



Department of
Management

**Debt, Law Changes, & Reporting
IMFOA Fall 2026**

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State and Local Budgets Division
October 21, 2026



Debt Reporting & AFR/Budget Changes

Recent Debt Issuance Changes

A. HF718

County & City Bond Issuance Report - COI 8.5(16)

- a. DOM is to file a report with the General Assembly annually by January 15 including:
 - i. The use of each bond issuance procedure
 - 1. General corporate purpose
 - a. Voted
 - b. Non-voted
 - 2. Essential corporate purpose
 - ii. Amount of each type of debt issued

Recent Debt Issuance Changes

A. HF718

Enhanced debt reporting – COI 384.22(1)

- a. A requirement to increase the amount of debt reporting on city & county AFRs
- b. Beginning with FY 2024-2025:
 - i. List of all outstanding “bonds, notes, or other obligations”
 - ii. Amount of issue
 - iii. Purpose of issue
 - iv. Method of approval
 - v. Ties to other debts issued for the same purpose

Debt Reporting Requirement

Requirement to increase the amount of debt reporting on city & county AFRs

a. **Began with FY 2024-2025:**

- i. List of all outstanding “bonds, notes, or other obligations”
- ii. Amount of issue
- iii. Purpose of the issuance
- iv. Method of approval
- v. Ties to other debts

Debt Reporting Requirement

Debt Series Name	Type of Debt	Date of Issuance	Debt Resolution	Rate Range	Voted	Amount of Issue	Principal Outstanding July 1, 2024
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A. Voted

- a. Select the approval method which was required under Code of Iowa 331 or 384 for the type of debt issued from the dropdown
 - i. Voted: Debt was required to be approved by a vote of the citizens
 - ii. No Vote – Essential GO: GO debt was approved by as an essential corporate purpose, which does not have a debt requirement.
 - iii. No Vote – Below Threshold: GO debt was below threshold of principal issued over which a citizen vote would be required
 - iv. No Vote – Non-GO: Debt is not a general obligation

Implementation

A. New page added to the AFR

B. COUNTY DEBT DETAIL and CITY DEBT DETAIL

- a. Similar to the Long-Term Debt pages of the budget form
- b. Requires a few extra pieces of debt information
 - i. Rate range
 - ii. Method of approval – Voted
 - iii. Tied to other debt?
 - iv. Purpose of the debt issue – what was it used for?

DOM Debt Database System

- A. Attempt to remove yearly work & uncertainty
 - a. Debts on a set schedule and do not change often
 - b. Helps provide continuity for staff turnover
 - c. Provides local governments & County Auditors with a repository for GO debt documents
- B. Data integration
 - a. Automatically fill in budget and AFR for debt reporting
 - b. Working toward integration in other reports
 - Will provide an output for filling out the Outstanding Obligations Report

DOM Debt Database System

A. AFR – Starting FY 25/26

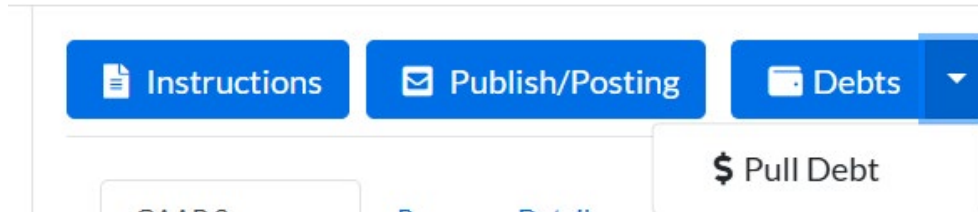
- a. Will fill in the City or County Debt Detail page completely

B. Budget – Starting FY 27/28

- a. Fills in the LT Debt page completely
- b. Changes to debt will have to go through the database first
 - i. Similar to AFR changes in the budget

DOM Debt Database System

- A. System will require that users fill in basic information about the debts from the resolutions approving the debt which are on file
- B. Entries will remain editable
- C. One time lift, then only updated as resolutions are changed
- D. Once your debt is entered, you click the following button to pull it into your AFR/budget

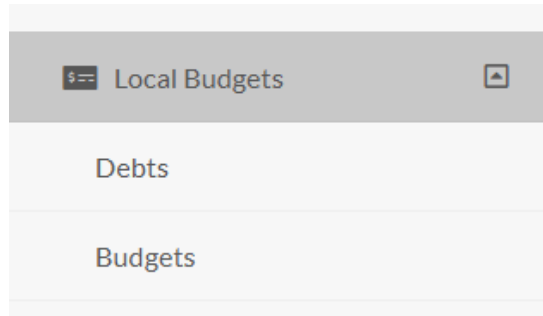


DOM Debt Database System

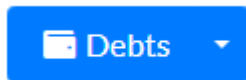
A. Debt Database accessible through the AFR or Budget form using the Debts Button



