_\_\_\_. Section 256.228, Code 2026, is amended by adding  
33 the following new subsection:

34 NEW SUBSECTION. 4A. *List of high-need jobs.* Beginning July  
35 1, 2026, and every five years thereafter, a community college

1 shall create a list of high-need jobs in the community college  
2 region, subject to approval of the community college board  
3 of directors, for purposes of the future ready Iowa skilled  
4 workforce last-dollar scholarship program. The community  
5 college shall create the list in consultation with regional  
6 career and technical education planning partnerships. The  
7 board of directors shall submit the list to the state workforce  
8 development board, which shall verify that the jobs in the list  
9 meet the definition of high-need jobs under this section.

10

DIVISION \_\_\_\_

11

CAREER AND TECHNICAL SECONDARY AUTHORIZATIONS

12

Sec. \_\_\_\_ . Section 256.146, subsection 26, Code 2026, is  
13 amended to read as follows:

14

26. a. Adopt rules pursuant to chapter 17A that allow  
15 an individual seeking a career and technical secondary  
16 authorization to apply, and, if eligible, be issued the  
17 secondary authorization prior to accepting an offer of  
18 employment with a school.

19

b. The board shall limit qualifications for an applicant  
20 for a career and technical secondary authorization to three  
21 thousand hours of recent and relevant experience. The board  
22 shall limit training requirements for an initial authorization  
23 to ethics training.>

24

2. By striking page 1, line 32, through page 7, line 1.>

25

3. Title page, by striking lines 1 and 2 and inserting <An  
26 Act relating to workforce matters including apprenticeships  
27 and other career training, unemployment insurance, and  
28 membership of the state workforce development board, making  
29 appropriations, and including effective date>

30

4. By renumbering as necessary.

HOUSE AMENDMENT TO  
SENATE FILE 2187

S-5186

- 1 Amend Senate File 2187, as passed by the Senate, as follows:
- 2 1. Page 1, after line 17 by inserting:
- 3 <Sec. \_\_\_\_ . APPLICABILITY. This Act applies on and after
- 4 March 1, 2027, or the date the department of transportation
- 5 submits to the Iowa administrative code editor for publication
- 6 in the Iowa administrative bulletin a statement by the director
- 7 of transportation that the applicable phase of the department
- 8 of transportation's new records system is implemented,
- 9 whichever is earlier. The department shall also forward a copy
- 10 of the statement to the Iowa Code editor.>
- 11 2. Title page, line 3, by striking <card.> and inserting
- 12 <card, and including applicability provisions.>
- 13 3. By renumbering as necessary.

S-5186 FILED APRIL 16, 2026

HOUSE AMENDMENT TO  
SENATE FILE 2263

S-5191

1 Amend Senate File 2263, as amended, passed, and reprinted by  
2 the Senate, as follows:

3 1. Page 1, line 17, after <guard> by inserting <or the  
4 department of corrections, or a parking lot at a jail, prison,  
5 or correctional facility>

6 2. By striking page 1, line 31, through page 2, line 18, and  
7 inserting:

8 <DIVISION \_\_\_\_

9 ENHANCED WEAPON PENALTY ZONES

10 Sec. \_\_\_\_ . Section 724.4A, Code 2026, is amended to read as  
11 follows:

12 ~~724.4A Weapons free zones — enhanced penalties~~ Enhanced  
13 weapons penalty zones.

14 1. As used in this section, ~~“weapons free zone”~~ “enhanced  
15 weapons penalty zone” means the area in or on, or within one  
16 thousand feet of, the real property comprising a public or  
17 private elementary or secondary school, or in or on the real  
18 property comprising a public park. ~~A weapons free zone~~ An  
19 enhanced weapons penalty zone shall not include that portion  
20 of a public park designated as a hunting area under section  
21 461A.42.

22 2. Notwithstanding sections 902.9 and 903.1, a person who  
23 commits a public offense involving a firearm or offensive  
24 weapon, within a ~~weapons free zone~~ an enhanced weapons penalty  
25 zone, in violation of this or any other chapter shall be  
26 subject to a fine of twice the maximum amount ~~which that~~ may  
27 otherwise be imposed for the public offense.>

28 3. Page 2, after line 18 by inserting:

29 <DIVISION \_\_\_\_

30 SEIZURE OF FIREARMS

31 Sec. \_\_\_\_ . NEW SECTION. 724.33 Anti-red flag gun seizure.

32 1. This section may be cited and referred to as the  
33 “Anti-Red Flag Gun Seizure Act”.

34 2. For purposes of this section:

35 a. “Law-abiding citizen” means a person that is not

1 otherwise precluded under state law from possessing a firearm.

2     *b. "Red flag law"* means any of the following:

3       (1) A firearm control law, order, or measure that directs  
4 the temporary or permanent seizure of any firearm, firearm  
5 accessory, or ammunition of an individual.

6       (2) A federal statute, federal rule, federal executive  
7 order, or federal judicial order or finding, or any state  
8 statute, state rule, state executive order, or state judicial  
9 order or finding, that does any of the following:

10       (a) Prohibits a resident from owning, possessing,  
11 transporting, transferring, or receiving any firearm,  
12 firearm accessory, or ammunition without the conviction of  
13 a violent felony, violent aggravated misdemeanor, or other  
14 disqualification under section 724.8B.

15       (b) Orders the removal or requires the surrender of any  
16 firearm, firearm accessory, or ammunition from a resident  
17 except persons lawfully in custody or persons who have been  
18 released after the execution of a bail bond after having been  
19 charged with a violent felony or violent aggravated misdemeanor  
20 as described in section 724.8B.

21     3. Any federal order of protection, other judicial order  
22 issued by a federal court, or federal executive order that is  
23 a red flag law or otherwise directs the confiscation of any  
24 firearm, firearm accessory, or ammunition from any law-abiding  
25 citizen within the borders of this state shall not be enforced  
26 in this state by any state agency, political subdivision, or  
27 state or local law enforcement agency.

28     4. No state agency, political subdivision, or state or local  
29 law enforcement agency shall receive any federal moneys for  
30 the purpose of enforcing any federal statute, federal rule,  
31 federal executive order, or federal judicial order or findings,  
32 or for the purpose of enforcing any state statute, state rule,  
33 state executive order, or state judicial order or findings,  
34 that would have the effect of enforcing a red flag law against  
35 a resident.

1 5. No state entity or employee thereof, political  
2 subdivision or employee thereof, or other person shall have  
3 the authority to enforce or attempt to enforce a red flag law  
4 regardless of the red flag law's origin or the authority of the  
5 issuing entity. This subsection shall not apply to any agent  
6 of the federal government enforcing a federal law or federal  
7 order.

8 6. Nothing in this section shall be construed to prevent a  
9 firearm, firearm accessory, or ammunition from being seized as  
10 evidence by law enforcement in the course of an investigation.

11 7. *a.* A political subdivision or state or local law  
12 enforcement agency that employs a law enforcement officer who  
13 knowingly acts to violate this section and enforce a red flag  
14 law under any state or federal statute, rule, executive order,  
15 or judicial order or finding shall be liable to the party  
16 against whom the red flag law was enforced in an action at law,  
17 suit in equity, or other proper proceeding for redress and  
18 shall be subject to a civil penalty of fifty thousand dollars  
19 per occurrence.

20 *b.* Any person injured under this section shall have standing  
21 to pursue an action for injunctive relief in the district court  
22 of the county in which the action allegedly occurred or in the  
23 district court of Polk county.

24 *c.* The court shall hold a hearing on any motion for a  
25 temporary restraining order or preliminary injunction within  
26 thirty days of service of the petition.

27 *d.* In an action brought under this section by a party  
28 against whom the red flag law was enforced, a court may order  
29 injunctive or other equitable relief, recovery of damages,  
30 other legal remedies, and payment of reasonable attorney fees,  
31 costs, and expenses of the party. The relief and remedies set  
32 forth in this section shall not be deemed exclusive and shall  
33 be in addition to any other relief or remedies permitted by  
34 law. The court may award the prevailing party, if not the  
35 state or a political subdivision thereof, reasonable attorney

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1 fees and costs.

2 e. Sovereign immunity shall not be an affirmative defense to  
3 any action brought under this section.

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

6 4. Title page, lines 1 and 2, by striking <and possession  
7 of weapons> and inserting <possession, and seizure of weapons,  
8 providing penalties>

9 5. By renumbering as necessary.

[S-5191](#) FILED APRIL 16, 2026

HOUSE AMENDMENT TO  
SENATE FILE 2284

S-5192

1 Amend Senate File 2284, as amended, passed, and reprinted by  
2 the Senate, as follows:

3 1. Page 1, by striking lines 1 through 23 and inserting:

4 <Section 1. Section 321P.1, Code 2026, is amended by adding  
5 the following new subsection:

6 NEW SUBSECTION. 1A. *"Automatic registration plate reader"* or  
7 *"plate reader"* means a camera or other optical device designed  
8 to detect a registration plate or vehicle and capture an image  
9 of the registration plate or vehicle independent of a person  
10 exercising control of the camera or other optical device  
11 when the image is captured. *"Plate reader"* includes a device  
12 designed to work in conjunction with a camera or optical device  
13 to store images of registration plates or vehicles captured  
14 by the camera or optical device and a computer program or  
15 application that can be used to search for or copy an image of a  
16 registration plate or vehicle, with or without an algorithm.>

17 2. Page 3, after line 4 by inserting:

18 <Sec. \_\_\_\_ . NEW SECTION. 321P.20 Use of automatic  
19 registration plate readers — local ordinance required — facial  
20 recognition prohibited.

21 1. A person shall not use an automatic registration plate  
22 reader in a local authority unless the governing body of the  
23 local authority adopts an ordinance authorizing the use of  
24 plate readers.

25 2. If the governing body of a local authority authorizes  
26 the use of plate readers, the ordinance must include all of the  
27 following:

28 a. All vendors who provide plate readers, and any related  
29 services, in the local authority.

30 b. The employment classification of persons who are  
31 authorized to access a plate reader to search for a  
32 registration plate or vehicle.

33 3. A person shall not use and the governing body of a local  
34 authority shall not authorize the use of a plate reader that is  
35 not approved by the department of public safety.

1 4. Notwithstanding section 331.302, subsection 6, and  
2 section 380.3, the governing body of a local authority that  
3 is considering an ordinance to authorize the use of a plate  
4 reader shall not suspend the requirements of section 331.302,  
5 subsection 6, or section 380.3, as applicable.

6 5. A person shall not use a plate reader that is enabled  
7 to recognize or identify a person based on an image of the  
8 person's face captured by the plate reader. A person who uses  
9 a plate reader shall not use software to recognize or identify  
10 a person based on an image of the person's face captured by the  
11 plate reader.

12 Sec. \_\_\_\_ . NEW SECTION. **321P.21 Plate reader searches and**  
13 **alerts.**

14 1. A person shall not access an automatic registration plate  
15 reader to search for a registration plate or vehicle unless  
16 authorized.

17 2. *a.* A person shall not access a plate reader to search  
18 for a registration plate or vehicle unless the search is  
19 related to a call for service or case and the call for service  
20 or case is identified by an assigned specific number.

21 *b.* Notwithstanding paragraph "a", if exigent circumstances  
22 exist and a specific number has not been assigned to a call  
23 for service or case, a person authorized to access a plate  
24 reader may search for a registration plate or vehicle without  
25 providing a call for service number or case number at the time  
26 of the search. The person shall add the call for service  
27 number or case number, as applicable, after the number is  
28 assigned.

29 3. If a plate reader is programmed to create an alert when  
30 the plate reader recognizes a particular registration plate or  
31 vehicle, a law enforcement officer shall verify that reasonable  
32 suspicion exists to stop the vehicle prior to taking any  
33 further action relating to the alert.

34 Sec. \_\_\_\_ . NEW SECTION. **321P.22 Search logs, reports, and**  
35 **audits.**

1 1. An entity that employs a person who is authorized to  
2 access an automatic registration plate reader to search for a  
3 registration plate or vehicle shall maintain a search log and  
4 retain the search log records for at least one year. A search  
5 log is not subject to the deletion requirement under section  
6 321P.23, subsection 1.

7 2. When accessing a plate reader to search for a  
8 registration plate or vehicle, the person performing the search  
9 shall record the search in the search log required under  
10 subsection 1. The record must include the person's name, the  
11 reason for the search, and the associated call for service  
12 number or case number.

13 3. An entity that maintains a search log shall audit the  
14 search log at least every four months. The entity shall report  
15 the results of the audit on the entity's internet site, if it  
16 has one.

17 Sec. \_\_\_\_ . NEW SECTION. 321P.23 Deletion requirement —  
18 **copies excepted — dissemination.**

19 1. Every image of a registration plate or vehicle captured  
20 by an automatic registration plate reader, and any other  
21 accompanying data, shall be deleted no later than thirty days  
22 after the image was captured.

23 2. Prior to deletion under subsection 1, an image of a  
24 registration plate or vehicle captured by a plate reader, and  
25 any other accompanying data, may be copied and saved on a  
26 device that is not a plate reader if the image and data are  
27 relevant to an ongoing criminal case or investigation. Copied  
28 images and data are not subject to deletion under subsection 1,  
29 but shall be maintained in accordance with applicable evidence  
30 retention policies.

31 3. A person who copies an image or data from a plate reader  
32 shall record the fact that copies were made in the search log  
33 under section 321P.22, subsection 1. The person shall include  
34 the reason for making copies and the related call for service  
35 number or case number, as applicable.

1 4. Except as provided in subsection 5, a person shall not  
2 disseminate a copy of an image or data from a plate reader to a  
3 third party unless the third party is one of the following:

4 a. A peace officer or law enforcement agency.

5 b. A person who has a contract with a law enforcement agency  
6 for the sole purpose of protecting public safety, conducting  
7 criminal investigations, or ensuring compliance with federal,  
8 state, or local law; however, a law enforcement agency, local  
9 authority, or state entity shall not convey, share, or license  
10 historical location information to a plate reader vendor except  
11 as authorized under this section.

12 c. The national insurance crime bureau or its successor  
13 organization, an insurance carrier, or an insurance support  
14 organization, solely for the purpose of investigating insurance  
15 fraud, assisting in vehicle recovery, or adjudicating insurance  
16 claims.

17 5. Subsection 4 shall not be construed to prohibit a person  
18 from sharing copied images and data from a plate reader under  
19 any of the following circumstances:

20 a. As evidence in a proceeding if the images and data are  
21 otherwise admissible pursuant to the Iowa rules of evidence.

22 b. With a potential witness to the extent necessary  
23 to investigate a crime or identify a person suspected of  
24 committing a crime.

25 c. With legal counsel, an insurer, or another person to  
26 obtain legal advice, defend a claim, or otherwise comply with a  
27 lawful obligation.

28 d. With the plate reader vendor for use, after processing  
29 anonymized or redacted derivatives of images or data pursuant  
30 to a written agreement, solely in conjunction with operating,  
31 securing, testing, or improving the vendor's services.

32 e. With the plate reader vendor to access historical  
33 location information for installing, maintaining, or providing  
34 technical support for plate readers.

35 6. A person shall not use an image of a registration

1 plate or data collected by a plate reader in this state for  
2 marketing, profiling, or commercial purposes. This subsection  
3 shall not be construed to prohibit a person's use of an image  
4 or data captured by a plate reader in a manner authorized under  
5 this section.

6 Sec. \_\_\_\_ . NEW SECTION. **321P.24 Approved plate readers,**  
7 **vendors, and state entities.**

8 1. The department of public safety shall develop and  
9 maintain a list of approved automatic registration plate  
10 readers and vendors.

11 2. *a.* A state agency, department, division, board,  
12 commission, institution, or authority may use an automatic  
13 registration plate reader notwithstanding section 321P.20,  
14 subsections 1 and 2, only if such use is approved by the  
15 commissioner of public safety.

16 *b.* If the commissioner of public safety approves such a  
17 state entity's use of a plate reader, the commissioner shall  
18 also approve, in accordance with the applicable state entity's  
19 classification designations, the employment classification  
20 of persons who are authorized to access a plate reader to  
21 search for a registration plate or vehicle. The commissioner's  
22 approval is valid for one year and the commissioner may  
23 reapprove the continued use of a plate reader for additional  
24 terms not to exceed one year.

