

NEW LAWS OF INTEREST TO CITIES 2026 LEGISLATIVE SESSION



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Please utilize this document as a conversation or relationship starter with your state elected officials and build a dialogue to improve laws that pertain to cities. And remember, the best time to get to know your legislator is not when you need to ask for a favor.

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The 2026 Legislative Session adjourned sine die on May 3, concluding the second session of the 91st General Assembly. As lawmakers worked through the final days of session, negotiations centered on one issue above all others: property tax reform. Following months of debate and more than a year of discussion regarding the future of local government finance, legislators ultimately reached agreement on a comprehensive package that will significantly affect cities, counties, schools, taxpayers and economic development programs across Iowa.

Property tax reform was not the only policy area considered during the 2026 session, but it was unquestionably the defining issue. Throughout the session, city officials from communities of all sizes engaged with lawmakers to share how proposed legislation would affect local services, infrastructure, economic development and public safety. That engagement helped inform legislative discussions and contributed to meaningful changes in the final legislation adopted by the General Assembly. The Legislature also considered a wide range of policies affecting municipal government, including zoning and land use, public safety, workforce issues, building codes, elections, infrastructure and economic development. Some of those measures expanded flexibility, while others further established statewide standards in areas traditionally administered at the local level.

As always, this publication is intended to serve as a practical reference guide to the laws most relevant to Iowa cities. We also encourage local officials to use these issues as opportunities to engage with their state legislators. Building and maintaining strong relationships with policymakers remains one of the most effective ways to shape future legislation and ensure the unique perspectives of Iowa cities are represented in the policymaking process.

As implementation of these new laws begins, city officials will play a critical role in determining how legislative changes affect their communities. Many provisions summarized in this publication will require administrative adjustments, policy discussions, or coordination with legal counsel and professional advisors. We encourage city leaders to review the summaries carefully, monitor implementation timelines, and contact League staff with questions regarding a specific law or its impact on your community.

2026 Session Highlights

- Property tax reform (SF 2472)
- Open meetings/open records changes (HF 2490)
- Zoning & BOA appeals (SF 2378)
- Social districts authorized (HF 2780)
- Mandatory E-Verify use (SF 2218)
- Civil rights ordinance preemption (SF 579)
- Public improvement closeout notices (SF 2365)

Reader's Guide to New Laws Summaries

This Special Report outlines legislation passed during the 2026 legislative session that affects cities and is categorized in subject areas for easier reading. The sample entry below explains what type of information this report contains.

Note: The report is intended as a reference guide to new laws that may interest your community. This report should not act as a substitute for the actual final enrolled legislation, nor should it substitute for advice from an attorney.

Reminder:

The text of each bill is accessible from the General Assembly's website: www.legis.iowa.gov

Indicates the bill number and the League's title for the bill. HF means the bill originated in the House and SF means the bill originated in the Senate.

The digest provides information on the entire bill or a portion of the legislation that impacts cities. Note that a "Section" reference here refers to sections of the enrolled bill.

HF 123 | Bill Name

This is where a description of the bill would be, along with an explanation of how it impacts city governments.

Amends Section 12A.3 | Effective February 10, 2026

Indicates the Section or Chapter in the *Code of Iowa* that has been amended.

Indicates the effective date.

Legislation Passed In 2026

Property Tax Reform

SF 2472

Makes comprehensive changes to Iowa's property tax system affecting local government revenues, budgeting, property tax administration, and Tax Increment Financing (TIF). Beginning with FY2027 budgets, annual growth in city consolidated general fund levy (CGFL) revenues is limited to 2%, excluding new construction, improvements, and annexations. The 2% limitation applies to city general fund levy revenue growth, while employee benefits, tort liability, debt service and trust and agency levies remain outside the cap. The legislation also converts the homestead credit to a property tax exemption, modifies taxpayer relief programs, and establishes new budget and transparency requirements, including the League's improved taxpayer notice proposal.

