



PROPERTY TAX BILLS COMPARISON

	Current Law	Senate Bill: SSB 3001	Governor Bill: SSB 3034/HSB 563	House Bill: HSB 596
City Property Tax Revenue Limit	<p>Currently the CGFL is subject to limitation if:</p> <ul style="list-style-type: none"> Annual Non-TIF Taxable value growth is less than 2.75% — No CGFL revenue reduction If growth is 2.75-3.99% — CGFL revenue growth is reduced by about 1% If growth is 4-5.99% — CGFL revenue growth is reduced by about 2% If growth is 6% or higher — CGFL revenue growth is reduced by about 3% 	<p>Minimum Budget Guarantee of 0.5% for 1st fiscal year (Div 2, Sec 11)</p> <p>Budget Adjustment Factor Formula (Div 2, Sec 12)</p> <p>New Valuation Definition (Div 2, Sec 13)</p> <p>Re-establishes Multiresidential as a unique property classification for taxation (Div 4, Sec 46; 47; 48; 49; 50; 51; 52; 55; 57)</p>	<p>City and county total property tax collections could only grow 2% from the previous year's total for all taxing authorities other than debt services and school funding. New construction and growth added to the base, but not included in the current fiscal year's limit. §444.25</p> <p>Caps unassigned general fund reserves at 10% of current-year budgeted general fund expenditures (before transfers). §24.35</p>	<p>This bill creates a city budget limitation of 102%, excluding the debt levy and new construction. Specifically, any levy for voter-approved debt will not be capped. If a levy was voter approved in the previous year for the current fiscal year, the proposed levy amount is not subject to the budget restriction. Section 444.25</p>
Property Rollbacks, Exemptions	<p>Residential Class (FY27) — 44.5345%</p> <p>Agricultural Class (FY27) — 59.4401%</p> <p>Commercial/Industrial (FY27) — First \$150,000 subject to Residential Rollback and any remaining value subject to 90%</p>	<p>Homestead Exemption increases annually for next 10 years from 25% of Taxable Value up to \$175,000 up to 50% of Taxable Value up to \$350,000-\$700,000 Home Value consistent throughout (Div 5, Sec 72)</p>	<p>Increases Commercial & Industrial Assessment Limits, eliminates state reimbursement for lost revenue after FY2027 Division II Sections 8-12</p> <p>Homestead credit changed to homestead exemption (ends state reimbursement).</p> <p>Disabled veterans credit changed to a full exemption.</p> <p>Combines three existing senior programs into the Property Tax Growth Credit for those who are seniors or disabled. Freeze on homes ≤ \$350,000 for eligible seniors. DIVISION III Sections 13-60</p>	<p>This bill creates a new residential exemption. After rollback, all residential parcels will receive a \$25,000 exemption from value. This is retroactive to assessment years 2026 and beyond. Section 427.1</p>
Senior Relief	<p>Senior Homestead Tax exemption of \$6,500</p>	<p>Residents 60 years plus with paid off mortgages are exempt from non-voter approved property taxes, levies, or bonds or PPEL (Div 5, Sec 72)</p>	<p>Combines three existing senior programs into the Property Tax Growth Credit for those who are seniors or disabled. Freeze on homes ≤ \$350,000 for eligible seniors. DIVISION III Sections 13-60</p>	<p>Bill does not address this topic</p>
TIF	<p>Current law</p>	<p>Reduces School Foundation Levy from \$5.40 to \$4.48662 — TIF Impacts (Div 3, Sec 17)</p>	<p>New urban renewal projects limited to:</p> <ul style="list-style-type: none"> Utilities & streets Demolition Property sales <p>20-year sunset on new TIF revenues.</p> <p>No new debt in long-standing areas; only existing debt allowed. Also adds a provision that all new projects need to meet a “public purpose” provision.</p> <p>DIVISION VI Sections 69-83</p>	<p>Bill does not address this topic</p>