25 3. The department of public safety shall adopt rules  
26 pursuant to chapter 17A to administer this section. The rules  
27 must include a list of approved plate readers, vendors, and  
28 state entities.

29 Sec. \_\_\_\_ . NEW SECTION. **321P.25 Criminal penalty.**

30 A person who does an act forbidden or fails to perform an act  
31 required by sections 321P.20 through 321P.23 commits a simple  
32 misdemeanor.

33 Sec. \_\_\_\_ . NEW SECTION. **321P.26 Applicability.**

34 Sections 321P.20 through 321P.23 do not apply to a person  
35 who uses an automatic registration plate reader at the person's

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1 private property or business.

2 Sec. \_\_\_\_ . REPEAL. Section 321P.4, Code 2026, is repealed.>

3 3. Title page, by striking line 3 and inserting <providing  
4 penalties.>

5 4. By renumbering as necessary.

S-5192 FILED APRIL 16, 2026

SENATE FILE 2500

S-5189

1 Amend Senate File 2500 as follows:

2 1. Page 8, line 29, after <responsibilities> by inserting <,  
3 including but not limited to a trustee's role as a fence viewer  
4 under chapter 359A>

5 2. Page 9, line 24, after <1A.> by inserting <a.>

6 3. Page 9, line 32, after <section.> by inserting <If the  
7 proposed budget includes a proposal to levy for fire protection  
8 or emergency medical services, whether through contract or  
9 through the township's fire department, the chief of the fire  
10 department receiving moneys from the levy shall attend the  
11 meeting at which the board of supervisors approves or rejects  
12 the proposed budget.>

13 4. Page 9, after line 32 by inserting:

14 <b. The board of supervisors shall not allocate any moneys  
15 collected pursuant to a levy in one township for use in another  
16 township. This paragraph does not prohibit cost-sharing  
17 agreements entered into between two or more townships.>

18 5. Page 10, by striking line 22 and inserting:

19 <By June 30, 2027, and by June 30 of each year>

20 6. Page 13, after line 6 by inserting:

21 <Sec. \_\_\_\_ . NEW SECTION. **384.12A Rural fire protection fund.**

22 1. A city that provides fire protection and emergency  
23 medical services to a township pursuant to a contract shall  
24 establish a rural fire protection fund under the control of the  
25 city's fire department.

26 2. A city that receives payment from a township pursuant  
27 to a township's levy for fire protection or emergency medical  
28 services pursuant to section 359.43 shall deposit such payments  
29 into the city's rural fire protection fund. The city shall use  
30 moneys in the rural fire protection fund only for purposes of  
31 providing fire protection and emergency medical services.

32 3. Moneys remaining in a city's rural fire protection fund  
33 at the close of the city's fiscal year shall remain available  
34 for expenditure for the purposes of fire protection and  
35 emergency medical services.

1     Sec. \_\_\_\_\_. NEW SECTION. **384.12B Fire protection services**  
2 **— contracts with other cities.**

3     A city that receives payment from another city pursuant to  
4 a contract to provide fire protection services shall only use  
5 moneys received for purposes of providing fire protection and  
6 emergency medical services. The city shall credit the fire  
7 department's budget in an amount equal to the amount paid by  
8 the contracting city.>

9     7. Page 13, line 17, after <2027.> by inserting <Any  
10 vacancies shall be filled as provided in section 39.22, Code  
11 2026, prior to January 1, 2027.>

12     8. Page 13, line 25, after <2029.> by inserting <Elections  
13 shall be held as provided in section 39.22, Code 2026, prior to  
14 January 1, 2028, and any vacancies shall be filled as provided  
15 in section 39.22, Code 2026, prior to January 1, 2029.>

16     9. Page 13, line 32, after <2031.> by inserting <Elections  
17 shall be held as provided in section 39.22, Code 2026, prior to  
18 January 1, 2030, and any vacancies shall be filled as provided  
19 in section 39.22, Code 2026, prior to January 1, 2031.>

20     10. Page 14, after line 17 by inserting:

21     <Sec. \_\_\_\_\_. TRANSITION — FENCE VIEWERS. In the event that  
22 a dispute arises that invokes the judgment of fence viewers  
23 under chapter 359A, section 359A.14, Code 2026, shall control  
24 if the dispute involves land situated in townships in different  
25 counties and one of the counties has elected township trustees  
26 pursuant to chapter 359, Code 2026, and the other county has  
27 appointed township trustees as required by this Act.

28     Sec. \_\_\_\_\_. TRANSITION — EXISTING AGREEMENTS.

29     1. A township in a county with a population of less than  
30 fourteen thousand four hundred eighty-four according to the  
31 2020 federal decennial census shall remain party to any binding  
32 agreement entered into prior to January 1, 2027, until the  
33 expiration of the agreement unless two-thirds of the appointed  
34 township trustees and two-thirds of the county board of  
35 supervisors vote in favor of amending the expiration date or

1 terminating the agreement.

2 2. A township in a county with a population of not less  
3 than fourteen thousand four hundred eighty-four but not more  
4 than fifty-two thousand four hundred three according to the  
5 2020 federal decennial census shall remain party to any binding  
6 agreement entered into prior to January 1, 2029, until the  
7 expiration of the agreement unless two-thirds of the appointed  
8 township trustees and two-thirds of the county board of  
9 supervisors vote in favor of amending the expiration date or  
10 terminating the agreement.

11 3. A township in a county with a population of more than  
12 fifty-two thousand four hundred three according to the 2020  
13 federal decennial census shall remain party to any binding  
14 agreement entered into prior to January 1, 2031, until the  
15 expiration of the agreement unless two-thirds of the appointed  
16 township trustees and two-thirds of the county board of  
17 supervisors vote in favor of amending the expiration date or  
18 terminating the agreement.>

19 11. Title page, line 1, after <relating to> by inserting  
20 <local government, including>

21 12. Title page, line 2, by striking <and township budgets,>  
22 and inserting <, township budgets, and the provision of fire  
23 protection and emergency medical services,>

24 13. By renumbering as necessary.

By DAWN DRISCOLL

S-5189 FILED APRIL 16, 2026

HOUSE FILE 2104

S-5190

1 Amend the amendment, S-5001, to House File 2104, as passed by  
2 the House, as follows:

3 1. By striking page 1, line 1, through page 8, line 7, and  
4 inserting:

5 <Amend House File 2104, as passed by the House, as follows:

6 1. By striking everything after the enacting clause and  
7 inserting:

8 <Section 1. Section 6A.22, Code 2026, is amended by adding  
9 the following new subsection:

10 NEW SUBSECTION. 3. Notwithstanding any other provision of  
11 law, a person shall not exercise the power of eminent domain to  
12 acquire right-of-way for, construct, or operate a pipeline for  
13 the primary purpose of transporting carbon oxide.

14 Sec. 2. Section 479B.2, Code 2026, is amended by adding the  
15 following new subsection:

16 NEW SUBSECTION. 6. "*Voluntary easement corridor*" means land  
17 within the county where the informational meeting is held and  
18 within a distance of five miles on either side of a proposed  
19 pipeline route.

20 Sec. 3. Section 479B.4, subsection 3, Code 2026, is amended  
21 to read as follows:

22 3. The pipeline company shall hold informational meetings  
23 in each county in which real property or property rights will  
24 be affected at least thirty days prior to filing the petition  
25 for a new pipeline. A member of the commission, or a person  
26 designated by the commission, shall serve as the presiding  
27 officer at each meeting and present an agenda for the meeting,  
28 which shall include a summary of the legal rights of the  
29 affected landowners. ~~No~~ A formal record of the meeting shall  
30 be required and shall be part of the official record of the  
31 proceeding. The meeting shall be held at a location reasonably  
32 accessible to all persons who may be affected by granting the  
33 permit.

34 Sec. 4. Section 479B.4, subsection 5, Code 2026, is amended  
35 by adding the following new paragraphs:

1     NEW PARAGRAPH.   *c.*   The notice shall be served to the county  
2 board of supervisors in the county where the meeting will take  
3 place. Notwithstanding paragraph “*b*”, notice served under this  
4 paragraph may be given electronically or through certified  
5 mail.

6     NEW PARAGRAPH.   *d.*   The notice shall be served to the  
7 governing body of any city with corporate limits that fall  
8 within two miles of the voluntary easement corridor for the  
9 purposes of complying with subdividing and platting rights and  
10 responsibilities pursuant to section 354.9 and zoning rights  
11 and responsibilities pursuant to section 414.23.

12     Sec. 5. Section 479B.4, subsection 6, Code 2026, is amended  
13 to read as follows:

14     6. A pipeline company seeking rights under this chapter  
15 shall not negotiate or purchase an easement or other interest  
16 in land in a county known to be affected by the proposed  
17 project prior to the informational meeting. Nothing in this  
18 subsection shall prohibit a company seeking rights under this  
19 chapter from holding a meeting to provide general information  
20 regarding a project to a community that does not include  
21 negotiating specific terms with specific landowners prior to  
22 the informational meeting required by this section; however,  
23 notice of a general informational meeting must be given to the  
24 county board of supervisors in the county where the meeting  
25 will occur no fewer than five business days prior to the  
26 meeting. Notice of a general informational meeting may be  
27 delivered electronically or by certified mail.

28     Sec. 6. Section 479B.4, Code 2026, is amended by adding the  
29 following new subsection:

30     NEW SUBSECTION.   7. A pipeline company seeking rights under  
31 this chapter shall not negotiate or purchase an easement or  
32 other interest in land within two miles of the corporate limits  
33 of a city without prior authorization from the governing body  
34 of the city pursuant to sections 354.9 and 414.23.

35     Sec. 7. Section 479B.5, Code 2026, is amended to read as

1 follows:

2 **479B.5 Petition.**

3 A petition for a permit shall state, and the commission shall  
4 consider as factors in the final order, all of the following:

5 1. The name of the individual, firm, corporation, company,  
6 or association applying for the permit.

7 2. The applicant's principal office and place of business.

8 3. A legal description of the route of the proposed pipeline  
9 and a map of the route.

10 4. A general description of the public or private highways,  
11 grounds, waters, streams, and private lands of any kind along,  
12 over, or across which the proposed pipeline will pass.

13 5. ~~If~~ The following additional information if permission  
14 is sought to construct, maintain, and operate facilities for  
15 the underground storage of hazardous liquids ~~the petition shall~~  
16 ~~include the following additional information:~~

17 a. A description and a map of the public or private  
18 highways, grounds, waters, streams, and private lands of any  
19 kind under which the storage is proposed.

20 b. Maps showing the location of proposed machinery,  
21 appliances, fixtures, wells, and stations necessary for the  
22 construction, maintenance, and operation of the hazardous  
23 liquid storage facilities.

24 6. The possible use of alternative routes.

25 7. The relationship of the proposed project to the present  
26 and future land use and zoning ordinances.

27 8. The inconvenience or undue injury ~~which~~ that may result  
28 to property owners or the public as a result of the proposed  
29 project.

30 9. Anticipated employment the project will provide to  
31 Iowans, including the quantity and duration of construction  
32 employment opportunities, the quantity of long-term operational  
33 employment opportunities, the geographic location of long-term  
34 operations centers, and the number of employment opportunities  
35 of each type to be filled by residents of Iowa.

1     ~~9.~~ 10. An affidavit attesting to the fact that  
2 informational meetings were held in each county affected by the  
3 proposed project and the time and place of each meeting.

4     Sec. 8. Section 479B.6, Code 2026, is amended by adding the  
5 following new subsection:

6     NEW SUBSECTION. 3. For any permit application for which the  
7 applicant files an affidavit attesting to obtaining one hundred  
8 percent voluntary easements, the commission shall prioritize  
9 the hearing date for such application and conduct such hearing  
10 before other applicants who have not obtained such voluntary  
11 participation.

12     Sec. 9. Section 479B.9, Code 2026, is amended to read as  
13 follows:

14     **479B.9 Final order — condition.**

15     The commission may grant a permit in whole or in part upon  
16 terms, conditions, and restrictions as to location and route  
17 as it determines to be just and proper. A permit shall not be  
18 granted to a pipeline company unless ~~the commission determines~~  
19 ~~that~~ the proposed services and the factors in the petition  
20 will promote the public convenience and necessity. Conditions  
21 in the permit shall be met within five years of the date of  
22 issuance; otherwise the permit shall not be reissued without  
23 reapplication to the commission under section 479B.4.

24     Sec. 10. Section 479B.14, Code 2026, is amended by adding  
25 the following new subsection:

26     NEW SUBSECTION. 7. If the commission attaches conditions  
27 to a permit, conditions in the permit shall be met within five  
28 years of the date of issuance; otherwise the permit shall not  
29 be reissued without reapplication to the commission under  
30 section 479B.4. Any variance in the conditions attached to  
31 the permit that result in deviations from the approved route  
32 or approved voluntary easement corridor shall require public  
33 meetings in accordance with section 479B.4, subsections 3  
34 through 5, in affected counties.

35     Sec. 11. Section 479B.16, subsections 1 and 2, Code 2026,

1 are amended to read as follows:

2 1. A pipeline company granted a pipeline permit shall be  
3 vested with the right of eminent domain, except for a pipeline  
4 to transport carbon oxide, to the extent necessary and as  
5 prescribed and approved by the commission, not exceeding  
6 seventy-five feet in width for right-of-way and not exceeding  
7 one acre in any one location in addition to right-of-way for  
8 the location of pumps, pressure apparatus, or other stations or  
9 equipment necessary to the proper operation of its pipeline.  
10 The commission may grant additional eminent domain rights where  
11 the pipeline company has presented sufficient evidence to  
12 adequately demonstrate that a greater area is required for the  
13 proper construction, operation, and maintenance of the pipeline  
14 or for the location of pumps, pressure apparatus, or other  
15 stations or equipment necessary to the proper operation of its  
16 pipeline. The commission shall not grant eminent domain rights  
17 for the transportation of carbon oxide.

18 2. A pipeline company granted a permit for underground  
19 storage of hazardous liquid shall be vested with the right  
20 of eminent domain, except for the storage of carbon oxide,  
21 to the extent necessary and as prescribed and approved by  
22 the commission in order to appropriate for its use for the  
23 underground storage of hazardous liquid any subsurface stratum  
24 or formation in any land ~~which~~ that the commission shall  
25 have found to be suitable and in the public interest for the  
26 underground storage of hazardous liquid, and may appropriate  
27 other interests in property, as may be required adequately to  
28 examine, prepare, maintain, and operate the underground storage  
29 facilities. The commission shall not grant eminent domain  
30 rights for the underground storage of carbon oxide.

31 Sec. 12. Section 479B.16, Code 2026, is amended by adding  
32 the following new subsection:

33 NEW SUBSECTION. 4. a. Following the public informational  
34 meeting held pursuant to section 479B.4 and proper publication  
35 of notice required by section 479B.4, subsection 5, paragraph

1 "b", a pipeline company may communicate with owners of record  
2 of any land within the voluntary easement corridor for the  
3 purpose of proposing voluntary transactions for the conveyance  
4 of easements for the project, without regard to whether such  
5 landowners received prior notice by mail. The pipeline company  
6 shall not be required to provide to such landowners prior  
7 individual notice of the proposed project before initiating  
8 communication.

9 b. Before entering into a voluntary agreement with a  
10 landowner who did not receive notice of the informational  
11 meeting by mail, the pipeline company shall provide such  
12 landowner copies of the informational meeting materials  
13 presented by the commission, the consumer advocate, and the  
14 company seeking rights under this chapter.

15 c. In a pipeline company's initial communication with a  
16 landowner, the company shall provide a written description of  
17 the opt-out procedure described in paragraph "d".

18 d. A landowner may decline further communication with a  
19 pipeline company concerning a possible transaction for easement  
20 rights by providing verbal or written notice to the pipeline  
21 company that states the landowner does not wish to discuss the  
22 matter further, and by submitting to the commission notice  
23 through mail or by electronic means stating the same. Upon  
24 receipt of such notice from the landowner, the commission shall  
25 forward a copy to the pipeline company.