B. OR access the Debt Database via the option on the lefthand navigation under Local Budgets



DOM Debt Database System



- A. The “Debts” button has two functions:
- a. Access the Debt Database
 - b. Pull the data from the Debt Database into your budget and AFR using the dropdown arrow

DOM Debt Database System

A. Enter all Debt using the “+ Add Long Term Debt” button for each obligation.

Long Term Debt For AMES (City) [< Back to A](#) [+ Add Long Term Debt](#)

Series Name	Resolution Number	Original Amount	Date of Issuance	Maturity Date	Type of Debt	Debt Purpose	AFR Debt Type	AFR Debt Purpose	Security Class	Projects Funded by Debt
Series 2024 GO Equipment Pur...	30-2024	\$940,000	10/21/2024	6/1/2035	No Vote - Below T...	Public Safety	GO	General Obligatio...	General Obligation	Purchase of st sweeper, fire truck...

DOM Debt Database System

- A. The initial information to populate after selecting “+ Add Long Term Debt” button is a new window with several fields to identify the type of debt and collect basic information about the obligation.

Long Term Debt

Series

Voter Approval Type

Select Obligation Type

Projects Funded By Debt

Final Maturity Date

mm/dd/yyyy

AFR Type of Debt

Select AFR Debt Type

Outstanding Obligations Debt Purpose

Select Debt Purpose

AFR Debt Purpose

Select AFR Debt Purpose

Debt Security Class

Select Debt Security Class

Original Issue Amount

Date of Issuance

mm/dd/yyyy

Debt Resolution Number

Debt Resolution Document

Choose File No file chosen

Cancel

Save

Debt Database – General Information

Enter a trackable debt name (Year issued + repayment source + main project borrowed for)

Enter a description of project(s) funded by the debt – 150-character limit

Select the debt repayment source from the debt resolution; will flow the debt balance to the correct Other P10 column

Select the AFR-based purpose of the debt; will flow the debt information to the correct Other P10 line

Enter the amount originally borrowed

Enter the resolution number of the issuing resolution

Long Term Debt

Series

Voter Approval Type

Select Obligation Type



Projects Funded By Debt

Final Maturity Date

mm/dd/yyyy



AFR Type of Debt

Select AFR Debt Type



Outstanding Obligations Debt Purpose

Select Debt Purpose



AFR Debt Purpose

Select AFR Debt Purpose



Debt Security Class

Select Debt Security Class



Original Issue Amount

Date of Issuance

mm/dd/yyyy



Debt Resolution Number

Debt Resolution Document

Choose File

No file chosen

Cancel

Save

Long Term Debt



Series GO BONDS 2026A Road Improvements	Voter Approval Type No Vote - Essential
Projects Funded By Debt Roads and Bridges	Final Maturity Date 06/30/2035
AFR Type of Debt GO	Outstanding Obligations Debt Purpose Transportation
AFR Debt Purpose General Obligation (GO)	Debt Security Class General Obligation
Original Issue Amount 25,000,000	Date of Issuance 01/15/2026
Debt Resolution Number 26-123	

Debt Resolution Document

Choose File

No file chosen

Cancel

Save



Debt Database – General Information

Long Term Debt

Series

Voter Approval Type

Select Obligation Type

Projects Funded By Debt

Final Maturity Date

mm/dd/yyyy

AFR Type of Debt

Select AFR Debt Type

Outstanding Obligations Debt Purpose

Select Debt Purpose

AFR Debt Purpose

Select AFR Debt Purpose

Debt Security Class

Select Debt Security Class

Original Issue Amount

Date of Issuance

mm/dd/yyyy

Debt Resolution Number

Debt Resolution Document

Choose File

No file chosen

Cancel

Save

Select the level of citizen vote on the debt

Enter the date of the final payment on the debt schedule

Select the debt repayment source from the debt resolution; based on the Outstanding Obligations Report

Select the purpose of the debt; based on the Outstanding Obligations Report

Enter the date debt was issued

Long Term Debt



Series

GO BONDS 2026A Road Improvements

Projects Funded By Debt

Roads and Bridges

AFR Type of Debt

GO

AFR Debt Purpose

General Obligation (GO)

Original Issue Amount

25,000,000

Debt Resolution Number

26-123

Voter Approval Type

No Vote - Essential

Final Maturity Date

06/30/2035

Outstanding Obligations Debt Purpose

Transportation

Debt Security Class

General Obligation

Date of Issuance

01/15/2026

Debt Resolution Document

Choose File

No file chosen

Cancel

Save



Debt Database – General Information

Click to find and upload
the issuing resolution
for this debt

Click to save the
entered debt
information

Debt Resolution Document

No file chosen

Debt Database – Editing Controls

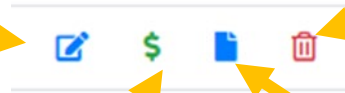
You can add more debts or edit the information about the debts using the buttons:

Edit the name, Debt Purpose, Obligation Type, Maturity Date, and Amount of Issue using the edit icon

Edit annual payments using the dollar sign

Use the trash can icon to delete the debt series

Use the documents icon to upload the adopted debt resolution



Debt Database – Payment Information

After inputting the required information about the debt, the annual payment amounts from your long-term debt schedule/resolution of payments can be entered using the dollar sign:

\$5,515,000	12/16/2025				
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Debt Database – Payment Information

Payment information will be entered by fiscal year from current date through end of debt payment term

» Debt Payments

Budget Authority: ADAIR COUNTY
Debt Series: GO BONDS 2026A Road Improvements
Projects Funded by Debt: Roads and Bridges
Date of Issuance: 1/15/26
Maturity Date: 6/30/35

Debts

+ Add Payment

Save All

FY ↑	Yearly Interest Rate	Original Principal	Original Interest	Bond Admin Costs	\$ from TIF	\$ from LOST	\$ from Utility	\$ from Road Use	\$ from Other	Paid from Levy
Totals		\$25,000.00	\$5,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$30,000.00	\$0.00	\$0.00
2025	0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00 
2026	1.50	\$25,000.00	\$5,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$30,000.00	\$0.00	\$0.00 

Debt Database – Payment Information

You will have to fill out payment information for the reminder fiscal years of the obligations:

FY ↑	Yearly Interest Rate	Original Principal	Original Interest	Bond Admin Costs	Paid from Levy	
2025	5.10	\$115,000.00	\$22,222.00	\$22,222.00	\$159,444.00	
2026	5.50	\$115,000.00	\$208,548.00	\$2,100.00	\$325,648.00	
2027	5.40	\$115,000.00	\$208,548.00	\$2,100.00	\$325,648.00	

Debt Database – Payment Information

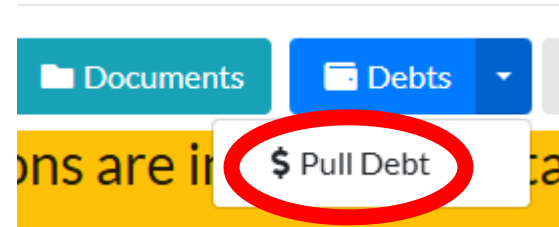
Spots are provided to enter the amount of payment that will come from sources other than property tax

- A. Optional use
- B. Will remain editable year-to-year
- C. Will flow through to budget LT Debt, but can then be edited on the LT Debt page
 - i. Does not populate to the AFR

\$ from TIF	\$ from LOST	\$ from Utility	\$ from Road Use	\$ from Other	Paid from Levy
\$0.00	\$0.00	\$0.00	\$30,000.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00 
\$0.00	\$0.00	\$0.00	\$30,000.00	\$0.00	\$0.00 

Debt Database – Payment Information

To populate your Long-Term Debt Schedule Tab you will need to use the dropdown of the “Debts” button and select “\$ Pull Debt”



Long Term Debt For AMES (City)

< Back to AFR

+ Add Long Term Debt



Pull Long Term Debt

Would you like to initiate a debt pull for this budget?

This will pull long term debt data into the budget or AFR you are returning to.

No

Yes

You can also populate the data by clicking on the < Back to AFR button to get back to the AFR and the ☒ Yes button to pull the updated data.

Debt Database – Payment Information

- Information populates to line 2 and below on the debt detail pages.

CITY DEBT DETAIL

LT DEBT1 LT DEBT2 LT DEBT3 LT DEBT4 LT DEBT5 LT DEBT6

Debt Series Name	Type of Debt	Date of Issuance	Debt Resolution	Rate Range	Voted	Amount of Issue	Principal Outstanding July 1, 2025	Fiscal Year Principal Paid	Fiscal Year Interest Paid	Tied to Other Debt	Purpose of Debt	Projects Funded by Debt
TIF Agreements	1 TIF Agreement	06-30-2026	TIF	0 %	No Vote - Non-GO	\$89,265,700	\$75,025,125	\$3,790,027	\$0		TIF Revenue	TIF Agreement Payments
2021 Sewer SRF	2 Revenue	06-11-2021	C1193R	0.00 - 1.75 %	No Vote - Non-GO	\$2,535,000	\$455,000	\$25,000	\$7,962		Sewer Utility	Sewer system improvements
Series 2024 GO Equipment Purchase Note	3 GO	10-21-2024	30-2024	4.75 - 4.75 %	No Vote - Below Threshold	\$940,000	\$940,000	\$0	\$44,650		General Obligation (GO)	Purchase of st sweeper, fire truck, police vehicle
Series 2024A GO	4 GO	11-06-2024	24-20	0.00 - 3.00 %	No Vote - Essential GO	\$1,200,000	\$1,108,423	\$96,957	\$65,120		General Obligation (GO)	Urban renewal projects including land purchase, street work
Series 2025A GO Police Fire Truck	5 GO	04-24-2025	25-20	0.00 - 0.00 %	No Vote - Essential GO	\$100,000	\$0	\$0	\$0		General Obligation (GO)	Purchase of a fire truck