The bill includes significant changes to tax increment financing (TIF) by imposing a 23-year sunset on future urban renewal areas, limiting the duration of revenue capture, and restricting the use of school foundation levy revenues within future TIF districts. Additional provisions place restrictions on the use of debt service for general operations while preserving bonding authority for infrastructure, public improvements, and other qualifying capital expenditures.

Due to the scope and complexity of the legislation, the League has prepared separate implementation guidance and resources for city officials including a recorded webinar and an upcoming property tax special report.

Amends/Adds Sections: 11.11; 12L (new Chapter); 15A.1; 24.2A; 24.3; 24.34; 24.35 (new Section); 24.48; 25B.7; 312.2; 321.1; 331.559; 384.1; 384.12; 384.17; 384.18; 384.22; 403.17; 403.19; 422D.1; 425.24; 425.50 (new Section); 441.21; 444.25 (new Section); 444.26 (new Section)

Effective Dates: May 18, 2026 & July 1, 2026

Special Effective Date: Jan. 1, 2027: Property Tax Levy Rates & City Budgets — Sections 312.2; 384.1; 441.21 (Only for multi-residential property classification establishment)

Repeals Sections: 403.22 repealed immediately; 425.50 repealed Jan. 1, 2030

City Administration

HF 2490 | Open Meetings and Public Records Reform

Makes several changes to Iowa's Open Meetings and Open Records laws. Public meeting notices must be posted in a location annually designated by the governmental body and on the governmental body's primary website or internet presence. Revised agendas may be posted at least 24 hours before a meeting if clearly marked as amended. The law expands public disclosure requirements related to employee separations, including an individual's last day worked and severance or other post-employment compensation and benefits. The bill also creates a new process allowing governmental bodies to seek court orders limiting or restraining public records requesters who engage in vexatious conduct, while establishing standards and protections intended to preserve access to records.

Amends Sections: 21.4; 22.3; 22.7; 22.8A | Effective Date: July 1, 2026

SF 2378 | Zoning Regulations and Boards of Adjustment Appeals

Authorizes cities to impose reasonable conditions on rezoning requests and site development plan approvals when those conditions are directly related to public needs created by the proposed development and agreed to in writing by the property owner. The bill also creates a new process allowing individuals affected by a variance decision to appeal a board of adjustment action to the city council, stays the effectiveness of the variance during the appeal process, and permits the city council to overturn a board of adjustment decision by a two-thirds vote. The legislation repeals Iowa Code Section 414.5 and makes conforming changes related to shooting range approvals.

Amends Sections: 414.7; 657.9 | Repeals 414.4; 414.5 | Effective Date: July 1, 2026

HF 2501 Div. VI | Disallowing City Clerks to be Deputized to Receive Election Filings

Transfers responsibility for accepting and administering candidate nomination papers, withdrawals, objections and election contests for city offices from city clerks to county commissioners of elections. The bill also removes the ability for county commissioners of elections to designate city clerks to receive nomination papers on their behalf. Additional provisions modify election administration procedures, voter registration maintenance, recount processes, election security requirements and voter registration procedures.

Amends Sections: 44.8; 44.9; 44.11; 376.4; 376.10; 376.11 | Effective Date: July 1, 2026

HF 2780 | Social Districts

Authorizes cities to establish 'social districts' by ordinance, allowing the possession and consumption of alcoholic beverages within designated public areas under specified conditions. The ordinance must establish district boundaries, permitted days and hours of operation, container requirements, participating licensee requirements, enforcement provisions and procedures for suspension or revocation of the district. The bill also makes various changes to Iowa alcoholic beverages laws, including updates to wine permitting and compliance requirements.