26 e. After receipt of notice by the landowner pursuant to  
27 paragraph "d", the pipeline company shall not initiate further  
28 contact with the landowner for the purpose of an easement  
29 transaction, except that the company may continue to contact  
30 the landowner by mail. A landowner may rescind such refusal by  
31 contacting the pipeline company and notifying the commission  
32 through mail or electronic means. Unless the landowner  
33 rescinds the refusal, the landowner's land shall be deemed  
34 unavailable for an easement agreement.

35 Sec. 13. RULES. The Iowa utilities commission shall

1 adopt rules pursuant to chapter 17A to administer this Act by  
2 December 31, 2026.

3 Sec. 14. EFFECTIVE DATE. This Act, being deemed of  
4 immediate importance, takes effect upon enactment.

5 Sec. 15. APPLICABILITY — RETROACTIVE APPLICABILITY.

6 1. a. Except as provided in paragraph "b", this Act applies  
7 to the construction of any hazardous liquid pipeline for which  
8 the petition is filed on or after the effective date of this  
9 Act.

10 b. The section of this Act amending section 479B.9 applies  
11 retroactively to the issuance of permits for the construction  
12 of any hazardous liquid pipeline for which a petition was filed  
13 under chapter 479B on or after January 1, 2020.

14 2. This Act applies to condemnation proceedings for which  
15 the application under section 6B.3 is filed on or after the  
16 effective date of this Act.>

17 2. Title page, by striking lines 1 through 3 and inserting  
18 <An Act relating to hazardous liquid pipelines, including the  
19 granting and exercising of eminent domain for carbon oxide  
20 pipelines, and petition, informational meeting, and notice  
21 requirements, and including effective date, applicability, and  
22 retroactive applicability provisions.>>

By KEVIN ALONS  
SANDY SALMON  
DENNIS GUTH  
DAVE SIRES  
LYNN EVANS  
DOUG CAMPBELL  
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MARK LOFGREN  
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CHARLIE McCLINTOCK

S-5190 (Continued)

S-5190 FILED APRIL 16, 2026



# Fiscal Note

## Fiscal Services Division



[SF 2168](#) – Reemployment Case Management and Unemployment Insurance Processing (LSB5501SV.2)

Staff Contact: Evan Johnson (515.281.6301) [evan.johnson@legis.iowa.gov](mailto:evan.johnson@legis.iowa.gov)

Fiscal Note Version – As amended by House amendment [S-5187](#)

### Description

[Senate File 2168](#) as amended by House amendment [S-5187](#) relates to workforce programs. The Bill as amended has 11 divisions.

The following divisions of the Bill as amended have minimal fiscal impacts:

- Division I — Iowa Registered Apprenticeship Act
- Division II — Iowa Plumber, Mechanical Professional, and Contractor Licensing Act — Apprenticeships
- Division V — Apprenticeship Training in School Districts
- Division VI — High-Demand and High-Need Jobs and Scholarship Eligibility
- Division VII — Career and Technical Secondary Authorizations
- Division IX — Summer Youth Intern Pilot Program — Repeal
- Division X — Membership of Workforce Development Board

The following divisions of the Bill as amended have a fiscal impact and are described in further detail below:

- Division III — Iowa Apprenticeship Act
- Division IV — Career Training Physical Expansion Program
- Division VIII — Reemployment Case Management (RCM) System
- Division XI — Unemployment Compensation Reserve Fund — Transfer to Unemployment Trust Fund

### Division III — Iowa Apprenticeship Act

#### Description

Division III of the Bill as amended adds intermediary sponsors as an entity eligible to provide apprenticeship training under Iowa Code chapter [84E](#). An apprenticeship sponsor whose apprentices receive contact hours from a lead apprenticeship sponsor is not eligible for financial assistance.

The Division increases a standing appropriation from the Workforce Development Fund (WDF) Account to the Apprenticeship Training Program Fund from \$3.0 million to \$4.5 million beginning in FY 2027. The Division also increases the maximum transfer of [260E](#) withholding payments to the WDF Account from \$7.8 million to \$9.3 million.

#### Background

Under the 260E Program, a participating business partners with a community college, which sells bonds to finance the cost of training for new employee positions. The business diverts 1.5% of gross payroll from the State withholding taxes generated by the new positions to the community college to retire the bonds.

After the training obligation of a business under the 260E Program has been paid off, an amount equal to the withholding payments is credited to the WDF Account for 10 years, up to a maximum of \$7.8 million annually. Moneys in the WDF Account are appropriated to Iowa Workforce Development (IWD) to be used for apprenticeship training and job training.

### **Assumptions**

Participation in the 260E Program will not change during the projection period.

### **Fiscal Impact**

Division III of the Bill as amended increases the annual standing appropriation from the Workforce Development Fund (WDF) Account to the Apprenticeship Training Program Fund from \$3.0 million to \$4.5 million. The Division also increases the maximum transfer from the 260E withholding payments to the WDF Account from \$7.8 million to \$9.3 million.

## **Division IV — Career Training Physical Expansion Program**

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### **Description**

Division IV of the Bill as amended establishes the Career Training Physical Expansion Program and Fund under IWD. The Program provides financial assistance for the construction of new facilities and the procurement of equipment that will expand the capacity of community colleges and private sector apprenticeship programs to educate and train workers in high-demand fields.

The Division creates a new standing appropriation of \$9.5 million from the General Fund to the Career Training Physical Expansion Fund. Moneys in the Career Training Physical Expansion Fund at the close of the fiscal year remain in the Fund and do not revert. Interest or earnings on moneys in the Fund are credited to the Fund.

The Division requires IWD to adopt administrative rules to administer the Program.

### **Fiscal Impact**

Division IV creates a new standing appropriation of \$9.5 million from the General Fund to the Career Training Physical Expansion Fund beginning in FY 2027.

## **Division VIII — Reemployment Case Management System**

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### **Description**

Division VIII of the Bill as amended codifies the RCM Program and requires an individual to participate in the RCM Program in order to receive unemployment insurance benefits. The RCM Program provides individualized reemployment services to unemployment insurance claimants who are no longer attached to work. The Division requires IWD to adopt administrative rules regarding participation in the RCM Program.

### **Background**

The RCM Program was created in January 2022 and has been operated using federal COVID-19 funds that must be expended by December 31, 2026. In FY 2025, approximately 19.0 full-time equivalent (FTE) positions were used to operate the RCM Program.

### **Assumptions**

- Federal funds will be used to operate the RCM Program through December 31, 2026. State funding will not be used for the RCM Program during the first half of FY 2027.
- A funding source for operations beyond December 31, 2026, is not identified in the Bill as amended.

- Use of the unemployment insurance system and the RCM Program will not change during the projection period.
- The RCM Program created in the Bill as amended will be significantly similar to the RCM Program currently operated by IWD.
- It is assumed that 19.0 FTE positions will continue to be used to operate the RCM Program beyond FY 2025.

### **Fiscal Impact**

Division VIII of the Bill as amended is estimated to increase expenses to IWD by approximately \$1.0 million in FY 2027 and by \$2.0 million in each subsequent fiscal year.

## **Division XI — Unemployment Compensation Reserve Fund — Transfer to Unemployment Trust Fund**

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### **Description**

Division XI of the Bill as amended amends 2024 Iowa Acts, chapter [1162](#) (Work-Based Learning Act), by transferring any remaining unencumbered or unobligated moneys in the [Unemployment Compensation Reserve Fund \(Reserve Fund\)](#) to the [Unemployment Compensation Trust Fund \(Trust Fund\)](#) on July 1, 2026. Interest earned on moneys in the Reserve Fund will be transferred to the [Special Employment Security Contingency Fund](#) on July 1, 2026.

### **Background**

The balance of the Reserve Fund is \$166.4 million as of March 6, 2026. 2024 Iowa Acts, chapter 1162, originally transferred moneys in the Reserve Fund to the following destinations:

- \$30.0 million to the Workforce Opportunity Fund.
- Any interest earned to the Special Employment Security Contingency Fund.
- Any remaining unencumbered or unobligated moneys to the Trust Fund.

### **Assumptions**

- The balance of the Reserve Fund will not change between March 6, 2026, and July 1, 2026.
- The Reserve Fund balance is unencumbered or unobligated.
- The total interest earned that will be transferred includes interest earned in prior fiscal years.

### **Fiscal Impact**

Division XI of the Bill as amended is estimated to transfer \$149.9 million to the Trust Fund and \$16.5 million to the Special Employment Security Contingency Fund from the Reserve Fund on July 1, 2026.

### **Sources**

Iowa Workforce Development  
 State Accounting System  
 Legislative Services Agency analysis

\_\_\_\_\_  
 /s/ Jennifer Acton

April 16, 2026

Doc ID 1604445

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The Fiscal Note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this Fiscal Note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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# Fiscal Note

## Fiscal Services Division



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[SF 2472](#) – Property Taxation (LSB5195SV.2)  
Staff Contact: Michael Peters (515.281.6934) [michael.peters@legis.iowa.gov](mailto:michael.peters@legis.iowa.gov)  
Fiscal Note Version – As amended and passed by the Senate (Revised)

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### Note on Fiscal Estimates

Due to the complexity and interdependence of the Bill's provisions, including multiple changes to the property tax base and levy structure, division-level estimates cannot be combined to produce a total fiscal impact. Therefore, the estimates below are provided independently and should not be summed to determine the overall fiscal impact, and each Division is modeled independently of the other Divisions.

The Department of Management (DOM) estimates the Information Technology (IT) costs to implement all Division changes to range between \$19,000 and \$40,000.

### Note on Property Taxes

All property tax rates used in this document are reflected as rates that are applied per \$1,000 of taxed property value. Taxed property value is the value determined through the assessment process, adjusted (reduced) for any rollback for the property class, and after property tax exemptions have been applied.

### Summary

[Senate File 2472](#) is composed of 24 Divisions that are related to property tax assessments, rates, credits, exemptions, budget processes, and other related programs that do the following:

- **Division I** modifies county general and rural services levy limitations by establishing a revenue-based growth cap tied to prior-year property tax dollars and the Consumer Price Index (CPI), with adjustments for new valuation and inflation beginning in FY 2027.
- **Division II** modifies city general fund levy limitations by establishing a revenue-based growth cap tied to prior-year property tax dollars and the CPI, with adjustments for new valuation and inflation beginning in FY 2027.
- **Division III** increases the State school foundation base to 100.0% of the regular program State cost per pupil, reduces the uniform levy rate, and eliminates various property tax replacement payments and related appropriations beginning in FY 2027.
- **Division IV** establishes a multiresidential property class; phases out the residential, multiresidential, commercial, and industrial assessment limitation; removes the agricultural-residential rollback tie; and modifies how agricultural buildings are assessed.
- **Division V** replaces the homestead credit with a phased-in homestead.
- **Division VI** increases the military property tax exemption.
- **Division VII** establishes revenue-based growth limitations for county hospital and emergency medical services (EMS) levies.
- **Division VIII** establishes revenue-based limitations for most rate-limited property tax levies, restricts the use of debt for general operations, and establishes a legislative study of future levy rate structures.
- **Division IX** authorizes local option sales and services taxes to be imposed at rates of up to 1.25%.

- **Division X** requires annual inflation-based adjustments to motor vehicle registration fees and fuel taxes.
- **Division XI** modifies the assessor levy by imposing revenue-based growth limitations and restrictions.
- **Division XII** reduces levy rate limits and establishes growth limitations for regional transit district and municipal transit system property tax levies.
- **Division XIII** modifies the duties of the Utility Replacement Tax Task Force.
- **Division XIV** makes changes to local government budget statements, notice requirements, and budget procedures.
- **Division XV** modifies provisions related to distorted market valuations and the equalization process.
- **Division XVI** modifies provisions related to the property tax treatment and exemption structure for data center and web search portal business property.
- **Division XVII** creates the FirstHome Iowa Program and a related fund to assist with first-time homeownership.
- **Division XVIII** modifies the Elderly and Disabled Property Tax Credit by eliminating the property tax freeze provision and increasing the maximum benefit.
- **Division XIX** eliminates the property tax exemption for impoundment structures and speculative shell buildings.
- **Division XX** establishes an unspent balance cap and allows schools to request budget adjustment.
- **Division XXI** requires county auditors to submit an annual report that includes parcel identification information.
- **Division XXII** excludes wind energy conversion property, the school district foundation levy, and EMS levies from urban renewal tax increment calculations.
- **Division XXIII** establishes a task force to study property tax deferral options for low-income elderly homestead owners and report to the Legislature.
- **Division XXIV** establishes a task force to study payments in lieu of property taxes and report recommendations to the Legislature.

## **Division I — County Property Taxes and Budgets**

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### **Description**

Division I of the Bill makes the following changes related to county property taxes and budgets:

- Accelerates the county general services levy cap of \$3.50 and the county rural services levy cap of \$3.95 per \$1,000 in assessed value from FY 2028 to FY 2027.
- Beginning in FY 2028 and FY 2029, limits property tax revenue growth to the greater of:
  - 101.75% of prior-year revenue, plus revenue generated from new valuation; or
  - 100.5% of prior-year revenue.
- Beginning in FY 2030, limits property tax revenue growth to the greater of:
  - 102.0% of prior-year revenue, plus revenue generated from new valuation; or
  - 100.5% of prior-year revenue.
- Beginning in FY 2031, property tax revenue growth is limited to the greater of a Consumer Price Index for All Urban Consumers (CPI-U) indexed percentage of prior-year revenue plus new valuation, or 100.5% of prior-year revenue. For the purpose of property tax adjustments, the CPI-U change is measured by a percentage change between 20 months and 8 months prior to the beginning of the budget year. The budget adjustment factor is determined by a percentage change in the CPI-U as follows:
  - Less than 4.0% = 102.0%

- Greater than or equal to 4.0% and less than 6.0% = 103.0%
- Greater than or equal to 6.0% and less than 8.0% = 104.0%
- Greater than or equal to 8.0% = 105.0%
- Defines “new valuation” as the increase from the current fiscal year to the budget year in taxable valuation due to new construction, additions or improvements to existing structures, and net boundary adjustments.

Division I of the Bill takes effect January 1, 2027, and applies to property taxes and budgets for fiscal years beginning on or after July 1, 2027.

**Background**

Under current law, the general county services levy and rural county services levy rates are limited based on growth in county-taxed value, which falls into three categories established first under 2023 Iowa Acts, [House File 718](#) (Property Tax, Assessments, and Bond Elections Act), and then updated to four categories in 2024 Iowa Acts, [Senate File 2442](#) (Individual Income Tax Rate Act), as seen in **Figure 1**. The county authority for the general services levy is limited to a maximum of \$3.50, and the authority for the rural services levy is limited to a maximum of \$3.95 pursuant to Iowa Code section [331.423](#). Counties use the greater of last year’s levy rate or the default levy rate based on their growth.

**Figure 1 — County Growth Mechanic**

Tax Base Growth	Maximum Levy Rate Adjustment
Less than 2.75%	No adjustment
2.75% but less than 4.0%	-1.00%
4.0% but less than 6.0%	-2.00%
6.0% or greater	-3.00%

The [CPI-U](#) is a measure of inflation that tracks changes in the prices of goods and services purchased by urban households. It is published monthly by the U.S. Bureau of Labor Statistics and is widely used to adjust government programs and statutory limits for changes in the cost of living.

**Assumptions**

- The estimate projects county-level taxable valuation growth using a 12-year average of historical odd and even-year growth rates by property class, beginning with assessment year (AY) 2024 values, used to account for large shifts in odd years during equalization. To moderate volatility in growth across property classes, projected growth rates were bounded between the 15th and 80th percentiles to limit extreme fluctuations.
- In FY 2027, the general county services levy is capped at \$3.50 and the county rural services levy is capped at \$3.95.
- In FY 2028 and FY 2029, allowable growth in included property tax revenue is assumed to be 101.75% of prior-year revenue, plus revenue generated from new valuation.
- In FY 2030, allowable growth in included property tax revenue is assumed to be 102.0% of prior-year revenue, plus revenue generated from new valuation.
- In FY 2031 and all fiscal years thereafter, allowable growth is determined by a CPI-based formula calculated as the ratio of the CPI-U, not seasonally adjusted, for the period 20 months prior to the beginning of the budget year.
- Based on available CPI-U data, the CPI-based budget adjustment factor is estimated at approximately 102.7 and is assumed to remain constant for FY 2031 and all future years.

