

**257.12 Adjustment in state foundation aid.**

1. If a school district is required to repay property taxes paid for school taxes levied on property originally assessed at five million dollars or more because the assessment was subsequently reduced by the action of the property assessment appeal board or judicial action and the amount of the reduction in the assessment equals at least one hundred thousand dollars or two percent of the assessed value of all taxable property in the district prior to the reduction, whichever is less, the school district is eligible for an adjustment in state foundation aid. To receive the adjustment in state foundation aid, the school district shall apply to the department of management prior to the beginning of the budget year following the budget year in which the repayment of the property taxes occurred. The department of management shall determine the amount of adjustment in state foundation aid pursuant to [subsection 2](#).

2. The department of management shall determine the amount of state foundation aid which the school district would have received under [section 257.1](#) if the amount of the school district's foundation property tax was determined using the reduced assessment of the applicable property. The difference between the amount of the state foundation aid using the reduced assessment and the amount of state foundation aid actually received under [section 257.1](#) equals the amount of the adjustment in state foundation aid to be paid to the school district.

3. The adjustment in state foundation aid under [this section](#) shall be paid as provided in [section 257.16](#). If the application to receive an adjustment in state aid was filed prior to April 15, the adjustment shall be paid in the budget year. If the application is made after April 15, the adjustment shall be paid in the following budget year.

[2006 Acts, ch 1185, §78](#)