Debt Detail Page – TIF Agreements

All TIF rebate / development agreement information must still be entered into line 1 of the debt detail pages manually

A. TIF rebates / agreements

- i. Aggregate totals onto one line
- ii. Amount of issue is the total of the original not to exceed amounts
- iii. Principal outstanding is the not to exceed minus amount paid to beginning of the fiscal year being reported

Urban Renewal Changes SF2496 & SF2472

SF2496 – EMS Levies & TIF

- A. Senate File 2496 excludes EMS levies from being diverted to TIF revenue
 - a. Levies specifically related to providing ambulance and emergency medical service no longer included in the net TIF consolidated rate
 - i. 422D Countywide EMS levy
 - ii. 357F Unincorporated EMS levy
 - iii. 357G City EMS levy
 - b. Change took effect immediately (May 2, 2026) and applied to the FY 2026-2027 budgets which were already submitted
 - i. Required DOM to update rates for FY 2026-2027 budgets

SF2496 – EMS Levies & TIF

A. Net TIF prior to SF2496

	<u>Total Rate</u>	<u>Debt Service Rate</u>	<u>ISL Rate</u>	<u>PPEL Rate</u>	<u>NET TIF Rate</u>
County	\$6.60896	(\$0.61924)	\$0.00000	\$0.00000	\$5.98972
Community College	\$0.80808	\$0.00000	\$0.00000	\$0.00000	\$0.80808
School	\$16.04873	(\$1.99069)	(\$1.39965)	(\$1.67000)	\$10.98839
County Assessor	\$0.22774	\$0.00000	\$0.00000	\$0.00000	\$0.22774
County Ag Extension	\$0.03045	\$0.00000	\$0.00000	\$0.00000	\$0.03045
County Hospital	\$2.46100	\$0.00000	\$0.00000	\$0.00000	\$2.46100
City	\$16.61000	(\$2.86000)	\$0.00000	\$0.00000	\$13.75000
TOTAL	\$42.79496	(\$5.46993)	(\$1.39965)	(\$1.67000)	\$34.25538

B. Net TIF after SF2496

	<u>Total Rate</u>	<u>Debt Service Rate</u>	<u>Emer. Medical Rate</u>	<u>ISL Rate</u>	<u>PPEL Rate</u>	<u>NET TIF Rate</u>
County	\$6.60896	(\$0.61924)	(\$0.75000)	\$0.00000	\$0.00000	\$5.23972
Community College	\$0.80808	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.80808
School	\$16.04873	(\$1.99069)	\$0.00000	(\$1.39965)	(\$1.67000)	\$10.98839
County Assessor	\$0.22774	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.22774
County Ag Extension	\$0.03045	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.03045
County Hospital	\$2.46100	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$2.46100
City	\$16.61000	(\$2.86000)	\$0.00000	\$0.00000	\$0.00000	\$13.75000
TOTAL	\$42.79496	(\$5.46993)	(\$0.75000)	(\$1.39965)	(\$1.67000)	\$33.50538

TIF Sunsets

- A. SF2472 created a sunset for **ALL** TIF ordinances passed after May 18, 2026
 - a. Includes slum and blight designated URAs, which were previously perpetual
 - b. TIF ordinances passed after 5/18/2026 are limited to 24-years (1 + 23 years) of revenue collection
 - c. TIF ordinances passed on or after 1/1/2027 are limited to 24-years of revenue collection and are not allowed to divert the school foundation levy
 - i. Currently \$5.40 of the school levy
 - ii. Schools may voluntarily allow the foundation levy to be captured in TIF revenue

SF2472 Div. XIII – UR TIF Rates

A. Net TIF prior to SF2472

	Total Rate	Debt Service Rate	ISL Rate	PPEL Rate	NET TIF Rate
County	\$6.60896	(\$0.61924)	\$0.00000	\$0.00000	\$5.98972
Community College	\$0.80808	\$0.00000	\$0.00000	\$0.00000	\$0.80808
School	\$16.04873	(\$1.99069)	(\$1.39965)	(\$1.67000)	\$10.98839
County Assessor	\$0.22774	\$0.00000	\$0.00000	\$0.00000	\$0.22774
County Ag Extension	\$0.03045	\$0.00000	\$0.00000	\$0.00000	\$0.03045
County Hospital	\$2.46100	\$0.00000	\$0.00000	\$0.00000	\$2.46100
City	\$16.61000	(\$2.86000)	\$0.00000	\$0.00000	\$13.75000
TOTAL	\$42.79496	(\$5.46993)	(\$1.39965)	(\$1.67000)	\$34.25538