Creates Section: 414.34 | Effective Date: July 1, 2026

SF 2218 | E-Verify Use Requirements

Establishes new requirements for verifying employment eligibility, professional licensure eligibility and citizenship status. The law requires cities, counties, state agencies, educational institutions and other public employers to use the federal E-Verify system for newly hired employees. It also requires cities and other covered public employers to transmit E-Verify results to the U.S. Immigration and Customs Enforcement (ICE) and other appropriate federal immigration agencies when an individual is determined, following any appeal process, not to have legal status to be present in the United States. The legislation creates a state clearinghouse to verify citizenship and immigration status for professional licensure applicants through the federal SAVE program, establishes penalties related to the use of false Social Security numbers for employment purposes, and includes additional provisions related to voter registration verification and pretrial detention.

Creates Section: 364.26 | Effective Date: July 1, 2026

SF 2365 | Public Improvement Project Closeout Notices

Adds a requirement for public corporations to provide written notice of final acceptance of a public improvement within 14 days to the contractor, the project's surety, and any labor or material claimants who have filed claims under Chapter 573. The law is intended to ensure parties are notified when statutory claim periods begin to run. Importantly, the legislation also clarifies that public corporations are not liable for claims or damages arising from a failure to provide the required notice.

Amends Section: 573.16 | Effective Date: July 1, 2026

HF 2531 | Divestiture of City Mineral Rights

Requires cities and counties to convey mineral interests they own or control to the surface owner of the affected property, with no cost to the recipient, unless the local government also owns the surface estate. Existing mineral interests must generally be conveyed within five years, while newly acquired interests must be conveyed within 90 days. The bill also makes significant changes to Iowa law governing severed mineral interests, including procedures for delinquent taxes, abandonment and vesting of inactive mineral interests to surface owners.

Creates Section: 364.26; Amends Sections: 458A.20; 557C.6 | Effective Date: June 2, 2026

SF 472 | Public Employee Collective Bargaining Reform

Revises procedures for public employee collective bargaining unit retention and recertification elections. Before conducting an election, the Employment Appeal Board (EAB) must provide written notice to the public employer and bargaining representative. Public employers must submit a bargaining unit employee list within 10 days of receiving notice. The EAB must publicly identify employers that fail to submit the required information. Failure to comply is unlawful and may be enforced by a writ of mandamus filed by any Iowa resident, with expedited court review and reimbursement of attorney fees and court costs awarded to the prevailing party. The law also authorizes the EAB to extend or reschedule election timelines as necessary to resolve legal challenges. Public employers with unionized employees should review internal procedures to ensure timely and accurate submission of bargaining unit employee lists. Applied to elections noticed on or after enactment.

Amends Section: 20.15 | Effective Date: May 19, 2026

City Financing

HF 2634 | Government Cemetery Regulation

Creates a new statutory classification for “government cemeteries” owned, operated, or controlled by a city, county, or township. The bill clarifies that government cemeteries are distinct from private perpetual care and nonperpetual care cemeteries and exempts them from certain regulatory, reporting and care fund requirements applicable to private cemeteries. The law also confirms the authority of local governments to own, operate, maintain and sell interment rights in cemeteries, while providing greater flexibility in how future cemetery maintenance funds are managed.

Amends Sections: 523I.102; 523I.501 | Effective Date: July 1, 2026

HF 2697 | Restitution and Pecuniary Damages Upon Dismissal

Authorizes a court, with the consent of both the defendant and prosecuting attorney, to order payment of pecuniary damages and category “B” restitution, including court costs, as a condition of dismissing a public offense or ordinance violation. The law allows victims and governmental entities to recover damages and certain costs even when a case is resolved through dismissal rather than conviction.

Amends Section: 910.2 | Effective Date: July 1, 2026

HF 2522 | City Official Insurance Policies

Builds upon legislation enacted in 2024 (HF 2398), allowing public officials to obtain insurance policies in lieu of statutory bonds. The bill removes requirements governing the beneficiary and use of proceeds from public official insurance policies. As a result, cities and other governmental bodies may designate themselves as beneficiaries of such policies and determine how insurance proceeds are used, rather than being subject to the prior statutory requirements.

