

Abatement

- Ability to abate or suspend property taxes
 - Counties can only abate property taxes with statutory authority
 - Iowa Code § 445.62
 - Board of supervisors has authority to abate or refund taxes, in whole or in part, on property destroyed by “fire, tornado, or other unavoidable casualty”
 - Property can’t have been sold at tax sale and taxes on property can’t have been delinquent for more than 30 days at time of casualty
 - Can abate or refund only for loss “not covered by insurance”
 - Discretionary authority, not mandatory
 - **Legislative action: Clarify that board authority under § 445.62 includes the ability to suspend property taxes**
 - Iowa Code §§ 427.8 - 427.10
 - Abatement or suspension of property taxes for people “unable to contribute to the public revenue”
 - Generally discretionary, not mandatory
 - A person is deemed unable to contribute to the public revenue if receiving state or federal supplementary income assistance
 - In that case, taxes automatically suspended as long as the person owns the property and remains unable to contribute
 - Can abate taxes, interest, fees and costs

Flexibility to Respond to Lost Revenue or Revenue Capacity

Temporary flexibility, triggered by Governor’s disaster declaration

- Allow counties immediate access to working capital for disaster cleanup, recovery and rebuilding
 - Iowa Code § 331.478 allows counties to issue noncurrent debt for “bridges or buildings destroyed by fire, flood, or other extraordinary casualty”
 - **Legislative action: Allow noncurrent debt to be issued for all disaster cleanup, recovery and rebuilding purposes**
- Allow counties to rebuild roads, bridges, buildings and other infrastructure, and to clean up following a disaster, without having to deal with the delay, expense and uncertainty of a referendum
 - **Legislative action options:**
 - **Broadly define all disaster recovery as an essential county purpose**
 - **Eliminate the “economic development” limitation on roads and bridges as an essential county purpose**
 - **Eliminate the dollar limits on the construction and renovation of public buildings as an essential county purpose**

Permanent flexibility

- Levy authority
 - In general and rural funds, counties have the ability to exceed the levy rate limits for a number of purposes, including “a natural disaster or other emergency” (Iowa Code § 331.426)
 - **Legislative action: Provide that a county exceeding the levy rate limits in response to a natural disaster or other emergency is not grounds for a budget protest under chapter 24**
 - Flood and erosion control levy exists, but not practical (Iowa Code §161E.9)
 - **Legislative action: Allow the flood and erosion control levy to be applied against all rural property, or all property in the county, instead of just “agricultural lands,” as the current law reads**
- Bonding authority
 - **Legislative action: Eliminate the “total cost” language in county bond referendum ballot language**
- Current law limits TIME-21 funds to “construction” of farm-to-market roads and bridges on the secondary roads system
 - **Legislative action: Allow counties to use TIME-21 funds for any road purpose, including maintenance and construction of secondary roads**

Other legislative changes

- Implement alternative revenue sources
 - Local option income tax
- Repeal the LOST-TIF
 - It freezes county/city LOST revenue, thereby reducing flexibility by cutting off one non-property tax revenue stream
- Mental health funding
 - Counties expect an increase in citizens seeking mental health services because of the natural disasters, and also because of economic conditions
 - Many counties already have substantial waiting lists of up to three years
 - Counties cannot generate any more money for mental health services locally
 - 81 counties levying their maximum amount; 98 above 70% of max
 - Statewide 97% of county levy capacity is being used
 - **Legislative action options:**
 - **Additional state funding**
 - **Allow counties to move to a rate cap instead of a dollar cap, generating more mental health funds locally as valuations increase**
 - **Allow counties to increase their current rates up to a minimum statewide level, say \$1.00**
 - Current rate disparity is from \$0.24 to \$2.60
 - 37 counties have rates under \$1.00