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Assessments	Current law with exceptions occurring every two years	Structures other than dwellings on ag land will not be included in assessment. Commercial/Industrial taxed at 100% (Div 4, Sec 56)	Changes property tax assessments from every 2 years to every 3 years. Shifts the burden of proof from the taxpayer to the assessor in valuation appeals. If value increases over 15%, the assessor must project written justification. DIVISION VII Sections 84-94	Bill does not address this topic
Shared Services, Consolidation Between Multiple Entities	Local governments responsible for shared services via 28E or other intergovernmental agreements	Bill does not address this topic	Creates grant fund under IEDA for: <ul style="list-style-type: none"> • Service consolidation • Shared services agreements • Position elimination • Transitional costs Funded with \$10M RIIF appropriation. DIVISION VIII Section 95	The bill will require COGs to help local governments consolidate services and functions via coordination, planning, and technical assistance. They have the expertise to help save taxpayer money and streamline services. Section 28H.3
Sales Tax	LOSST — 1% Cities must specify what monies will be used for when put on the ballot and at least 50% of any new LOSST revenues are required to go toward property tax relief	LOSST amount increase from 1% to 1.5% (Div 9)	Bill does not address this topic	Bill does not address this topic
Gas Tax	Current DOT Per Capita Forecast* <ul style="list-style-type: none"> • FY26 - \$139.00 • FY27 - \$140.00 • FY28 - \$142.50 • FY29 - \$143.50 • FY30 - \$144.50 Cities with more than 4.78% growth in population project and increase in RUTF allocations* <p><small>*DOT Forecasts and estimates are subject to change and due to economic instability and fluctuating fuel consumption/cost</small></p>	Hybrid and Electric vehicle & electric motorcycle registrations increase annually by CPI if CPI was positive — Legislature can prevent increase and if an increase occurs 3 years in a row the 4th year the increase cannot occur Fuel excise tax aligned to CPI in same way as registrations Sec.106. Section 452A.3	Bill does not address this topic	Bill does not address this topic
Benefits for First-Time Homebuyers	No special Iowa-based programs	Bill does not address this topic	Creates tax-deductible savings accounts for first-time homebuyers, similar to that of a 529, called FirstHome Iowa. DIVISION III Sections 13-60	Bill does not address this topic

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City Budget Statements	<p>Current statement prescribed by DOM and includes:</p> <ul style="list-style-type: none"> Sum of current FY actual property taxes certified for levy, combined property tax rate per \$1,000 dollars, and combined effective property tax rate Combined amount of proposed property tax dollars to be certified for levy and proposed combined rate per \$1,000 dollars A statement explaining the reasons for any potential increase in proposed property taxes levied An example of a property and the percentage change in taxes year over year The percentage breakdown of all taxing authorities Public hearing information, city website information, and how to access current and historical budget information A link to DOM website for digital example and explainer of the statement 	Requires statements to be posted on websites and social media instead of mailing paper copies. Sec. 123. Section 24.2A	Bill does not address this topic	The bill revamps the outdated document mailed to all property owners. This mailer will contain more information and was crafted by the Iowa League of Cities. The new mailer will be required for budget years beginning on or after July 1, 2027. Section 24.2A
Renters	Current law	Bill does not address this topic	Creates a rent reimbursement credit for elderly and disabled renters Division III Sections 13-60	Bill does not address this topic
Veterans	Current Military Service (Veterans) Exemption — \$4,000	Military Tax Exemption of established and increased from \$5,000 to \$7,000 over the next 3 years (Div 6, Sec 85)	Changes Homestead Credit for disabled veterans to an exemption. Some veterans will be eligible for a complete property tax exemption. DIVISION III Sections 13-60	Bill does not address this topic
Local Elections	Current law	Bill does not address this topic	<p>County auditor, treasurer, recorder become appointed positions (by supervisors). Current officials finish their terms.</p> <p>Recorder duties reassigned where office abolished.</p> <p>Secretary of State to recommend statutory changes by 2027.</p> <p>DIVISION XI Sections 117-128</p>	Bill does not address this topic
Bonding	Current law	Prohibits use of bond proceeds or indebtedness for general operations. (Div 8, Sec 95)	<p>Prohibits use of bond proceeds or indebtedness for general operations. §444.26</p> <p>Restricts debt use to infrastructure purposes only. §444.26</p>	The bill will require that any bonds payable with property taxes must receive a 60% affirmative vote, beginning July 1, 2026. Sec. 14. Section 8.5, subsection 16