Amends Section: 64.3 | Effective Date: April 16, 2026

Establishment of Statewide Regulations

SF 579 | Local Civil Rights Commissions and Ordinance Reform

Limits the authority of local governments to enact civil rights ordinances that are broader or differ from state law. Makes local civil rights commissions optional for all cities, establishes procedures for transferring complaints to the Iowa Civil Rights Commission, and creates new notice and commissioner term requirements. Complaints involving political subdivisions must be referred to the state commission, and parties may transfer unresolved complaints to the state after specified time periods. In addition, language enacted through HF 2800 clarifies that local governments may not enact or enforce civil rights ordinances that are broader or provide protections beyond those contained in the Iowa Civil Rights Act.

Amends Section: 216.19 | Effective Date: March 10, 2026

HF 2297 | Passive Radon Mitigation in New Residential Construction

Requires the state building code to include provisions requiring passive radon mitigation systems, as specified in Appendix AF of the 2021 International Residential Code, in new single-family and two-family residential construction. The requirement applies to construction commenced after adoption of the code provisions and is applicable statewide, ensuring uniform radon mitigation standards.

Amends Section: 103A.8E | Effective Date: July 1, 2026

HF 2296 | Local Government ID Card Prohibition

Prohibits cities and counties from issuing jurisdiction-specific identification cards to residents. Exceptions are provided for state-authorized driver's licenses, nonoperator identification cards and disability identification devices issued by certain counties, as well as identification cards issued to local government employees and elected officials for work-related purposes.

Amends Section: 364.3 | Effective Date: July 1, 2026

SF 2340 | Battery-Charged Security Alarm System Regulation

Establishes statewide standards for certain electrified perimeter security systems used on nonresidential property. The bill limits local regulation of qualifying battery-charged security alarm systems — which function as monitored electric security fences — when they meet specified safety and installation requirements. Cities and counties may not treat qualifying systems as fences or require fence permits, but retain authority to require alarm system licenses or permits on the same basis as other security alarm systems. The law does not apply to property used exclusively for residential purposes.

Amends Section: 364.3 | Effective Date: July 1, 2026

SF 2430 | Public Building Flag Display Requirements

Updates Iowa's flag display requirements for public buildings. The bill defines "public building" requires the United States and Iowa flags to be flown at half-staff when directed by a gubernatorial proclamation, and authorizes the attorney general (AG) to pursue legal action to enforce compliance. Individuals may report alleged violations to the AG for review.

Amends Section: 1B.3 | Effective Date: July 1, 2026

SF 2369 | Accessory Dwelling Unit Technical Corrections

Makes technical and clarifying changes to Iowa's accessory dwelling unit (ADU) law enacted in 2025, in SF 592 (2025). The bill defines how ADU size is calculated, excluding unfinished basements and clarifying that the size of a primary dwelling is based on gross living area excluding garages, decks and unheated porches. It also revises provisions related to historic preservation review and limits the circumstances under which ADUs may be restricted based on historical district considerations.

Amends Section: 364.3 | Effective Date: July 1, 2026

HF 2800 | National Electrical Code Preemption and Technical Corrections

This 'standings appropriations' bill includes technical and conforming changes to numerous bills enacted during the 2026 legislative session, including corrective amendments related to local civil rights ordinances, pecuniary damages, the junior firefighter program and others.

The bill also, in Division III, incorporates language originally contained in SF 2374, establishing Iowa's version of the 2023 National Electrical Code with state-specific modifications and exemptions. The legislation modifies several residential electrical requirements and prohibits local governments from adopting electrical codes more restrictive than the state code. Future code updates must be accompanied by a published cost analysis before adoption. The electrical code provisions take effect immediately and are repealed upon adoption of the 2026 National Electrical Code.