- New valuation is estimated by taking the district-level county data for AY 2024 and calculating the new valuation as a proportion of the county wide valuation. The estimated portion is applied by County to all future years, and the resulting taxable valuation is not subject to the growth restrictions of this Division. The valuation is reincorporated into the property tax base in the following fiscal year at which time it is subject to the CPI-based growth factor.
- Other county levies, including debt service, EMS, and other voter-approved levies, are not subject to the limitation in Division I and are assumed to remain constant for purposes of this estimate.

### Fiscal Impact

The analysis of this Division models the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. **Figure 2** displays the estimated reduction in property tax revenue to counties.

**Figure 2 — Property Tax Revenue Reduction (in Millions)**

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Current Law	\$1,635.2	\$1,682.2	\$1,737.0	\$1,786.8	\$1,845.0	\$1,898.0	\$1,959.8
SF 2472 Div I	1,609.6	1,644.7	1,682.0	1,724.7	1,780.4	1,837.0	1,895.4
Net Impact	\$ -25.6	\$ -37.5	\$ -54.9	\$ -62.1	\$ -64.6	\$ -61.0	\$ -64.4

### Division II — City Property Taxes and Budgets

#### Description

Division II of the Bill makes the following changes related to city property taxes and budgets:

- Accelerates the city general fund levy cap of \$8.10 per \$1,000 in assessed value from FY 2028 to FY 2027.
- Beginning in FY 2028 and FY 2029, limits property tax revenue growth to the greater of:
  - 101.75% of prior-year revenue, plus revenue generated from new valuation; or
  - 100.5% of prior-year revenue.
- Beginning in FY 2030, limits property tax revenue growth to the greater of:
  - 102.0% of prior-year revenue, plus revenue generated from new valuation; or
  - 100.5% of prior-year revenue.
- Beginning in FY 2031, property tax revenue growth is limited to the greater of a CPI-U indexed percentage of prior-year revenue plus new valuation, or 100.5% of prior-year revenue. For the purposes of property tax adjustments, the CPI-U change is measured by a percentage change between 20 months and 8 months prior to the beginning of the budget year. The budget adjustment factor is determined by a percentage change in the CPI-U as follows:
  - Less than 4.0% = 102.0%
  - Greater than or equal to 4.0% and less than 6.0% = 103.0%
  - Greater than or equal to 6.0% and less than 8.0% = 104.0%
  - Greater than or equal to 8.0% = 105.0%

Division II of the Bill takes effect January 1, 2027, and applies to property taxes and budgets for fiscal years beginning on or after July 1, 2027.

#### Background

Under current law, the city general fund levy is limited to a maximum of \$8.10 per \$1,000 of assessed valuation under Iowa Code section [384.1](#), with certain levies allowed under Iowa

Code section [384.12](#) exempt from this cap. Similarly to the rates in Division I, city general fund levy rates are limited to property tax base growth using a tiered system based on taxable valuation growth categories first adopted under 2023 Iowa Acts, [House File 718](#) (Property Tax, Assessments, and Bond Elections Act), and then updated to four categories in 2024 Iowa Acts, [Senate File 2442](#) (Individual Income Tax Rate Act), as seen in **Figure 3**. Senate File 2442 removed the existing growth categories and replaced them with a levy growth limitation based on inflation-adjusted property tax revenue growth.

**Figure 3 — City Growth Mechanic**

<b>Tax Base Growth</b>	<b>Maximum Levy Rate Adjustment</b>
Less than 2.75%	No adjustment
2.75% but less than 4.0%	-1.00%
4.0% but less than 6.0%	-2.00%
6.0% or greater	-3.00%

The CPI-U is a measure of inflation that tracks changes in the prices of goods and services purchased by urban households. It is published monthly by the U.S. Bureau of Labor Statistics and is widely used to adjust government programs and statutory limits for changes in the cost of living.

**Assumptions**

- The estimate projects city-level taxable valuation growth using a 12-year average of historical odd and even-year growth rates by property class, beginning with assessment year (AY) 2024 values, used to account for large shifts in odd years during equalization. To moderate volatility in growth across property classes, projected growth rates were bounded between the 15th and 80th percentiles to limit extreme fluctuations.
- In FY 2027, the general county services levy is capped at \$3.50 and the rural services levy is capped at \$3.95.
- In FY 2028 and FY 2029, allowable growth in included property tax revenue is assumed to be 101.75% of the prior-year revenue, plus revenue generated from new valuation.
- In FY 2030, allowable growth in included property tax revenue is assumed to be 102.0% of the prior-year revenue, plus revenue generated from new valuation.
- Beginning in FY 2031, allowable growth is determined by a CPI-based formula calculated as the ratio of the CPI-U, not seasonally adjusted, for the period 20 months prior to the beginning of the budget year.
- Based on available CPI-U data, the CPI-based budget adjustment factor is estimated at approximately 102.7 and is assumed to remain constant for FY 2031 and all future years.
- New valuation is estimated by taking the district-level county data for AY 2024 and calculating the new valuation as a proportion of the county wide valuation. The estimated portion is applied by County to all future years, and the resulting taxable valuation is not subject to the growth restrictions of this Division. The valuation is reincorporated into the property tax base in the following fiscal year at which time it is subject to the CPI-based growth factor.
- Other city levies, including debt service and other voter-approved levies, are not subject to the limitation in Division II and are assumed to remain constant for purposes of this estimate.

## Fiscal Impact

The analysis of this Division models the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. **Figure 4** displays the estimated reduction in property tax revenue to cities.

**Figure 4 — Property Tax Revenue Limitations (in Millions)**

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Current Law	\$ 1,884.1	\$ 1,924.5	\$ 1,987.2	\$ 2,044.2	\$ 2,110.8	\$ 2,171.3	\$ 2,242.1
SF 2472 Div II	1,870.8	1,912.3	1,957.7	2,008.3	2,075.0	2,141.6	2,211.3
Net Impact	\$ -13.3	\$ -12.1	\$ -29.5	\$ -35.9	\$ -35.8	\$ -29.8	\$ -30.8

## Division III — School Taxes and Budgets

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### Description

Division III of the Bill makes the following changes beginning in FY 2028:

- Increases the school foundation aid level from 88.4% to 100.0%.
- Increases the regular program foundation level used for calculating State aid for school districts from 88.4% to 100.0%.
- Increases the special education support services foundation base from 79.0% to 100.0% of the special education support services state cost per pupil.

Division III restricts additional property tax computations to budget years beginning before FY 2028.

Division III restricts property tax adjustment aid and the property tax adjustment aid appropriation to budget years beginning before FY 2028. Requires any moneys remaining in the appropriation for property tax adjustment aid to be transferred to the General Fund at the conclusion of FY 2027.

Division III restricts the appropriations to the DOM from the Property Tax Equity and Relief (PTER) Fund to fiscal years before FY 2028; restricts the appropriations to the Department of Education (DE) for property tax replacement payments (PTRP) to fiscal years before FY 2028; restricts the appropriation from the General Fund to the DOM from the Foundation Base Supplement (FBS) Fund to fiscal years before FY 2028; and requires any moneys remaining in the FBS Fund at the close of FY 2027 to be transferred to the Secure an Advanced Vision for Education (SAVE) Fund.

Division III requires school districts to report the balance and expenditures from the district's management levy fund to the School Budget Review Committee (SBRC), if specified conditions are met, by November 15, 2026. The SBRC must, after reviewing management fund activity, file a report with the General Assembly by February 1, 2027, with recommendations for management levy limitations and expenditure requirements for excess management levy funds.

Division III amends Iowa Code section [298.2\(1\)](#) to decrease the following:

- Physical plant and equipment levy (PPEL) from \$1.67 per \$1,000 of assessed valuation to \$1.18 per \$1,000 of assessed valuation.
- A regular PPEL from a maximum of \$0.33 per \$1,000 of assessed valuation to \$0.24 per \$1,000 of assessed valuation.
- A voter-approved PPEL from a maximum of \$1.34 per \$1,000 of assessed valuation to \$0.94 per \$1,000 of assessed valuation.

- The PPEL limit imposed on the amount a voter-approved PPEL, for a combination of a PPEL property tax levy and a PPEL income surtax from \$1.34 to \$0.94 property tax levy.
- Limits a voter-approved PPEL, approved prior to the effective date of Division III (School Taxes and Budgets) of the Bill, to 70.0% of the rate approved at the election.
- Restricts PPEL levy rates, beginning with FY 2028, to the rate imposed by the school district during the budget year in which a loan agreement was refunded or refinanced or 70.0% of the levy rate if the refunding or refinancing occurred in the budget year beginning with FY 2027.

Division III adds the additional restriction to the management levy as specified in Section 32 of Division III.

Division III prohibits a school district from certifying a management levy if the school district's unexpended balance exceeds the following percentages during the following fiscal years for the three fiscal years immediately preceding the base year:

- FY 2029 = 180.0%
- FY 2030 = 175.0%
- FY 2031 = 170.0%
- FY 2032 = 165.0%
- FY 2033 = 160.0%

For a school district that is not already limited in its management levy, Division III provides that the maximum amount that the school district may certify for a management levy is the amount equal to the remainder of the specified percentage of the average annual expenditures from the school district's management levy fund for the three consecutive fiscal years immediately preceding the base year minus the district's management levy fund's unexpended fund balance for the fiscal year preceding the base year.

Division III changes the levy that is estimated and certified to apply on principal for any one year from an amount of \$2.70 to \$1.89 per \$1,000 of assessed value, as approved by voters of the school district. The maximum levy is changed from an amount of \$4.05 to \$2.84 per \$1,000 of assessed value, as approved by the voters of the school district. Levy rates approved at an election before the effective date of this provision may not exceed a levy rate that is 70.0% of the rate approved at election. The levy rate limitations do not apply to the payment of general obligation bonds approved for issuance at an election held on or before November 4, 2025, that are sold on or before May 1, 2026. The payment of such bonds is subject to the levy rate limitations under Iowa Code section [298.18\(1\)\(d\)](#).

Division III requires SAVE funds to be credited to the General Fund prior to the distribution of moneys to school districts in an amount equal to the equity transfer for the fiscal year to be used for foundation aid resulting from the increase in regular program foundation base per pupil to 100.0%.

Division III repeals Iowa Code section [298.18A](#) related to levy adjustment for bond indebtedness.

Division III specifies that beginning FY 2028, specified tax credit calculations must be based on the new uniform levy rate established in new Iowa Code section 257.31. The Bill specifies that the effective date of Division III is January 1, 2027, except for section 26 related to the

management levy fund reports. Division III, except for section 26 related to the management levy fund reports, is applicable to fiscal years and school budget years beginning with FY 2028.

## **Background**

For FY 1997 through FY 2022, the regular program foundation level has been set at 87.5% of the State cost per pupil and is comprised of a uniform levy of \$5.40 per \$1,000 of taxable valuation statewide and State aid from the General Fund. Since FY 2023, the regular program foundation level has been set at 88.4% of the State cost per pupil to offset the revenue from the elimination of the commercial and industrial property tax replacement backfill payments and is comprised of a uniform levy of \$5.40 per \$1,000 of taxable valuation statewide and State aid from the General Fund.

## **Assumptions**

- Beginning in FY 2028, the regular program foundation level used for calculating State aid for school districts is increasing from 88.4% to 100.0%. This will increase the amount of State aid going to the foundation level and decrease the additional General Fund levy.
- Under current law, the State cost per pupil for FY 2027 and future fiscal years will remain at \$8,148.
- The foundation level will increase from \$7,203 per pupil in FY 2026 to \$8,148 per pupil in FY 2028.
- Under current law, the special education support services State cost per pupil for FY 2027 and future fiscal years will remain at \$355.75.
- Beginning in FY 2028, the special education support services foundation level used for calculating State aid for school districts is increasing from 79.0% to 100.0%. This will increase the amount of State aid going to the special education support services foundation level and decrease the additional General Fund levy.
- Since expenditures vary from year to year due to factors such as insurance and tort claims, it is not possible to determine the impact the Bill might have on management fund balances.
- A 0.00% State percent of growth (SPG) will be enacted each year.
- Property Tax Replacement Payments will be extended each year.
- The total Area Education Agency (AEA) reduction will be \$7.5 million each year, which is current law.
- School districts will have the same voted physical plant and equipment levy (VPPEL) they have in FY 2026.
- School districts will have the same board-approved PPEL rate they have in FY 2026.
- Debt service for each school district will remain the same.

## **Fiscal Impact**

The analysis of this Division models the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. The fiscal impact to projected State General Fund appropriation amounts, when compared to estimates for current law, are shown in **Figure 5** below. These amounts are netted with the transfer of SAVE funds to the General Fund.

Division III of the Bill is projected to reduce property tax revenue compared to estimates for current law, and increase General Fund appropriations as shown in **Figure 5** below.

**Figure 5 — School Finance Property Tax Reduction and General Fund Appropriation Increase (in Millions)**

Fiscal Year	2028	2029	2030	2031
<b>Property Tax Reduction</b>				
Reduction in Additional Levy	\$ -489.2	\$ -481.7	\$ -488.3	\$ -479.8
Reduction in Levy for AEA Media and Education Services	-71.7	-71.8	-71.6	-71.4
VPPEL Cap	-76.4	-76.4	-76.4	-76.4
Regular PPEL Cap	-21.5	-21.5	-21.5	-21.5
VPPEL Surtax Cap	-4.6	-4.6	-4.6	-4.6
<b>Total in Property Tax Reduction</b>	<b>\$ -663.4</b>	<b>\$ -656.0</b>	<b>\$ -662.4</b>	<b>\$ -653.7</b>
<b>Increase in General Fund (GF) Appropriation</b>				
Reduction in Additional Levy paid by GF	\$ 489.2	\$ 481.7	\$ 488.3	\$ 479.8
Reduction in Levy for AEA Media and Education Services paid by GF	71.7	71.8	71.6	71.4
Eliminate GF Property Tax Adjustment Aid	-5.8	-5.5	-5.4	-5.2
Eliminate GF Property Tax Relief Payment (PTRP)	-145.9	-146.0	-145.9	-145.7
Eliminate GF Property Tax Equity Relief (PTER)	-54.2	-54.8	-54.8	-54.9
Eliminate Additional PTER	-5.6	-6.2	-6.7	-11.8
Secure and Advanced Vision for Education (SAVE) Fund transfer to GF	-52.7	-61.8	-71.7	-83.3
Eliminate Annual GF PTRP	-24.0	-24.0	-24.0	-24.0
<b>Total Increase in GF Appropriation</b>	<b>\$ 272.7</b>	<b>\$ 255.2</b>	<b>\$ 251.4</b>	<b>\$ 226.3</b>

**Division IV — Property Classifications, Valuations, and Assessment Limitations**

**Description**

- Reestablishes the multiresidential property classification for assessment years beginning on or after January 1, 2027 (assessment year (AY) 2027), which includes types of property that were classified as multiresidential property for assessment years beginning before AY 2022. All properties in both new categories continue to share the same exemptions and tax rates under this Division and are merged into the residential property class. For purposes of equalization, multiresidential property shall be considered residential property. The Bill provides requirements for the new multiresidential property class.
- Adjusts the inputs that calculate market value to include built-to-suit construction, sale-leaseback transactions, leased fee sales, and sales between related parties.

- Beginning in AY 2026, removes agricultural structures constructed on or after January 1, 2027, that are not agricultural dwellings from the productivity and net earning capacity model and are assessed based on replacement cost less depreciation and obsolescence. The assessed value is then multiplied by an agricultural factor to determine taxable value prior to rollback.
- Repeals the link between the assessment growth limitations for agricultural and residential property, also referred to as the agricultural tie.
- Removes current rollback calculations for residential property by limiting the taxable value to 55.0% of the actual value in AY 2026 and increasing it to 65.0% for assessment years beginning AY 2027.
- Introduces a rollback calculation for the new multiresidential property class by limiting the taxable value to 80.0% of actual value for assessment years beginning AY 2027.
- Increases the rollback for commercial and industrial property for AY 2026 to 98.0% in AY 2025 and 100.0% in AY 2027, thus eliminating the rollback for commercial and industrial property.
- Increases the rollback calculation for railroad property to 98.0% in AY 2025 and 100.0% in AY 2026.
- Eliminates the \$125.0 million General Fund standing limited appropriation for the Two-Tier Assessment Limitation (TTAL), previously referred to as the Business Property Tax Credit (BPTC), beginning FY 2027.
- Clarifies that Division IV does not affect assessment years prior to AY 2026 and budgets related to AY 2026.
- Disallows communications from Board of Review members prior to a property assessment protest.