B. Net TIF after SF2472

	Total Rate	Debt Service Rate	Emer. Medical Rate	ISL Rate	PPEL Rate	Foundation Rate	NET TIF Rate
County	\$6.60896	(\$0.61924)	(\$0.75000)	\$0.00000	\$0.00000	\$0.00000	\$5.23972
Community College	\$0.80808	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.80808
School	\$16.04873	(\$1.99069)	\$0.00000	(\$1.39965)	(\$1.67000)	(\$5.40000)	\$5.58839
County Assessor	\$0.22774	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.22774
County Ag Extension	\$0.03045	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.03045
County Hospital	\$2.46100	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$2.46100
City	\$16.61000	(\$2.86000)	\$0.00000	\$0.00000	\$0.00000	\$0.00000	\$13.75000
TOTAL	\$42.79496	(\$5.46993)	(\$0.75000)	(\$1.39965)	(\$1.67000)	(\$5.40000)	\$28.10538

TIF Sunsets

A. TIF Areas / TIF Taxing districts now have a statutory sunset

a. Economic Development (regular)

- i. Before 5/18/2026 - 20 years after the first year (21 years)
- ii. After 5/18/2026 - Existing TIF ord. areas will finish out on their current schedule. New TIF ord. areas - 23 years after the first year (24 years)

b. Residential Economic Development

- i. Before 5/18/2026 - 10 years after the first year (11 years), with possible 3-year or 5-year extension
- ii. After 5/18/2026 - Code section struck by SF2472; now treated same as regular economic development - 23 years after the first year (24 years)

TIF Sunsets

A. TIF Areas / TIF Taxing districts now have a statutory sunset

a. Slum and Blight

i. Before 5/18/2026

1. PERPETUAL, ends at discretion of when the URA / TIF authority believes they achieved the plan's goals

ii. After 5/18/2026

1. Existing perpetuals will continue to be perpetual, but after 20 years from May 18, 2026 (end of FY2046) will be limited to 60% of the available TIF and will no longer be allowed to divert the school foundation levy
2. Existing slum/blight TIF areas which have not yet been certified will be limited to full collection for 21 years, and then will be limited to 60% of available TIF revenue and cannot divert school foundation levy

SF2472 Div. XIII – LMI Requirements

A. Code of Iowa 403.22

- a. Required projects receiving TIF to build housing in a residential economic development urban renewal to include assistance to low and moderate income (LMI) housing.
 - i. Projects not meeting this requirement had to certify a separate amount to be used for LMI assistance projects throughout the city.
- b. SF2472 strikes COI 403.22 in its entirety.
 - i. Dollars currently being held in balance for LMI project must be used for LMI projects.
 - ii. Dollars certified but not yet collected for LMI may be decertified and no longer need to be collected.
 - iii. No LMI requirement on future residential UR/TIF projects.

Valuation Changes SF2472

SF2472 Div. VIII - Multiresidential

- A. Multiresidential Class Returns in FY29 (NO CHANGE FOR UPCOMING FY28)
- a. Reinstates multiresidential as a property class for the 2027 assessment year (FY29)
 - b. Ties the multiresidential assessment limitation to the residential assessment limitation
 - i. FY29 - residential rollback percentage plus 3%
 - ii. FY30 and after – residential rollback percent plus 6% (not to exceed 100%)
 - c. Example using the last two years assessment limitations:

Assessment Year	Agricultural	Residential	Multi-Residential
2024	73.8575%	47.4316%	50.4316%
2025	59.4401%	44.5345%	50.5345%

SF2472 Div. XX – Homestead Exemptions

A. Homestead Credit Phase Out

- a. An exemption is a reduction in the value of the property that a taxpayer pays taxes on. A credit is a direct reduction of the tax amount.
 - i. Regular homestead credit ends (more on this later).
 - ii. Disabled Veteran Credit remains.