Amends Sections: 103.1; 103.1B; 103.1C | Effective Date: June 2, 2026

Public Safety & Pensions

HF 2345 | Public Employee Pension System Administrative Updates

Makes administrative changes to the Iowa Public Employee Pension System (IPERS) and Municipal Fire and Police Retirement System of Iowa (MFPRSI). The bill authorizes the systems to provide a member's or beneficiary's name and last known city to the state treasurer to assist in locating individuals. It updates requirements for member account statements and authorizes retirement benefit payments through fee-free reloadable payments cards in addition to existing payment methods. The law also continues to allow administrative fees for paper check payments.

Amends Sections: 97B.17; 97B.18; 97B.48; 411.5 | Effective Date: April 16, 2026

HF 2797 | Brady-Giglio List Review and Officer Remedies

Expands the rights of peace officers placed on Brady-Giglio lists by allowing officers to petition, appeal, or intervene in district court to challenge their placement, regardless of when the placement occurred. If an officer prevails, the court must award equitable relief, reasonable attorney fees, expenses and court costs. Any award is payable by the state, municipality, or county responsible for the prosecuting agency. The law applies retroactively to Brady-Giglio list placements and related proceedings occurring on or after July 1, 2021.

Amends Section: 80F.1 | Effective Date: June 2, 2026

HF 2655 | Expanded Operating Privileges for Emergency Vehicles and Police Bicycles

This bill expands and clarifies the legal exemptions for drivers of authorized emergency vehicles and police officers riding police bicycles in the line of duty. It allows them, under specific circumstances, to proceed through red lights or stop signs and to exceed speed limits, provided these actions do not recklessly endanger life or property. The bill also tightens the conditions under which these exemptions apply, making audible or visual warning devices generally necessary, with certain exceptions for police pursuits and emergency medical transports. Stricken language removes references to previously broader vehicle exemptions and updates cross-references in the law.

Amends Section: 321.231 | Effective Date: July 1, 2026

Transportation & Miscellaneous

SF 378 | Default Speed Limit

Raises the default speed limit from 55 to 60 mph, unless otherwise specified by law or local authorities. The law allows for temporary overlays or stickers approved by DOT while updating the speed limit sign alongside other speeding violation changes.

Amends Section: 321.285 | Effective Date: July 1, 2026

HF 2617 | Abandoned Vehicles Law Reorganization and Notice Procedures Update

Institutes broad reforms to abandoned vehicle procedures. The bill updates notification timelines, allows for credit card payments when releasing a vehicle, establishes new processes for lienholder inspections and owner retrieval of personal property, mandates fee transparency, and asserts state preemption over local ordinances regarding abandoned vehicle towing. It also clarifies legal procedures for reclamation and disposal, and modifies the rights of owners and lienholders in these contexts.

Amends Section: 321.89 | Effective Date: July 1, 2026

SF 2086 | Junior Firefighting Program

Authorizes school districts and accredited nonpublic schools to offer an elective junior fire fighter program to students in eleventh and twelfth grades. It establishes requirements for program operation, including agreements with local fire departments, approved instruction and curriculum, specific activities allowed and prohibited for participants under 18, insurance and liability provisions, and the process for students to sit for Firefighter I certification testing. The bill also clarifies that students are not considered employees or volunteers and cannot respond to emergency scenes or receive worker's compensation for injuries sustained in the program.

Amends Sections: 100B.7; 280.37 | Effective Date: July 1, 2026

SJR 11 | Constitutional Amendment: Two-Thirds Majority Requirement for State Tax Increases

Proposes a constitutional amendment requiring any bill increasing the individual or corporate income tax rate, or creating any new tax based on income or legal and special reserves, must receive at least a two-thirds majority vote in both the Iowa House and Senate to pass. The requirement does not apply to taxes imposed only by local governments. The amendment also sets a one-year limit for filing lawsuits challenging whether tax bills met the two-thirds vote requirement and requires explicit reference to this requirement in each applicable bill. This constitutional amendment will be submitted for approval by Iowa voters in the 2026 general election.

Constitutional Amendment: Will be brought before voters on the ballot Nov. 3, 2026

****Note: Listed amended code sections may not be comprehensive.*