Except as otherwise provided, Division IV of the bill applies retroactively to assessment years beginning on or after January 1, 2026 (AY 2026).

Division IV changes Iowa Code sections [386.8](#), [386.9](#), [386.10](#), [404.2\(2\)\(f\)](#), [404.3\(4\)\(a\)](#), [404.3A](#), [404.3D](#), [441.21\(2\)](#), [441.21\(8\)\(b\)](#), [441.21\(13\)](#), [441.21\(14\)](#), and [558.46](#) to apply to assessment years beginning on or after January 1, 2027 (AY 2027).

## **Background**

Property tax assessment limitation, also commonly referred to as a “rollback,” is a method of reducing the market value of a property to the taxable value by multiplying a percentage of the value subject to tax. The assessment limitations are intended to slow the growth of property taxes by limiting the annual growth in property values subject to tax, which shifts more of the costs of the State’s school foundation aid formula to the General Fund. Assessment limitations are divided into several property classes with their own rollbacks and allowable growth, which includes residential, agricultural, multiresidential (AY 2015 through AY 2021), commercial, industrial, railroads, and utilities.

Assessment limitations limit the rate of property valuation growth to 3.0% by property class. If any individual class exceeds this cap, the values are rolled back to equal the limitation amount. Additional information on assessment limitations can be found [here](#).

Residential and agricultural assessment limitation rates are tied together by a shared growth limitation under Iowa Code section [441.21\(4\)](#). Under current law, if agricultural land value decreases, the allowable growth for residential property is zero. Residential value is additionally limited to the increase in agricultural value up to 3.0%.

The TTAL program began in FY 2024 with the passage of 2022 Iowa Acts, chapter [1061](#) (Department of Revenue Omnibus Act), which modified the assessment limitation applied to commercial and industrial property. Under the TTAL, commercial and industrial property classes are no longer subject to a single uniform rollback percentage, and instead a two-tier structure is applied to the assessed value of each parcel pursuant to Iowa Code section 441.21.

Under this system, the first \$150,000 of a commercial or industrial property's assessed value is subject to the lower residential rollback percentage, while the remaining value is subject to the commercial and industrial 90.0% rollback percentage. In practice, this results in a lower taxable value for a portion of each parcel. The rollback percentages are certified annually by the Department of Revenue (IDR) and are applied by local governments to determine taxable valuation for property tax purposes.

The TTAL system replaced the BPTC, which provided a State-funded credit on a portion of commercial and industrial property taxes, by instead reducing taxable value directly through the assessment limitation structure. Since the implementation of the TTAL, \$125.0 million has been appropriated annually from the General Fund each year to the IDR for payments to local governments to replace property taxes lost due to the rollback.

### **Assumptions**

- For years in which multiresidential property was consolidated within the residential class (AY 2022 through 2024), multiresidential taxable valuation is estimated to have grown at a constant rate of 2.0% annually, as displayed in **Figure 6**.
- Beginning in AY 2025, estimated multiresidential taxable value is separated from the residential property class and modeled as its own property class.
- Estimated assessed values for the residential and multiresidential classes are derived by dividing projected taxable values by the AY 2024 rollback percentage applicable to each property class. Projected taxable values are based on historical growth using a 12-year odd/even average by property class.
- For projection years, multiresidential growth is assumed to match residential growth rates.
- New taxable values under this Division are calculated by applying the Bill's revised rollback (assessment limitation) schedule to projected assessed values for each future year, with residential and multiresidential property following the same rollback progression.
- Property tax dollars were calculated using the FY 2026 consolidated tax rate by property class as follows: residential (\$33.9129), multiresidential (\$33.9129), commercial (\$36.46166), and industrial (\$31.1360).
- Assessment limitations are assumed to change to 55.0% for residential property beginning in AY 2026 (increasing to 65.0% in AY 2027 and thereafter), 80.0% for multiresidential property beginning in AY 2027, 93.0% for commercial and industrial property beginning in AY 2026 (increasing to 100.0% in AY 2027), and 98.0% for railroad property beginning in AY 2026 (increasing to 100.0% in AY 2027).
- Beginning in FY 2027, the TTAL program is eliminated for commercial, industrial, and railway property by transitioning these classes to a single-tier system with 100.0% assessment. For purposes of this estimate, it is assumed the associated \$125.0 million General Fund appropriation is eliminated in future budget actions. Additionally, increased statewide taxable values resulting from modifications to the assessment limitation do not increase the \$5.40 school levy backfill and may reduce State costs as taxable valuations increase.

**Figure 6 — Estimated Taxable Valuations (in Millions)**

AY	Residential	Multiresidential	Commercial	Industrial	Railroad
2014	\$ 78,887.2	\$ 0.0	\$ 28,263.5	\$ 7,104.0	\$ 1,469.1
2015	82,546.1	4,062.5	29,920.7	7,624.3	1,669.6
2016	86,414.5	3,960.9	30,889.5	7,974.4	1,923.1
2017	90,359.0	4,308.9	33,404.1	8,467.3	1,876.3
2018	94,711.7	4,250.9	34,533.7	9,171.0	2,026.9
2019	98,983.0	4,501.5	36,742.4	9,811.9	2,255.5
2020	103,360.1	4,469.8	37,917.9	10,346.8	2,351.5
2021	108,001.1	4,895.8	39,664.6	11,017.7	2,460.6
2022	107,633.0	4,993.7	38,403.8	11,457.7	2,621.8
2023	113,105.9	5,093.6	43,657.2	14,099.8	2,784.1
2024	118,550.5	5,195.5	44,655.0	15,239.9	2,812.5

**Fiscal Impact**

The analysis of this Division models the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. Division IV is estimated to increase taxable values across the residential, multiresidential, commercial, industrial and railroad property classes, resulting in additional property tax revenues generated as shown in **Figure 7**. Additionally, the General Fund appropriations will be reduced by \$125.0 million per year after the elimination of the TTAL program in FY 2027.

**Figure 7 — Local Property Tax Revenues Generated with Assessment Increases**

**Current Law Projected Statewide Property Taxes (in Millions)**

FY	Residential	Multiresidential	Commercial	Industrial	Railroad
2027	\$ 4,194.1	\$ 183.8	\$ 1,683.5	\$ 498.3	\$ 83.2
2028	4,356.4	190.9	1,680.2	512.2	85.6
2029	4,544.6	199.2	1,739.4	537.9	89.9
2030	4,720.4	206.9	1,735.9	552.9	92.4
2031	4,924.3	215.8	1,797.2	580.6	97.0
2032	5,114.8	224.2	1,793.6	596.8	99.7
2033	5,335.8	233.8	1,856.8	626.7	104.7

**Division IV Projected Statewide Property Taxes (in Millions)**

FY	Residential	Multiresidential	Commercial	Industrial	Railroad
2027	\$ 4,278.8	\$ 187.5	\$ 1,683.5	\$ 498.3	\$ 90.6
2028	5,380.1	235.8	1,829.5	557.7	95.1
2029	6,633.0	357.8	1,932.7	597.7	99.8
2030	6,889.6	371.6	1,928.8	614.3	102.6
2031	7,187.3	387.7	1,996.9	645.1	107.8
2032	7,465.3	402.7	1,992.9	663.1	110.8
2033	7,787.9	420.1	2,063.1	696.4	116.3

**Current Law vs Division IV Statewide Property Taxes (in Millions)**

<b>FY</b>	<b>Residential</b>	<b>Multiresidential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Railroad</b>
2027	\$ 84.8	\$ 3.7	\$ 0.0	\$ 0.0	\$ 7.4
2028	1,023.7	44.9	149.3	45.5	9.5
2029	2,088.4	158.6	193.3	59.8	10.0
2030	2,169.2	164.7	192.9	61.4	10.3
2031	2,262.9	171.9	199.7	64.5	10.8
2032	2,350.5	178.5	199.3	66.3	11.1
2033	2,452.0	186.2	206.3	69.6	11.6

**Division V — Disabled Veteran and Homestead Credits and Exemptions**

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**Description**

Division V of the Bill relates to disabled veteran and homestead credits and exemptions and makes the following changes:

- Amends the Disabled Veteran program for future claimants by eliminating appurtenances and properties that are more than one-half acre in size from the definition of “homestead,” beginning July 1, 2026.
- Limits the Homestead Property Tax Credit to \$4,850 for assessment years prior to AY 2026 and eliminates the credit beginning in AY 2026.
- Beginning in AY 2026, creates a homestead property tax exemption equal to 5.0% of taxable value, not less than \$4,850 and not greater than \$35,000.
- Beginning in AY 2027, increases the homestead property tax exemption to 15.0% of taxable value, not less than \$4,850 and not greater than \$150,000 of exempted taxable value.
- Beginning in AY 2027, an additional homestead property tax exemption for homeowners aged 60 or older, not to exceed \$350,000 of taxable value, with the exemption equal to:
  - Age 60 or older = 60.0%
  - Age 70 or older = 70.0%
  - Age 80 or older = 80.0%
  - Age 90 or older = 90.0%
  - Age 100 or older = 100.0%
- Beginning in AY 2028, indexes the homestead property tax exemption amounts annually using a cumulative adjustment factor based on the annual inflation factor specified in Iowa Code section [422.4](#).
- Alters the definition of “homestead” for the Elderly and Disabled Property Tax Credit or rent reimbursement to specify that a homestead does not exceed one-half acre.
- Makes Iowa Code section [25B.7\(1\)](#) on funding property tax credits and exemptions inapplicable to the exemptions in Division V.
- Division V applies retroactively to January 1, 2026 for assessment years beginning on or after that date.

**Background**

The Homestead Property Tax Credit was enacted in 1937 to provide property tax relief and is governed by Iowa Code section [425.1](#). The current credit is equal to the actual levy on the first \$4,850 of actual value of each homestead. The General Fund appropriated \$125.2 million in FY 2025, which generated an average yearly savings of \$167 per homeowner. To be eligible for the yearly credit, the taxpayer must own and occupy the property as a homestead on July 1 of each year, declare residency in Iowa for income tax purposes, and occupy the property for at least six months of each calendar year.

The Disabled Veteran Homestead Property Tax Credit is funded through a standing General Fund appropriation and provides a 100.0% property tax credit on a qualifying homestead for eligible disabled veterans, including those receiving federal assistance, those with qualifying service-connected disabilities, and certain surviving spouses or dependents receiving federal benefits. In FY 2025, the General Fund awarded \$30.7 million to 8,354 claimants.

Based on the 2024 American Community Survey 5-Year [Data](#) the estimated age of Iowa homeowners is displayed in **Figure 8** below.

**Figure 8 — Estimated Homeowner Age in Iowa**

Homeowner Age	Estimated Claimants	Percent Distribution
59 years or younger	414,270	55.7%
60 to 69 years	156,268	21.0%
70 to 79 years	110,119	14.8%
80 to 89 years	50,407	6.8%
90 to 99 years	11,455	1.5%
100 years or older	1,273	0.2%
<b>Total</b>	<b>743,790</b>	<b>100.0%</b>

### Assumptions

- The new exemptions reduce taxable value but are not reimbursed by the State, including through the \$5.40 school levy, as Iowa Code section [25B.7](#) does not apply.
- In AY 2024, there were an estimated 743,790 homesteads in Iowa, and that number is assumed to remain constant for all future years. The applicable homesteads had a combined estimated assessed value of \$263.379 billion.
- Assessed valuations are assumed to grow at a rate of 2.0% year over year.
- The AY 2024 residential assessment limitation of 47.4316% is assumed to remain constant for all future years.
- The assessed value of the average homestead was derived using the 2025 first-quarter median home price [published](#) by the National Association of Realtors. The average consolidated tax rate of 32.42171 was adjusted to exclude the school district share of property taxes using a statewide average proportion of 40.13%, resulting in an effective non-school tax rate of 19.41088 for purposes of this exemption.
- In AY 2026, the homestead exemption is assumed to be 5.0% of taxable value, not less than \$4,850 and not greater than \$35,000.
- In AY 2027, the homestead exemption is assumed to be 15.0% of taxable value, not less than \$4,850 and not greater than \$150,000.
- In AY 2028, the annual inflation factor is assumed to be 2.0% for all years and is applied cumulatively to all future years.
- For purposes of this estimate, the standard homestead exemption is applied only to homeowners under age 60. Homeowners aged 60 or older are assumed to receive the age-based homestead exemption in lieu of the standard homestead exemption. The number of homeowners who received the enhanced exemption schedule is displayed above in **Figure 8**.
- The analysis does not incorporate the impact of reduced taxable values on the Elderly and Disabled Property Tax Credit, including the credit for claimants aged 70 and over. Any claimant crossover between these programs and the exemptions established in the Bill may reduce State General Fund expenditures for these programs.

- Division V of the bill preserves the Disabled Veteran Homestead Property Tax Credit. While the Bill modifies the definition of eligible property for new applicants, insufficient data exists to estimate the fiscal impact of these changes. Therefore, no change in State General Fund expenditures is assumed for this provision.
- The fiscal impact of this Division will begin in FY 2028. **Figure 9** below displays the average homestead property tax reduction for homeowners under 60 years of age using the above assumptions.

**Figure 9 — Estimated Average Property Tax Reduction per Homestead Exemption**

Age	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Under 60	\$ 90	\$ 290	\$ 290	\$ 300	\$ 300	\$ 310
60-69	1,120	1,140	1,160	1,190	1,210	1,230
70-79	1,300	1,330	1,360	1,390	1,410	1,440
80-89	1,490	1,520	1,550	1,580	1,610	1,650
90-99	1,680	1,710	1,750	1,780	1,820	1,850
100 and Over	1,870	1,900	1,940	1,980	2,020	2,060

### Fiscal Impact

The analysis of this Division estimates the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. The elimination of the homestead credit beginning in AY 2026 is estimated to reduce General Fund appropriations by approximately \$125.2 million annually, based on the most recent FY 2025 appropriation level. **Figure 10** displays the estimated reduction in property tax revenue to local governments.

**Figure 10 — Local Government Revenue Reductions (in Millions)**

Age	Exemption	Population	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
60 and Under	5.0% — 15.0%	414,270	\$ 39.0	\$ 118.2	\$ 120.6	\$ 123.0	\$ 125.4	\$ 127.9
60-69	60.0%	156,268	174.7	178.4	182.0	185.6	189.3	192.9
70-79	70.0%	110,119	143.6	146.6	149.6	152.6	155.6	158.6
80-89	80.0%	50,407	75.2	76.7	78.3	79.8	81.4	83.1
90-99	90.0%	11,455	19.2	19.6	20.0	20.4	20.8	21.2
100 and Over	100.0%	1,273	2.4	2.4	2.5	2.5	2.6	2.6
		329,520	\$ 415.2	\$ 423.7	\$ 432.4	\$ 441.0	\$ 449.7	\$ 458.4

### Division VI — Military Service Property Tax Exemption

#### Description

Division VI of the Bill updates the Military Service Property Tax Exemption not to exceed the lesser of 2.0% of the taxable value of the property or \$14,000, with a minimum of \$5,000.

Division VI applies retroactively to January 1, 2026, for assessment years beginning on or after that date.

#### Background

Under current law, the Military Service Property Tax Exemption is equal to \$4,000 of property value for qualified veterans. The exemption reduces the amount of property value subject to property tax. At \$4,000 of value and at the statewide FY 2026 average Military Service Property Tax Exemption tax rate of \$32.4217 per \$1,000 of taxable value, the average exemption reduces a veteran's annual property tax payment by about \$140. The number of taxpayers

claiming the Military Service Property Tax Exemption is estimated at 115,692 for FY 2026. The number of claimants is expected to decrease by 5,357 per year going forward.