B. Homestead Exemptions

- a. Sets the FY28 exemption at 10% of taxable value, no less than 5,500 and no more than 20,000
- b. Elderly homestead exemption remains in place at 6,500
- c. Increases the max homestead exemption by a cumulative adjustment factor calculated by IDR
 - i. Factor is 100% in AY2026 and then tied to an inflationary factor each year after

SF2472 Div. XX – Homestead Exemptions

A. Homestead exemption is calculated on taxable valuation

B. Taxable Valuation Calculation steps:

a. **Assessment limitation**

i. $\text{Assessed value} \times \text{assessment limitation percentage (rollback)} = \text{Net Taxable \#1}$

b. **Homestead Exemption**

i. $\text{Net Taxable \#1} - (\text{Net Taxable \#1} \times 10\%) \text{ (min. 5,500, max 20,000)} = \text{Net Taxable \#2}$

c. **Elderly Homestead Exemption**

i. $\text{Net Taxable \#2} - 6,500 \text{ (if applicable)} = \text{Net Taxable \#3}$

d. **Military Exemption**

i. $\text{Net Taxable \#3} - 4,000 \text{ (if applicable)} = \text{Taxable Value}$

SF2472 Div. XX – Homestead Exemptions

A. Homestead Exemption Example:

a. Statewide average homestead example

	FY27	FY28	FY29	FY30	FY31
Assessed Value	220,000	220,000	231,000	231,000	242,550
Rollback %	44.5345%	46.4500%	44.5345%	46.4500%	44.5345%
Taxable Value	97,976	102,190	102,875	107,300	108,018
Homestead %	10%	10%	10%	10%	10%
Calculated Homestead Exempt	9,798	10,219	10,287	10,730	10,802
Minimum Exempt	5,500	5,500	5,500	5,500	5,500
Maximum Exempt	20,000	20,000	20,000	20,000	20,000
Adjusted Taxable	88,178	91,971	92,587	96,570	97,217

SF2472 Div. XX – Homestead Exemptions

A. Homestead Exemption Example:

a. Minimum exempt example:

		FY27	FY28	FY29	FY30	FY31
	Assessed Value	110,000	110,000	115,500	115,500	121,275
	Rollback %	44.5345%	46.4500%	44.5345%	46.4500%	44.5345%
	Taxable Value	48,988	51,095	51,437	53,650	54,009
Calculated	Homestead %	10%	10%	10%	10%	10%
	Homestead Exempt	4,899	5,110	5,144	5,365	5,401
	Minimum Exempt	5,500	5,500	5,500	5,500	5,500
	Maximum Exempt	20,000	20,000	20,000	20,000	20,000
	Adjusted Taxable	43,488	45,595	45,937	48,150	48,509

SF2472 Div. XX – Homestead Exemptions

A. Homestead Exemption Example:

a. Maximum exempt example:

		FY27	FY28	FY29	FY30	FY31
Calculated	Assessed Value	450,000	450,000	472,500	472,500	496,125
	Rollback %	44.5345%	46.4500%	44.5345%	46.4500%	44.5345%
	Taxable Value	200,405	209,025	210,426	219,476	220,947
	Homestead %	10%	10%	10%	10%	10%
	Homestead Exempt	20,041	20,903	21,043	21,948	22,095
	Minimum Exempt	5,500	5,500	5,500	5,500	5,500
	Maximum Exempt	20,000	20,000	20,000	20,000	20,000
	Adjusted Taxable	180,405	189,025	190,426	199,476	200,947

SF2472 Div. II – New Valuation

A. Defines “New Valuation” - AY2026 (FY28)

- a. Codifies how it was defined in AY2025 valuation submission
 - i. New Construction
 - ii. Additions and Improvements
 - iii. Boundary Adjustments
 - iv. Does NOT mean expired exemptions
 - v. Does NOT mean TIF released/ended

B. Used in calculation of city general fund levy (CGFL)

Budget Changes SF2472

SF2472 Div. XX – Homestead Replacement

A. Homestead Credit Phase Out

- a. An exemption is a reduction in the value of the property that a taxpayer pays taxes on. A credit is a direct reduction of the tax amount.
 - i. Regular homestead credit ends. Disabled Veteran Credit remains.
 - ii. Phases out the homestead credit replacement by a 1/3 each year over three years
 - 1. FY28 – 2/3 of FY27 payment
 - 2. FY29 – 1/3 of FY27 payment
 - 3. FY30 & after – No further credit payments
- b. No longer counted as property tax, must be counted as a replacement payment.
 - i. New chart of accounts number will be necessary.

SF2472 Div. XXIV – Two Tier Payments

- A. First 150,000 of assessed commercial or industrial value receives the residential assessment limitation percentage. Remaining value above 150,000 receives 90% assessment limitation.
 - a. Two-tier business property replacement payment in place to bridge the gap created by assessment limitation change.
 - b. Payments received each fall and spring, along with regular property tax payments
- B. FY27 payments will be the last payments received.
- C. Assessment limitation process will remain in place after payments end.

