

2026 Legislative Wins

Property Taxes

Iowa REALTORS® supports meaningful, long-term property tax relief that improves housing affordability, protects private property rights, and provides predictability for property owners.

With significant discussion and negotiation in the final hours of the 2026 session, the House and Senate agreed to a compromise and passed SF2472. SF2472 includes several wide ranging provisions including:

TRANSITION FROM HOMESTEAD CREDIT TO EXEMPTION

Beginning with assessment years starting on or after January 1, 2026, the bill transitions Iowa's homestead tax benefit from a credit system to a flat exemption model.

Under the previous system, homeowners received a tax credit applied against property taxes owed on up to \$4,850 of a homestead's value. Under the new structure, a portion of a home's assessed value will be exempt from taxation before property taxes are calculated. The exemption is set at 10 percent of the homestead's taxable value, with a minimum exemption of \$5,500 and a maximum exemption of \$20,000.

Beginning in 2027, the maximum exemption amount will be adjusted annually for inflation.

RE-DEFINITION AND REINSTATEMENT OF "MULTIRESIDENTIAL" CLASS

Beginning with valuations established on or after January 1, 2027, the bill reinstates "multiresidential" as a separate property classification. However, properties containing two or fewer dwelling units will no longer fall under that category and will instead be classified and valued as residential property. For assessment year 2027, multiresidential property will be assessed at the same percentage of actual value as residential property for that year, plus an additional three percent.

Starting in assessment year 2028 and continuing thereafter, multiresidential property will be assessed at a rate that is six percent higher than the residential property rate.

FIRSTHOME IOWA PROGRAM

The bill creates a FirstHome Iowa Program, a state-run savings initiative that allows Iowa residents to open tax-advantaged accounts specifically for first-time homebuyer expenses, such as down payments and closing costs on a primary residence in Iowa.

Participants can contribute up to \$5,500 per beneficiary per year (indexed for inflation), with both contributions and account earnings deductible from Iowa state income taxes as long as funds are ultimately used for qualified homebuying expenses.

HOA Transparency & Home Inspection Reforms

SF2448 brings greater clarity and fairness to transactions involving homeowners associations (HOAs) by requiring HOAs to provide timely access to the certification showing whether dues are current or delinquent, along with the disclosure of any upcoming approved assessments.

The bill requires HOAs to provide timely access to dues and assessment information, limits fees to reasonable actual costs, and allows owners or agents to request documentation supporting those fees.

It also updates home inspection law so sellers receive only the portions of inspection reports tied to repair requests, helping streamline negotiations while protecting both buyers and sellers.

Accessory Dwelling Unit Legislation

Following the passage of legislation last session that requires local governments to allow at least one accessory dwelling unit per lot, SF2629 was brought forward this session to provide additional clarity surrounding the new law.

SF2629 provided important clarifications to Iowa's new accessory dwelling unit (ADU) law, helping make it easier for Iowans to build ADUs. The bill confirms that at least one ADU must be allowed on single-family lots, limits restrictions in historic districts unless a clear impact is proven, and clarifies how ADU size is calculated by excluding garages, decks, unheated porches, and unfinished basements.

D.I.A.L. Reform Legislation

Stopping HF2666 was a major win for Iowa REALTORS®, preserving the independence and industry expertise of the Iowa Real Estate Commission.

The bill would have shifted key regulatory functions into a broader state agency and created uncertainty around licensing and enforcement standards. By halting the legislation, REALTORS® helped protect transparent, accountable oversight that benefits both consumers and real estate professionals, while continuing conversations around thoughtful modernization and efficiency in future sessions.