**Assumptions**

- In FY 2024, 115,692 claimants qualified for the Military Service Tax Credit. Based on the average change in claimants from FY 2020 through FY 2024, this number is anticipated to decrease by 5,357 per year.
- The average assessed value of a homestead is assumed to be \$195,000 for AY 2024, and that average is assumed to increase 2.0% each assessment year.
- The AY 2024 assessment limitation factor (rollback) for residential property is 47.4316%, and that percentage is assumed to remain constant for this projection.
- The FY 2026 (AY 2024) Iowa average residential consolidated property tax rate equals \$33.9129 per \$1,000 of taxed value, and that tax rate is assumed to remain constant for this projection.
- Assumption projections are estimated in **Figure 11**.
- By action of the State school aid formula, property tax exemptions increase the State General Fund appropriation to schools by \$5.40 per \$1,000 of exempt value.

**Figure 11 — Military Service Exemption Assumptions**

Assessment Year	2026	2027	2028	2029	2030	2031
Fiscal Year	2028	2029	2030	2031	2032	2033
Average Homestead Assessed Value	\$202,878	\$206,936	\$211,074	\$215,296	\$219,602	\$223,994
Average Homestead Taxable Value	92,492	94,341	96,228	98,153	100,116	102,118
Military Exemption Amount (Current Law)	4,000	4,000	4,000	4,000	4,000	4,000
Military Exemption Amount (Under Bill)	5,000	5,000	5,000	5,000	5,000	5,000
Average Tax Savings (Current Law)	130	130	130	130	130	130
Average Tax Savings per Claimant (Under Bill)	162	162	162	162	162	162
Estimated Number of Claimants	99,622	94,265	88,908	83,551	78,194	72,838

**Fiscal Impact**

The analysis of this Division models the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. The increase in General Fund costs under the \$5.40 backfill and the associated reduction in local property tax revenues are shown in **Figure 12**.

**Figure 12 — Military Exemption Impact (in Millions)**

Assessment Year	2026	2027	2028	2029	2030	2031
Fiscal Year	2028	2029	2030	2031	2032	2033
Total Impact (Current Law)	\$ 12.9	\$ 12.2	\$ 11.5	\$ 10.8	\$ 10.1	\$ 9.4
Total Impact (Under Bill)	16.1	15.3	14.4	13.5	12.7	11.8
General Fund Impact \$5.4 (Current Law)	2.2	2.0	1.9	1.8	1.7	1.6
General Fund Impact \$5.4 (Under Bill)	2.7	2.5	2.4	2.3	2.1	2.0
Local Government Impact (Current Law)	10.8	10.2	9.6	9.0	8.5	7.9
Local Government Impact (Under Bill)	13.5	12.7	12.0	11.3	10.6	9.8
Total Impact (Net Change)	\$ -3.2	\$ -3.1	\$ -2.9	\$ -2.7	\$ -2.5	\$ -2.4
General Fund Impact \$5.4 (Net Change)	0.5	0.5	0.5	0.5	0.4	0.4
Local Government Impact (Net Change)	\$ -2.7	\$ -2.5	\$ -2.4	\$ -2.3	\$ -2.1	\$ -2.0

## Division VII — Hospital and Emergency Medical Services Property Tax Levies

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### Description

Division VII modifies the hospital and EMS property tax levies to allow revenue growth of up to 101.75% of prior-year revenue plus revenue from new valuation in FY 2028. Beginning in FY 2029 and each year thereafter, the levies may increase by up to 105.00% of prior-year revenue, excluding revenue from new valuation.

The limitation applies to levies under the following Iowa Code chapters:

- County Hospitals, Iowa Code chapter [347](#).
- County Hospitals Payable from Revenue, Iowa Code chapter [347A](#).
- Emergency Medical Services Districts (county-level), Iowa Code chapter [357F](#).
- City Emergency Medical Services Districts, Iowa Code chapter [357G](#).
- Optional Taxes for Emergency Medical Services (voter-approved), Iowa Code chapter [422D](#).

### Background

Under current law, counties and certain districts may levy property taxes for the support of hospitals and EMS, subject to statutory maximum rates per \$1,000 of assessed value. As of AY 2024, the State has 44 county hospitals utilizing a property tax levy, which generated \$159.6 million in property taxes, and four EMS levies generating \$250,000.

### Assumptions

- Taxable dollars per assessor were estimated using FY 2026 values and projected into future years at an inflation rate of 2.0%.
- The FY 2026 levy rates were used as the baseline and assumed to remain constant in future years for the current law assessment.
- Due to the lack of aggregated data on new construction, this estimate does not isolate new valuation and instead assumes that all taxable valuation is subject to the allowable growth limits of 101.75% in FY 2028 and 105.0% in FY 2029 and each year thereafter.

**Figure 13** displays the maximum allowable increase in total property tax revenue for Hospital and EMS authorities.

**Figure 13 — Hospital and EMS Property Tax Revenue Impact (in Millions)**

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Current Law	\$ 163.1	\$ 166.3	\$ 169.7	\$ 173.1	\$ 176.5	\$ 180.1	\$ 183.7
SF 2472 Div VII	163.1	165.9	174.2	182.9	186.6	190.3	194.1
Net Impact	\$ 0.0	\$ -0.4	\$ 4.6	\$ 9.9	\$ 10.1	\$ 10.3	\$ 10.5

### Fiscal Impact

The analysis of this Division models the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. Under Division VII, hospital and EMS revenue may increase. However, the number of authorities that may increase their revenues is unknown.

## Division VIII — Property Tax Levy Rates

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### Description

Division VIII of the Bill changes property tax levy rates and includes the following:

- Eliminates additional levies from the county agricultural extension education program tax in Iowa Code section [176A.10\(2\)](#).

- Reduces the required matching county and rural contributions to the Secondary Road Fund (SRF) in Iowa Code sections [176.A](#) and [312.2](#) to receive the full State funding match. The Bill lowers the required matching threshold from 75.0% to 51.0% of the sum of the following:
  - From the general fund of the county, \$0.16875 per \$1,000 of assessed value under current law is decreased to \$0.118125 per \$1,000.
  - From the rural services fund of the county, \$3.375 per \$1,000 of assessed value under current law is decreased to \$2.102625 per \$1,000.
- Creates a temporary cap for rate-limited property tax levies. For FY 2028 and FY 2029, any rate-limited levy may only be imposed if a government previously imposed that levy in the prior fiscal year. Rates are capped at a rate of 101.75% of the prior year's actual property tax dollars, but not less than a rate that would generate 100.5%. For FY 2030, rates are capped at a rate of 102.0% of the prior year's actual property tax dollars, but not less than a rate that would generate 100.5%. Beginning in FY 2031, rate-limited levies may be imposed at rates set later by the General Assembly after reviewing recommendations from an interim study committee. The new rate limitations do not apply to the following levies:
  - School district foundation levy under Iowa Code section [257.3](#).
  - County general services and rural services levies under Iowa Code section [331.423\(1\)](#).
  - City general fund levy under Iowa Code section [384.1\(3\)](#).
  - Physical plant and equipment levies under Iowa Code section [298.2](#).
  - Levies under Iowa Code chapters [347](#), [347A](#), [357F](#), [357G](#), and [422D](#).
  - Regional Transit District Iowa Code chapter [28M](#).
  - Levy rates used in the calculation in Iowa Code section [312.2\(5\)\(a\)](#).
  - Assessor levies under Iowa Code section [441.16](#).
- Prohibits cities and counties from issuing bonds or other debts for general operations beginning in FY 2027.
- Establishes a property tax rate study committee during the 2026 and 2027 General Assembly interims to examine appropriate property tax rates. The committee is required to make recommendations in a report to the General Assembly no later than January 15, 2028.

Division VIII changes to Iowa Code sections [176A.10](#) and [312.2](#) to take effect January 1, 2027, and are applicable to fiscal years beginning on or after July 1, 2027.

## Background

Iowa Code section [331.426](#) gives counties the authority to levy a maximum of \$3.50 for general county services and \$3.95 for rural county services. Iowa Code section [331.429](#) gives counties the authority to transfer \$0.16875 from the funds collected for general county services and \$3.00375 from the funds collected for rural county services to the SRF. Counties also receive 24.5% of the Road Use Tax Fund (RUTF) pursuant to Iowa Code section [312.2](#); however, counties are required to transfer at least 75.0% of their RUTF allocation from property taxes levied to their SRF.

If an individual county fails to transfer the minimum 75.0%, its RUTF distribution is reduced by the same amount it is short. In FY 2025, only one county failed to meet the 75.0% transfer threshold.

The Bill also makes changes to the County Agricultural Extension Education Tax in Iowa Code section [176A.10](#), which helps to fund a network of county-based educational programs led by Iowa State University Extension and Outreach.

**Assumptions**

- If all counties decrease the transfer amount of \$0.118125 from general county services and \$2.102625 from rural county services to meet the new threshold, the county SRF will potentially lose an estimated \$8.6 million from general county services and \$102.7 million from rural county services for a total loss of \$111.2 million.
- Levies and associated property tax revenues explicitly exempted under Division VIII are excluded from this estimate.
- The estimate projects district-level taxable valuation growth using a 12-year average of historical odd and even-year growth rates by property class, beginning with assessment year (AY) 2024 values, used to account for large shifts in odd years during equalization. To moderate volatility in growth across property classes, projected growth rates were bounded between the 15th and 80th percentiles to limit extreme fluctuations.
- Both current law and estimated revenues are based on assessment year (AY) 2024 taxable values, AY 2024 assessment limitations (rollback), and fiscal year (FY) 2026 tax rates. Assessment limitations and tax rates are assumed to remain constant over the projection period.
- For purposes of this estimate, all included property tax levies are assumed to grow at 101.75% of the prior year’s actual property tax revenue in FY 2028 and FY 2029 and 102.0% in FY 2030 and each year thereafter.
- The estimate does not account for potential changes to levy rate limitations beginning in FY 2031, which are subject to future legislative action following the required interim study.

**Fiscal Impact**

The analysis of this Division models the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill.

Division VIII will have no fiscal impact on the State RUTF. Local revenue deposited into the county SRF may decrease. However, the number of counties that may decrease the allocations to the SRF is unknown.

Additionally, **Figure 14** displays the estimated reduction in property tax revenue to local governments.

**Figure 14 — Estimated Property Tax Reduction**

	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>	<b>FY 2031</b>	<b>FY 2032</b>	<b>FY 2033</b>
Current Law	\$8,414.0	\$8,769.6	\$9,079.2	\$9,518.3	\$ 9,884.4	\$10,366.9
SF 2472 Div VIII	8,373.8	8,692.9	8,976.5	9,323.2	9,641.8	10,030.6
Net Impact	\$ -40.2	\$ -76.7	\$ -102.7	\$ -195.1	\$ -242.6	\$ -336.4

**Division IX — Local Sales and Services Tax**

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**Description**

Division IX of the Bill allows a county to impose a local sales and services tax, also known as a local option sales tax (LOST), at a rate of 1.25% of the sales price of sales that are subject to the State sales tax.

Division IX takes effect upon enactment.

## Background

Under current law, a county may impose a LOST of 1.0% of the sales price of sales that are subject to the State sales tax. Revenue collected from the LOST is distributed to counties and cities as provided in Iowa Code section [423B.7](#).

## Assumptions

- In FY 2025, \$605.2 million in LOST revenue was collected and distributed to counties and cities.
- Based on the [March 2026](#) Revenue Estimating Conference (REC) sales and use tax estimate, LOST revenue is assumed to increase by 4.0% in FY 2026 and by 3.7% in FY 2027. For FY 2028 and subsequent fiscal years, LOST revenue is assumed to increase by 3.5%.
- Secure an Advanced Vision for Education refunds are 1.0% of taxable expenditures. Distributions for LOST under current law are estimated to be 0.95% of taxable expenditures.
- If all counties impose a LOST rate of 1.25%, local government revenue is estimated to increase by the following amounts:
  - FY 2027 = \$209.8 million
  - FY 2028 = \$217.1 million
  - FY 2029 = \$224.7 million
  - FY 2030 = \$232.6 million
  - FY 2031 = \$240.7 million
  - FY 2032 = \$249.2 million
  - FY 2033 = \$257.9 million

## Fiscal Impact

The analysis of this Division models the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. Division IX of the Bill allows counties to impose a LOST rate of 1.25%, which may increase local government revenue. The number of counties that will choose to impose this rate is unknown; therefore, the fiscal impact of this Division is unknown.

## **Division X — Adjustments to Motor Vehicle Registration Fees and Fuel Taxes**

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### Description

Division X requires the Department of Transportation (DOT) to adjust additional fees for electric motor vehicles, hybrid vehicles, and electric motorcycles and requires the IDR to adjust motor fuel taxes and special fuels beginning at the start of each fiscal year to account for increases in the CPI-U. The DOT and IDR must calculate the adjusted fees using a formula based on the change in CPI. The Bill establishes that the CPI increase can only go up to 3.0% and can only occur three years consecutively.

Division X requires that the DOT and the IDR submit to the General Assembly and the DOM reports on the adjusted fees and excise taxes by January 15 of each year.

Division X of the Bill requires the IDR to adopt administrative rules for the electric motor vehicle registration fee adjustments in Section 104 of the Bill.

Division X takes effect January 1, 2027.

### Background

Under current law, when a person pays the annual registration fee for a motor vehicle, if that vehicle is a battery electric motor vehicle or a plug-in hybrid electric motor vehicle including a

motorcycle, that person must pay an additional electric motor vehicle registration fee each year. The additional fee for a battery electric motor vehicle is \$130, the additional fee for a plug-in hybrid electric motor vehicle is \$65, and the additional fee for an electric motorcycle is \$9.

Under current law, the excise tax on a gallon of motor fuel, other than ethanol blended gasoline classified as E-15 or higher, special fuel, ethanol blended gasoline, and biodiesel blended fuel classified as B-20 or higher, and each kilowatt-hour of electric fuel delivered or placed into a battery or storage device for an electric motor vehicle can range from \$0.50 to \$0.325. Article VII, section 8, of the Constitution of the State of Iowa requires all motor vehicle registration fees and excise taxes on motor vehicle fuel, other than the cost of administration, to be used exclusively for the construction, maintenance, and supervision of the public highways exclusively within Iowa, or for the payment of bonds issued for such purposes. Iowa Code section [312.2](#) provides the formula for distribution of the RUTF.

### Assumptions

- According to Moody’s CPI-U forecast, the average CPI increase is estimated to increase an average of 2.2% after FY 2027.
- Refund rates for motor fuel are based on FY 2025 rates.
- Fuel consumption for future years is based on consumption in FY 2025.
- Additional revenue from electric motor vehicles, hybrids, and electric motorcycles is unknown.

### Fiscal Impact

The analysis of this Division models the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. Division X will increase revenue to the RUTF. **Figure 15** shows the increase to the RUTF and the and the distribution to the various road funds. Annual registration fees will increase each year per the CPI forecast.

**Figure 15 — Fuel Excise Tax Revenue (in Millions)**

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Applied CPI Adjustment	2.2%	2.2%	2.2%	0*	2.2%
Revenue Inc. vs Current Law	\$ 15.7	\$ 31.3	\$ 47.0	\$ 47.0	\$ 63.3

\*Note: Senate File 2472 establishes that there will not be an adjustment if there was an adjustment for three consecutive years.

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Primary Road Fund	\$ 7.4	\$ 14.9	\$ 22.3	\$ 22.3	\$ 30.1
Secondary Road Fund	3.8	7.7	11.5	11.5	15.5
Farm-to-Market Fund	1.3	2.5	3.8	3.8	5.1
City Street Fund	3.1	6.3	9.4	9.4	12.7
Total	\$ 15.7	\$ 31.3	\$ 47.0	\$ 47.0	\$ 63.3

### Division XI — Office of the Assessor — Budget and Levy

#### Description

Division XI of the Bill relates to assessments made for assessor expenses and makes the following changes:

- Restricts the ability of an assessor to use levies that pay for unemployment benefits (Iowa Code section [96.31](#)), Iowa Public Employees' Retirement System (IPERS) benefits (Iowa Code section [97B.9](#)), or workers' compensation (Iowa Code section [97C.10](#)).
- For fiscal years before FY 2028, the assessment expense levy may not exceed \$0.675.
- Beginning in FY 2028 and FY 2029, the use of levies for the maintenance of the assessor's office and other assessment procedures may not be greater than 101.75% of prior-year property tax revenue.
- In FY 2030, the levy cap may not grow by more than 102.0% of prior-year property tax revenue.