SF2472 Div. II & III – Property Tax

A. Sets a 2% plus new construction levy limitation on the General Fund levy (CGFL) for Cities

B. Calculation method:

a. **CGFL rate =**

$1000 \times ((\text{Current FY Request} \times 1.02) / \text{non-TIF taxable value})$

	FY27		FY28
Non-TIF Taxable	3,556,090,205		3,652,600,265
New Construction	0		46,723,895
Reassessed	3,556,090,205		3,605,876,370
CGFL Prop Tax Levied - TOTAL	\$28,804,330.66	X 1.02	\$29,761,120.30
CGFL Prop Tax Levied - Reassessed	\$0.00		\$29,380,417.27
CGFL Prop Tax Levied - New Const.	\$0.00		\$380,703.03
CGFL Rate	\$8.10000		\$8.14793
Revenue Change	N/A		\$956,789.64
Revenue Change %	N/A		3.32%

SF2472 Div. II & III – Property Tax

A. An example:

	FY27	FY28	FY29	FY30	FY31
Non-TIF Taxable	3,556,090,205	3,652,600,265	3,866,336,350	3,943,663,077	4,121,127,915
New Construction	0	46,723,895	26,556,464	19,917,348	20,813,629
Reassessed	3,556,090,205	3,605,876,370	3,839,779,886	3,923,745,729	4,100,314,287
CGFL Prop Tax Levied - TOTAL	\$28,804,330.66	\$29,761,131.28	\$30,566,288.60	\$31,335,873.57	\$32,124,851.48
CGFL Prop Tax Levied - Reassessed	\$0.00	\$29,380,428.25	\$30,356,339.83	\$31,177,612.71	\$31,962,605.92
CGFL Prop Tax Levied - New Const.	\$0.00	\$380,703.03	\$209,948.77	\$158,260.86	\$162,245.57
CGFL Rate	\$8.10000	\$8.14793	\$7.90575	\$7.94588	\$7.79516
Revenue Change	N/A	\$956,800.62	\$805,157.32	\$769,584.97	\$788,977.91
Revenue Change %	N/A	3.32%	2.71%	2.52%	2.52%

SF2472 Div. II & III – Property Tax

A. Low growth example:

	FY27	FY28	FY29	FY30	FY31
Non-TIF Taxable	5,323,730	5,376,967	5,471,064	5,525,775	5,636,290
New Construction	0	25,000	15,000	11,250	11,756
Reassessed	5,323,730	5,351,967	5,456,064	5,514,525	5,624,534
CGFL Prop Tax Levied - TOTAL	\$43,122.21	\$44,190.12	\$45,197.83	\$46,195.81	\$45,653.95
CGFL Prop Tax Levied - Reassessed	\$0.00	\$43,984.66	\$45,073.91	\$46,101.76	\$45,558.73
CGFL Prop Tax Levied - New Const.	\$0.00	\$205.46	\$123.92	\$94.05	\$95.23
CGFL Rate	\$8.10000	\$8.21841	\$8.26125	\$8.36006	\$8.10000
Revenue Change	N/A	\$1,067.91	\$1,007.71	\$997.98	(\$541.86)
Revenue Change %	N/A	2.48%	2.28%	2.21%	-1.17%

SF2472 Div. II & III – Property Tax

- A. Does not limit currently non-limited rates
 - a. Insurance, support of local EMC, employee benefits, debt
- B. Makes \$8.10 city General rate hard limit beginning in FY31
 - a. Lesser of \$8.10 limit or 2% growth
 - b. FY28 – FY30, there is no rate cap on the CGFL
 - i. Rates can grow as necessary to capture 2% revenue growth until FY31

SF2472 Div. II & III – Property Tax

- A. Caps local government **rate limited** levies to 2% growth
 - a. Includes rate limited city levies except:
 - i. CGFL
 - ii. SSMIDs
 - b. Does not limit non-limited rates
 - i. Insurance
 - ii. Support of local EMC
 - iii. Employee benefits
 - iv. Debt service
- B. Allows for new voter approved rates and usage of previously unused limited rate levies
 - a. Allowed to use levies at max rate cap in first year.

SF2472 Div. II & III – Property Tax

Rate Limit Calculation

CITY CAPPED LEVY CALCULATION SHEET
FY 2027 - 2028
INFORMATIONAL ONLY

	Prior Year Total Request	Limitation %	Budget Year Taxable TOTAL	Budget Year Taxable NEW Valuation	Budget Year Taxable REVALUATION	Calculation Formula (Maximum Requested Dollars)	Maximum Rate
Consolidated General Fund	35,890,532	0.02	6,370,163,561	129,642,594	6,240,520,967	37,368,845	5.86623
Opr & Maint publicly owned Transit	0	0.02	6,370,163,561			6,051,655	0.95000
Aviation Authority	763,470	0.02	6,370,163,561			778,752	0.12225
Unified Law Enforcement	0	0.02	6,370,163,561			9,555,245	1.50000
Capital Projects	0	0.02	6,370,163,561			4,299,860	0.67500



Code Sec.	Dollar Limit	Purpose
384.1	5.86623	Consolidated General Fund

SF2472 Div. III – GO Debt Limitation

A. General Obligation Debt Issuance Prohibition

- a. As of July 1, 2026 GO debts cannot be issued “for the purpose of funding the general operations of the governmental entity or otherwise use proceeds from the sale of bonds or issuance of other indebtedness to fund general operations.”**
- b. “General Operations” defined as:**
 - i. “Services or activities generally funded from the governmental entity’s general fund, which are necessary for the operation of the governmental entity, including salaries and benefits, or which are for the health and welfare of the governmental entity’s citizens or primarily intended to benefit all residents of the governmental entity, but excluding direct and indirect capital expenditures properly allocable under the Internal Revenue Code, as defined in section 422.3, if the governmental entity were a taxpayer, capital leases, and services financed by statutory funds other than a debt service fund.”

SF2472 Div. XI – General Fund Reserves

- A. Beginning with FY2028 budget
- B. Prescribes the use of GASB Fund Balance designations
 - a. <https://iowaleague.org/resource/gasb-54-fund-balance-classifications/>
- C. Requires governmental entities to budget no more than a 35% ending general fund balance (% of total expenditures) as Unassigned
 - a. Unassigned – Any balance in the general fund that has not been given classification. The general fund should be the only fund that reports a positive unassigned fund balance amount.
- D. Requires an audit of such entity to report the governmental entities' reasons for exceeding the budgeted fund balance in the actual year if applicable.

SF2472 Div. XI – General Fund Reserves

- A. Nonspendable** – Amounts legally/contractually required to be maintained intact
- B. Restricted** – Use is restricted due to external imposition by creditors (debt covenants), grantors, contributors, or laws/regulations of other governments
- C. Committed** – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority
- D. Assigned** – Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

SF2472 Div. XI – General Fund Reserves

City Name: ANKENY
Fiscal Year July 1, 2027 - June 30, 2028

		GENERAL	SPECIAL REVENUES	TIF SPECIAL REVENUES	DEBT SERVICE	CAPITAL PROJECTS	PERMANENT	TOTAL GOVERNMENT	PROPRIETARY	GRAND TOTAL
Budget FY 2028										
Beginning Fund Balance	9	0	0	0	0	0	0	0	0	0
Revenues	10	0	0	0	0	0	0	0	0	0
Expenditures	11	0	0	0	0	0	0	0	0	0
Ending Fund Balance	12	0	0	0	0	0	0	0	0	0
FY 2028 ENDING FUND BALANCE										
Nonspendable	13							0		0
Restricted	14							0		0
Committed	15							0		0
Assigned	16							0		0
Unassigned	17	0	0	0	0	0	0	0	0	0
TOTAL ENDING BALANCE	18	0	0	0	0	0	0	0	0	0
PRIOR YEAR 2027 EXP. LESS TRANSFERS	19	0	0	0	0	0	0	0	0	0
PERCENT OF PRIOR YEAR EXPENDITURES	20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

A. Fund Balance Summary

SF2472 Div. XXIII & XXVI – Misc. Levies

A. 28M Transit District Property Tax Change

- a. Sets a 3% revenue limitation on the total (sum of all members) property tax levied for transit districts
 - i. Non-28M transit levy (non-DART) is governed by 2% hard cap on rate limited levies

B. EMA Funding Change

- a. Sets a 3% revenue limitation on the total (sum of all members) property tax levied for support of EMA

SF2472 Div. XXI – Budget Notice Mailing

- A. Requires county auditors to send individualized statements regarding specific impact to a taxpayer.
 - a. Same date requirements
 - i. March 5 – Data must be in DOM system
 - ii. March 15 – Notices must be mailed / available online
- B. Eliminates the calculation of an effective tax rate, general property example
 - a. Single page with meeting and proposed rate information
- C. Requires DOM to consult with ISAC and League of Cities on the format of the statement
- D. Allows the statement to be posted on the County Auditor's web site in lieu of mailing

Budget Process Review

- A. Changes have occurred, but process remains the same
 - a. Budget system will still be opened in December
 - b. Taxable valuation is still to be filed to DOM by January 1
 - c. Proposed property tax rates/revenues & property tax hearing information must be in DOM budget system by March 5 @ 4PM
 - i. Proposed Tax Notice page completed and notice proposed in system (“Propose Tax Notice” button)
 - d. Budget statements mailed/posted electronically by March 15
 - e. Notice of both the property tax hearing and the budget hearing must be published/posted 4/20 days prior to hearing – NO OVERLAP
 - f. Budgets due April 30

Questions?

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