Division XI of the Bill takes effect January 1, 2027, and is applicable to property taxes due and payable in fiscal years beginning on or after July 1, 2027.

### Background

County and city assessors are responsible for determining the assessed value of all taxable property within their jurisdiction in accordance with State law and applicable valuation methods. These assessments form the basis for calculating property taxes and are subject to equalization and review to ensure uniformity and compliance. The State of Iowa has 99 county assessor offices and seven city offices, including Ames, Cedar Rapids, Davenport, Dubuque, Iowa City, Mason City, and Sioux City. Assessor duties and responsibilities are governed under Iowa Code section [441.17](#). As of AY 2024, no city assessor office in the State utilizes the IPERS or workers' compensation levies. The counties affected by Division XI are outlined in **Figure 16**.

**Figure 16 — Assessor's Utilizing Restricted Levies Utilized in FY 2026**

Assessor's Office	Taxable Value	Assessment			Tort Liability	Total Rate	Total Levy
		Expense	FICA	IPERS			
Clarke County	\$ 500,069,091	0.6750	0.0154	0.0190	0.0000	0.7095	\$ 363,809
Decatur County	346,918,761	0.6750	0.0303	0.0360	0.0000	0.7413	262,022
Humboldt County	922,113,057	0.6750	0.0222	0.0267	0.0000	0.7239	692,815
Lucas County	437,850,478	0.6750	0.0331	0.0409	0.0026	0.7515	336,967
Monroe County	584,760,195	0.6750	0.0336	0.0413	0.0000	0.7499	445,141
Ringgold County	435,457,653	0.6750	0.0293	0.0361	0.0000	0.7404	327,692
Union County	606,197,824	0.6750	0.0209	0.0249	0.0000	0.7208	458,196

### Assumptions

- Taxable dollars and tax rates by assessor were estimated using FY 2026 taxable values in **Figure 17** above and projected into future years at an inflation rate of 2.0%.
- The calculation for FY 2028 and FY 2029 assumes 101.75% growth compared to the prior fiscal year's property tax revenues.
- In FY 2029, the levy rate is assumed to grow at 102.0% compared to the prior fiscal year's property tax revenues.

### Fiscal Impact

The analysis of this Division estimates the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. The fiscal impact of Division XI is displayed in **Figure 17**.

**Figure 17 — Reduction in Assessor Property Tax Revenues**

Assessor's Office	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Clarke County	\$ -900	\$ -1,800	\$ -1,900	\$ -1,900	\$ -2,000	\$ -2,000
Decatur County	-700	-1,300	-1,400	-1,400	-1,400	-1,400
Humboldt County	-1,700	-3,500	-3,500	-3,600	-3,700	-3,800
Lucas County	-800	-1,700	-1,700	-1,800	-1,800	-1,900
Monroe County	-1,100	-2,300	-2,300	-2,400	-2,400	-2,500
Ringgold County	-800	-1,700	-1,700	-1,700	-1,800	-1,800
Union County	-1,100	-2,300	-2,300	-2,400	-2,400	-2,500
<b>Total</b>	<b>\$-7,100</b>	<b>\$-14,600</b>	<b>\$-14,800</b>	<b>\$-15,200</b>	<b>\$-15,500</b>	<b>\$-15,900</b>

**Division XII — Regional Transit District Levy**

**Description**

Division XII of the Bill reduces the total that a regional transit district (RTD) may levy up to a combined maximum of \$0.88 per \$1,000 of assessed value. For FY 2028 and FY 2029, the total property tax dollars levied for the combined districts cannot exceed 101.75% of the property tax dollars received by the RTD from the prior fiscal year. For fiscal years beginning in FY 2030, the total property tax dollars levied for the combined districts cannot exceed 105.0% of the property tax dollars received by the RRD from the prior fiscal year.

Division XII takes effect January 1, 2027, and is applicable to property taxes due and payable in fiscal years beginning on or after July 1, 2027.

**Background**

Regional transit districts formed via intergovernmental agreements under Iowa Code chapter [28M](#) may impose a property tax levy to fund operations and maintenance, contingent on approval by participating counties and city councils. Under current law, cities also have separate authority under Iowa Code section [384.12](#) to levy an RTD for similar transit purposes. Under current law, a combined maximum levy of \$0.95 per \$1,000 of assessed value was allowed for Municipal Transit Districts and RTDs to fund operations and maintenance, and reserve funds when other revenues were insufficient.

In FY 2026, the RTDs are estimated to collect \$27.0 million in property tax dollars to cover the remaining operation and maintenance after other revenue sources were first exhausted. As of FY 2026, there were 48 RTDs being utilized across the State, and of these, 7 exceeded the new \$0.88 proposed cap and are displayed in **Figure 18**. Based on the Des Moines Area Regional Transit (DART) partnerships, property tax revenues between FY 2022 and FY 2026 grew, on average, 4.8% per year.

**Figure 18 — Regional Transit Districts Above the Proposed \$0.80 Levy Cap**

Participating Cities	Applicable Taxable Valuation	Tax Rate	Property Taxes
Des Moines	9,241,030,540	0.95000	8,778,979
West Des Moines	6,783,579,646	0.95000	6,444,401
Windsor Heights	264,422,826	0.95000	251,202
Holstein	63,338,905	0.95000	60,172
Iowa City	4,493,695,553	0.95000	4,269,011
Davenport	5,407,833,854	0.91000	4,921,129
Sioux City	3,531,173,087	0.95000	3,354,614

**Assumptions**

- Taxable dollars per assessor were estimated using FY 2026 values and projected into future years at an inflation rate of 2.0%.
- The FY 2026 levy rates were used as the baseline and assumed to remain constant in future years for the current law assessment.
- Starting in FY 2028, all tax rates above the imposed \$0.88 per \$1,000 of assessed value were reduced to this rate for all future years. RTDs with rates below this maximum rate are not included in this calculation as they are not impacted by these changes.
- RTD property tax revenues are assumed to grow at 101.75% of the prior fiscal year’s receipts for FY 2028 and FY 2029, and 105.0% for FY 2030 and each fiscal year thereafter.

**Fiscal Impact**

The analysis of this Division estimates the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. **Figure 19** displays the maximum fiscal impact of Division XII; however, the number of authorities that will impose the maximum rate is unknown.

**Figure 19 — Property Tax Revenue Reduction to RTDs (in Millions)**

	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Current Law	\$ 29.2	\$ 29.8	\$ 30.4	\$ 31.0	\$ 31.6	\$ 32.3
SF 2472 Div XII	29.1	29.7	31.1	32.7	34.3	36.0
Net Impact	\$ -0.1	\$ -0.1	\$ 0.7	\$ 1.7	\$ 2.7	\$ 3.8

**Division XIII — Utility Replacement Tax Task Force**

**Description**

Division XIII of the Bill requires the Utility Replacement Tax Task Force to modernize, simplify, study the accuracy of, and eliminate replacement taxes imposed under Iowa Code chapters [437A](#) and [437B](#).

Division XIII of the Bill takes effect upon enactment.

**Fiscal Impact**

Division XIII is not anticipated to have a fiscal impact.

## **Division XIV — Local Government Budget Statements**

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### **Description**

Division XIV of the Bill allows the annual budget statements sent out by mail by the county assessor for school districts, counties, and cities to be posted and maintained on the political subdivision's website instead of regular mail.

Division XIV of the Bill is applicable to taxpayer statements under Iowa Code section [24.2A](#) for budgets beginning with fiscal years on or after July 1, 2027.

### **Fiscal Impact**

Division XIV is not anticipated to have a fiscal impact.

## **Division XV — Real Estate Transfer Tax Forms**

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### **Description**

The Division amends Iowa Code section [428A.7](#) governing real estate transfer tax forms for the declaration of value as determined by the IDR. The Bill modifies the list of examples of abnormal property transactions that are to be excluded from consideration or adjusted to eliminate distortions of market value when valuing property to include built-to-suit construction, sale-leaseback transactions, leased fee sales, and instead of sales to immediate family, sales between related parties.

### **Fiscal Impact**

Division XV is not anticipated to have a fiscal impact.

## **Division XVI — Division of Revenue — Data Centers and Web Search Portal Businesses**

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### **Description**

Division XVI of the Bill applies to data centers and web search portal businesses and includes the following:

- Excludes the school district foundation property tax from Tax Increment Financing (TIF) districts established for data centers and web search portal businesses.
- Defines a qualified data center as a data center, as defined by Iowa Code section [423.3\(95\)](#), for which site preparation activities begin on or after the effective date of Division XVI.
- Defines a qualified web search portal business to mean the same as defined in Iowa Code sections [423.3\(92\)](#) and [423.3\(93\)](#) when site preparation activities, as defined in Iowa Code section [423.3\(95\)](#), begin on or after the effective date of Division XVI of the Bill.
- Prohibits the foundation property tax from being divided and paid into a municipality's special fund for the payment of urban renewal indebtedness, and instead requires the tax to be levied, collected, and paid to a school district.

Division XVI takes effect upon enactment and applies to property taxes due and payable beginning in FY 2028.

### **Background**

Under current law, pursuant to Iowa Code section [427.1](#), property used by a data center or web search portal business other than land, buildings, and other improvements is exempt from property tax.

In FY 2025, the counties of Dallas, Polk, Pottawattamie, and Warren had web/data centers with a total taxable valuation of \$1.650 billion.

### **Fiscal Impact**

The fiscal impact of Division XVI is unknown.

## **Division XVII — FirstHome Iowa Accounts**

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### **Description**

Division XVII of the Bill establishes the FirstHome Iowa Program under the Treasurer of State. The Program allows individuals to invest money in a public trust for future application to the payment of qualified homebuyer expenses. The maximum contribution to the Program that may be deducted from Iowa personal income tax is \$5,500 per beneficiary per year, adjusted annually to account for inflation. Interest and earnings received from contributions are deducted from Iowa personal income tax. The Treasurer of State may collect fees to administer the Program.

The Division also provides that no new Iowa First-Time Homebuyer Savings Accounts (FTHSAs) may be established on or after July 1, 2026.

### **Background**

Iowa Code chapter [541B](#) allows individuals to open interest-bearing FTHSAs for the purpose of paying qualified homebuyer expenses. The maximum contribution to an FTHSA in tax year (TY) 2026 is \$4,744. Interest earned on FTHSAs is deducted from Iowa personal income tax. In TY 2024, FTHSA program participants claimed a statewide aggregate deduction amount of approximately \$200,000.

### **Assumptions**

- Participation in the FirstHome Iowa Program will be comparable to participation in the FTHSA program.
- Interest and earnings on money in the FirstHome Iowa Program is assumed to be the same as interest and earnings on money in FTHSAs.
- There will be no contributions to FTHSAs on or after July 1, 2026.
- In FY 2024, the average contribution to an FTHSA was 64.2% of the maximum allowable contribution. It is assumed that the average contribution to the FirstHome Iowa Program will be 64.2% of the maximum allowable contribution.

### **Fiscal Impact**

Division XVII of the Bill is estimated to decrease General Fund revenue by approximately \$1,200 each fiscal year beginning in FY 2027.

## **Division XVIII — Elderly and Disabled Property Tax Credit and Rent Reimbursement**

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### **Description**

Division XVIII modifies the elderly and disabled property tax credit and rent reimbursement provisions by:

- Increasing the maximum amount of property taxes due or rent constituting property taxes paid that may be used in calculating the credit or reimbursement from \$1,000 to \$1,500
- Revising inflation adjustment language and modifying provisions applicable to claimants age 70 or older with household income below 250.0% of the federal poverty level.

- Eliminates the property tax limitation for claimants age 70 or older with household income below 250.0% of the federal poverty level by striking Iowa Code section [425.23\(1\)\(c\)](#). This change is applicable beginning in FY 2030 and is expected to increase local government property tax revenues.

Division XVIII of the Bill takes effect January 1, 2030, and is applicable for credits against property taxes due and payable in fiscal years beginning on or after July 1, 2030, and for reimbursement for rent constituting property taxes paid in base years beginning on or after January 1, 2029.

## **Background**

Under current law, the Elderly and Disabled Property Tax Credit provides property tax relief to eligible homeowners aged 65 and older or individuals who are totally disabled. The credit is income-based and calculated using household income and property tax liability, with the amount of property taxes used in the calculation capped at \$1,000. In addition to the homestead tax credit, eligible claimants aged 65 and older qualify for a homestead tax exemption equal to \$3,250 of taxable value for assessment year 2023 and \$6,500 for assessment years beginning on or after January 1, 2024.

In FY 2025, the Elderly and Disabled Property Tax Credit program provided \$3.5 million in General Fund support to approximately 9,901 claimants, with an average credit of \$349 per claimant. Under current law, for both programs the maximum amount of property taxes used in calculating the credit is capped at \$1,000. The Elderly and Disabled Rent Reimbursement program received \$11.3 million in an FY 2025 General Fund appropriation for an estimated 18,301 claimants, with an average credit of \$647 per claimant.

In FY 2020, Senate File [619](#) (Taxation and Other Provisions Act) expanded eligibility for the property tax credit for claimants aged 70 and older. This expansion offset increases in property taxes above a base year amount beginning in FY 2022. The 70-and-over property tax freeze reduces local government property tax revenues without State reimbursement.

## **Assumptions**

- The expansion of the Elderly and Disabled Property Tax Credit assumes that 7.5% of the 9,901 current claimants utilize the full \$1,000 maximum credit. For those claimants, the additional credit is assumed to average \$250 per claimant. No additional benefit is assumed for claimants below the current maximum credit.
- The expansion of the elderly and disabled rent reimbursement assumes that 7.5% of the 18,301 current claimants utilize the full \$1,000 maximum credit. For those claimants, the additional credit is assumed to average \$250 per claimant. No additional benefit is assumed for claimants below the current maximum credit.
- Based on ACS population and household income data, approximately 110,500 homesteads owned by individuals aged 70 or older are estimated to have household income below 250.0% of the federal poverty level (FPL). This number is assumed to remain constant in future years and the average tax savings under the limitation is assumed to increase by \$50 per year. For calendar year 2025, 250.0% of the FPL in the contiguous United States is \$39,125 for a single individual. Elimination of the limitation beginning in FY 2030 is assumed to return the estimated lost local government revenue to the tax base.
- The number of claimants for the income-based elderly and disabled property tax credit is assumed to decline by an average annual rate of 4.0% and a decline of 0.5% for the rent reimbursement program. The average refund is assumed constant for all future years.

**Fiscal Impact**

The analysis of this Division estimates the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other Divisions of the Bill. The expansion of the Elderly and Disabled Property Tax Credit and rent reimbursement program from \$1,000 to \$1,500 is estimated to increase annual General Fund appropriations and the removal of the 70-and-over homestead freeze is estimated to increase local government revenue which are both displayed in **Figure 20** below.

**Figure 20 —Local Government Revenue Effects of Eliminating the 70+ Property Tax Limitation and General Fund Cost of Expanding the Elderly and Disabled Credit (in Millions)**

Fiscal Year	Estimated Credit/Loss of Revenue to Local Government Under Current Law	Increased Revenue to Local Government	Increased General Fund Cost
2026	\$ -22.1	\$ 0.0	\$ 0.0
2027	-27.6	0.0	0.0
2028	-33.1	0.0	0.0
2029	-38.7	0.0	0.0
2030	0.0	44.2	0.5
2031	0.0	49.7	0.5
2032	0.0	55.2	0.5
2033	0.0	60.8	0.4

**Division XIX — Property Tax Exemptions — Impoundment Structures and Speculative Shell Buildings**

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**Description**

Division XIX of the Bill eliminates property tax exemptions for impoundment structures and speculative shell buildings.

Division XIX of the Bill takes effect January 1, 2031, and applies to assessment years beginning on or after January 1, 2031.

**Background**

In AY 2024, approximately \$940,000 in industrial property was exempt under this provision. The State is estimated to contribute approximately \$5,100 from the General Fund to backfill the school foundation levy on this value; returning the valuation to the tax base would reduce this obligation beginning in FY 2033.

**Assumptions**

- The AY 2024 exempt valuation (\$940,000) is used as the base and is grown forward to AY 2031 using a 2.0% annual increase in taxable valuation.
- Property tax revenues generated from the returned valuation are allocated across levy authorities using the FY 2026 statewide consolidated tax of \$32.42171.
- As valuation is returned to the tax base, the State’s General Fund obligation for the \$5.40 school foundation levy backfill is reduced. The General Fund appropriations are estimated

by applying the proportion of the \$5.40 levy relative to the FY 2026 consolidated tax rate to the returned valuation.

### **Fiscal Impact**

In FY 2033, Division XIX would decrease the General Fund appropriation by approximately \$5,800 and increase local government property tax revenues by an additional \$29,200.

## **Division XX — School District Unspent Balances — On-Time Funding and Modified Supplemental Amounts**

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### **Description**

Division XX allows a school district to retain an unspent balance not to exceed 35.0% of the preceding year's budget unless a greater amount is approved by the [SBRC](#), allows for a school district to request an on-time budget adjustment, and requires a school board to establish defined policies that are to be annually reviewed and entered into the Board minutes.

Division XX of the Bill takes effect upon enactment.

### **Background**

The SBRC is a nonpartisan body established to review budgets and to hold hearings on requests to modify budgetary limitations from school districts, AEAs, and community colleges. The SBRC is an independent agency separate from the DE and the DOM. According to Iowa Code section [257.31](#), the SBRC is required to review a school district's unspent balance prior to any decision to increase a modified supplemental amount (MSA).

A school district's unspent balance, or the unspent authorized budget (UAB), is the unused district general fund spending authority left over at the end of the fiscal year that is carried over into the next fiscal year. School boards can set goals or parameters around the UAB, and the UAB is separate from the school district's cash available. For FY 2025, the statewide UAB was 22.3%.

2026 Iowa Acts, [Senate File 2201](#) (Supplemental State Aid Act), modifies the methodology used to determine a school district's annual basic enrollment from a single October enrollment count to a count based on the average of a district's actual enrollment for the base year and the district's adjusted enrollment for the base year. The adjusted enrollment is required to be determined annually on January 15 or on the third Monday in January if January 15 falls on a Saturday or Sunday. This second enrollment count will be certified as the district's adjusted enrollment and submitted to the DE by February 15 of each year. The DE is required to promptly forward the adjusted enrollment to the DOM. This revised basic enrollment count will be used to calculate State aid and property taxes related to State aid. The new adjusted enrollment methodology will apply to school budget years beginning in FY 2028.

The SBRC has a [schedule for hearings](#) to review, approve, or deny a school district's request for an MSA. The SBRC can set a special hearing at any time. The hearing dates for FY 2027 are as follows:

- October 13, 2026, with requests due September 4, 2026.
- December 15, 2026, with requests due October 30, 2026.
- January 26, 2027, considered a special hearing.
- March 30, 2027, with requests due February 12, 2027.

### **Assumption**

There is no additional administrative burden to the State for changes made in the Bill.

## **Fiscal Impact**

Division XX is expected to have no fiscal impact.

## **Division XXI — Property Parcel Information**

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### **Description**

Division XXI of the Bill requires local governments to annually report parcel-level property data by January 1 of each year to the DOM.

### **Fiscal Impact**

The fiscal impact of Division XXI is unknown.

## **Division XXII — Urban Renewal**

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### **Description**

Division XXII of the Bill places limits on urban renewal areas and includes the following:

- Establishes duration limits for existing tax increment financing (TIF) districts that currently lack such limits, setting the duration at the lesser of 20 years or until all outstanding debt is retired.
- Allows division of revenue ordinances in effect to continue until the urban renewal area is dissolved but disallows boundaries of the area to include new territory not previously subject to the ordinance before the effective date of Division XXII of the Bill.
- Creates a 20-year limit for divisions of revenue for urban renewal districts created after the effective date of Division XXII of the Bill, which does not apply to community colleges or rural improvement zones.
- Allows tax increment financing revenues from wind energy conversion property under Iowa Code section [427B.26](#), foundation property taxes for a school district under Iowa Code section [257.3](#), and taxes for EMS under Iowa Code chapter [357F](#), [357G](#), or [422D](#) to be separated and used in an urban renewal area without limitation established after the effective date of Division XXII.
- Disallows extra assistance from another municipality's urban renewal fund or use of urban renewal funds for the relocation of a commercial or industrial enterprise.
- Allows a school district to make foundation property tax revenues available from the school's general fund to the municipality's urban renewal special fund, beginning in FY 2028.
- Prohibits revenues levied for urban renewal to be used for salaries or benefits of permanent staff from a municipality or local or regional economic development entity.
- Creates an urban renewal task force convened by the IDR to study urban renewal and Iowa Code chapter [403](#). Requires a report to be prepared and submitted to the General Assembly outlining any recommended changes by January 1, 2027.

Division XXII of the Bill is effective upon enactment. Property taxes due and payable due to the Bill's changes to Iowa Code section 403.19(2)(a) are applicable for fiscal years on or after July 1, 2027.

### **Background**

Tax increment financing is a financing mechanism used for urban renewal and involves dividing the property taxes paid from property within a designated area between the traditional taxing authorities (counties, cities, schools, etc.) and the taxing authority that created the TIF area. Local governments establish urban renewal areas and use TIF revenue to finance projects, including the repayment of debt associated with those projects. In FY 2025, TIF property tax

revenues totaled \$486.9 million. Local governments reported a total of \$4.681 billion in outstanding debt that they expect to repay with future TIF revenue.

Beginning in 1996, a 20-year duration limit was applied to certain economic development urban renewal areas, though not all areas were subject to this requirement. 2023 Iowa Acts, House File [718](#), required all new urban renewal areas to include a defined maximum duration, generally 20 years for economic development areas and up to 25 years for areas that include housing-related activities, thereby eliminating the creation of new areas without end dates.

The following statistics related to the TIF area designation are based on the TIF districts that submitted reports through the FY 2025 TIF annual report process. There were approximately 1,808 TIF districts that exceeded the Bill's proposed time limit in FY 2025. Tax increment financing districts received purpose designations in the following numbers:

- Slum, Blight, or both, but not Economic Development = 213
- Economic Development and Slum/Blight = 403
- Economic Development Only = 2,117
- No designated purpose provided = 1,531

### **Assumptions**

- Urban renewal areas without defined duration limits are assumed to be subject to a maximum duration of 20 years and are modeled as phasing out at 5.0% per year over that period. Urban renewal areas with existing statutory duration limits, including 20-year and 23-year limitations, are assumed to continue under those timelines until debt is retired.
- For purposes of estimating TIF duration, districts designated for Economic Development, including those with combined Economic Development and Slum/Blight designations, are assumed to be subject to a 20-year duration limit. Districts designated as Slum/Blight are assumed to be subject to a 23-year duration. Districts with no designation provided are allocated proportionally based on the distribution of reported designations. Under these assumptions, approximately 92.2% of TIF Districts are modeled using a 20-year duration and 7.8% using a 23-year duration.
- Provisions allowing certain revenues, including wind energy conversion property, the school district foundation levy, and EMS levies, to be used without limitation are assumed to apply only to divisions of revenue established after the effective date of Division XXII.
- The estimated fiscal impact does not address or aggregate the impact to community colleges.
- As TIF revenues are returned to the taxable base, the State's General Fund obligation for the \$5.40 school foundation levy backfill is reduced. For purposes of this estimate, the General Fund reduction is calculated by applying the proportion of the \$5.40 levy relative to the FY 2026 consolidated tax rate (\$32.42171) to the amount of valuation returned to the tax base.

### **Fiscal Impact**

The analysis of this Division estimates the fiscal impact of this Division in isolation and does not account for interactions or combined effects with other divisions of the Bill. **Figure 21** shows the estimated phase-out of TIF revenue under the Bill based on statutory duration limits. All TIF revenue is assumed to be subject to the 60.0% retention and 40.0% return framework; however, urban renewal areas that naturally reach their defined duration will accelerate the shift of property tax dollars back to the tax base, reducing General Fund appropriations over time.

**Figure 21 — Phased Out Tax Increment Financing (in Millions)**

<b>Fiscal Year</b>	<b>Expired Districts</b>	<b>TIF Revenue Returned to Tax Base</b>	<b>Reduction to General Fund Appropriation (\$5.40 Backfill)</b>
2028	109	\$ 13,430,000	\$ -2,240,000
2029	225	27,530,000	-4,590,000
2030	347	42,000,000	-7,000,000
2031	476	56,940,000	-9,480,000
2032	613	72,530,000	-12,080,000
2033	757	90,130,000	-15,010,000

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**Division XXIII — Property Tax Deferral — Task Force**

**Description**

Division XXIII of the Bill establishes a property tax deferral task force convened by the IDR to study the establishment of a program to allow low-income elderly homestead owners to apply to defer property taxes owed until the occurrence of a qualifying event. These events include but are not limited to the death of the owner, sale of the property, or transfer of the property to someone other than a surviving spouse. The IDR is required to prepare and submit a report, including recommended legislative actions, to the General Assembly by January 10, 2027.

**Fiscal Impact**

Division XXIII of the Bill is not anticipated to have a fiscal impact.

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**Division XXIV — Payments in Lieu of Property Taxes — Task Force**

**Description**

Division XXIV of the Bill establishes a payments in lieu of property taxes task force convened by the IDR to study the potential for counties to implement a program for the collection of payments in lieu of property taxes from owners. The IDR is required to prepare and submit a report, including recommended legislative actions, to the General Assembly by January 10, 2027.

**Fiscal Impact**

Division XXIV of the Bill is not anticipated to have a fiscal impact.

**Fiscal Impact Summary**

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The overall fiscal impact of the Bill is unknown. Due to the complexity and interdependence of the Bill's provisions, including multiple changes to the property tax base and levy structure, Division-level estimates cannot be combined to produce a total fiscal impact. Therefore, the estimates above are provided independently and should not be summed to determine the overall fiscal impact.

**Sources**

Legislative Services Agency calculations  
Department of Health and Human Services  
Department of Management  
Department of Revenue Reports  
Department of Transportation  
FY 2025 Annual Urban Renewal Report  
U.S. Bureau of Labor Statistics  
Moody's Consumer Price Index Forecast  
American Community Survey  
Iowa County Engineers Association

/s/ Jennifer Acton

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April 16, 2026

Doc ID 16044742

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The Fiscal Note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this Fiscal Note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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# Fiscal Note

## Fiscal Services Division



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[SF 2499](#) – Captive Insurance Companies (LSB5452SZ)  
Staff Contact: Xavier Leonard (515.725.0509) [xavier.leonard@legis.iowa.gov](mailto:xavier.leonard@legis.iowa.gov)  
Fiscal Note Version – New

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### Description

[Senate File 2499](#) relates to captive insurance companies and life captive reinsurance companies, includes civil penalties, and does the following:

- Creates new criminal offenses for any present or former officer or employee of the State to willfully or recklessly publish a tax return filed pursuant to Iowa Code sections [432.1](#) (Tax on Gross Premiums — Exclusions) and [432.1A](#) (Tax on Premiums — Captive Companies). The penalty for this offense is a serious misdemeanor and, in addition to any other penalty, the person is to be dismissed from State office or discharged from State employment.
- Removes the initial registration fee of \$300 for each captive insurance company, individual series of members of a limited liability company, and each protected cell.
- Establishes a temporary premium tax waiver that non-life captive reinsurance companies may claim if they redomesticate to the State. The premium tax waiver does not apply to tax years 2030 and beyond. Includes payback provisions if a company receives the tax waiver and surrenders its license or redomesticates to another jurisdiction within five years from the date of redomestication into Iowa.
- Establishes regulatory framework for life captive reinsurance companies, including licensure requirements. Includes a \$2,500 nonrefundable fee alongside a certificate of authority application by a life captive reinsurance company. Permits the Iowa Insurance Division (IID) Commissioner to retain legal, financial, and examination services from outside experts as necessary for review of the application, the reasonable cost of which may be charged to the applicant.
- Establishes a \$2,500 annual renewal registration fee for a life captive reinsurance company's certificate of authority.
- Requires the IID Commissioner to examine the affairs, transactions, accounts, records, and assets of each life captive reinsurance company every five years, at minimum. Requires the life captive reinsurance company to pay for the costs incurred by the Commissioner in the examination.
- Authorizes life captive reinsurance companies domiciled in the State to apply for a certificate of dormancy. Includes requirements the company must meet for the Commissioner to authorize the certification, including the payment of an annual \$1,000 dormancy tax.
- Authorizes the IID to adopt administrative rules to implement and administer subchapter II (Life Captive Reinsurance Companies) of Iowa Code chapter [521J](#).

### Background

A serious misdemeanor is punishable by confinement of no more than one year and a fine of at least \$430 but not to exceed \$2,560.

According to the IID, there are three captive insurance companies currently domesticated in Iowa.

Registration fees, as well as other fees, assessments, fines, and administrative penalties collected under Iowa Code chapter 521J and all premium tax receipts collected from captive

companies, are paid into the Captive Insurance Regulatory and Supervision Fund (CIRSF). Created pursuant to Iowa Code section [521J.12](#), the CIRSF was established by 2023 Iowa Acts, chapter [107](#) (Taxation of Insurance Premiums and Captive Insurance Companies Act). The CIRSF has received a \$450,000 appropriation from the General Fund in fiscal years 2024, 2025, and 2026 in the annual Administration and Regulation Appropriations Act to examine and ensure compliance matters related to captive insurance. As of April 10, 2026, the balance of the CIRSF was \$723,000.

**Assumptions**

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends; prisoner length of stay (LOS); revocation rates; plea bargaining; and other criminal justice system policies and practices.
- County jail data is unavailable. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.
- Conviction data reflects the total number of convictions in adult court, which may include multiple convictions per individual. Not all convictions lead to incarceration, and there may be a delay between conviction and prison admission, which can contribute to differences in totals.
- A six-month delay is assumed from the effective date of the Bill to the date the first offender will enter the correctional system.
- Offender-based convictions are a count of individuals convicted of the same offense. Each offender is counted only once per Iowa Code section, regardless of the number of individual convictions.
- Admissions are a count of individuals newly admitted to the Department of Corrections (DOC) for supervision during a selected time period, based on the most serious offense committed.
- Work associated with the licensing and approval processes can be completed with the use of current staff.
- The number of captive companies that will domicile or redomesticate is unknown.
- No captive companies will apply for a certificate of dormancy.

**Correctional Impact**

Senate File 2499 creates new offenses. The correctional impact cannot be determined because the number of new convictions under the Bill is unknown. **Figure 1** shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS in months under those supervisions; and supervision marginal costs per day for a serious misdemeanor.

**Figure 1 — Sentencing Estimates and Length of Stay (LOS) in Months**

Conviction Offense Class	Percent Ordered to State Prison	FY 2025 Avg LOS in Prison (All Releases)	Marginal Cost Per Day Prison	Percent Ordered to Probation	FY 2025 Field Avg LOS on Probation	Avg Cost Per Day Probation	Marginal Cost Per Day CBC	Marginal Cost Per Day Jail	FY 2025 Field Avg LOS on Parole	Marginal Cost Per Day Parole
Serious Misdemeanor	2.3%	7.3	\$23.07	44.8%	21.0	\$8.00	\$16.35	\$50.00	N/A	\$8.00

Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 12, 2026, for information related to the correctional system.

**Minority Impact**

Senate File 2499 creates new offenses and, as a result, existing data cannot be used to estimate the minority impact of the Bill. Refer to the LSA memo addressed to the General

Assembly, [Minority Impact Statements](#), dated January 12, 2026, for information related to minorities in the criminal justice system.

**Fiscal Impact**

The fiscal impact for Senate File 2499 cannot be determined because the number of companies that will domicile or redomesticate to Iowa is unknown.

The number of convictions under the Bill for willfully or recklessly publishing a tax return by a State officer or employee is unknown. The average State cost per serious misdemeanor is between \$350 and \$6,200. This includes operating costs incurred by the Judicial Branch, the Indigent Defense Fund, and the DOC. The costs would be incurred across multiple fiscal years for prison and parole supervision.

**Sources**

Department of Corrections  
Iowa Insurance Division (IID), Department of Insurance and Financial Services (DIFS)  
Division of Data, Planning, and Improvement (DPI), Department of Management (DOM)

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/s/ Jennifer Acton

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The Fiscal Note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this Fiscal Note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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