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PROPERTY TAX TOOLKIT

SOLUTIONS TO IOWA'S GROWING PROPERTY TAX PROBLEM

About the Authors

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Executive Summary

Iowa has too much government. Citizens have benefitted from conservative leadership at the state level that has delivered multiple rounds of tax cuts and eased the regulatory burden on businesses and employees, but big-government objectives like property tax growth are on autopilot with no off ramp in sight. Reining in the growth of local government requires solutions to numerous issues.

Iowans for Tax Relief Foundation (ITRF) has created this toolkit to deliver a concise and easily digestible public policy guide for state and local officials who are interested in property tax reform. Since no single policy solution will "fix" Iowa's property tax, this toolkit offers concrete ideas for policymakers that will bend the expense curve and eventually reduce the burden on taxpayers.

- **Local Government Spending Limitations:** A more robust spending limitation would apply the brakes to slow spending down.
- **"Ratchet-Down" Effect on Local Revenue:** When valuations rise, rates should ratchet down to keep the taxing authority's revenue the same.
- **Property Tax Rate Limits:** Local governments should have a single levy for operations, not multiple levies that pay for standard functions of government.
- **Local Debt Limits:** The 5 percent constitutional debt limit should be applied to all forms of debt and all levels of local government.
- **Urban Renewal Practices:** Urban renewal programs shouldn't be utilized in areas that are already growing or on projects that would occur without a subsidy anyway.
- **Taxpayer-Funded Lobbyists:** Taxpayer dollars should be used to advance the public good, not to bankroll lobbyists who advocate against taxpayers' interests.
- **Uniform Disclosure:** All counties should have the same online presentation listing all levies, broken down by the relevant authorities.
- **November-Only Revenue and Spending Questions:** All bonded indebtedness, voted levies, and other revenue or spending questions that directly affect property taxes should be placed on November election ballots.
- **Direct Notification:** A direct notice must be sent to taxpayers providing information on tax increases, including how much their specific tax bills would increase under a proposed budget.
- **Assessment Equity and Fairness:** The state should consider using a datapoint called the coefficient of dispersion (COD), which measures the variation of individual sales from the median/middle, to assess the uniformity or fairness of assessments within each jurisdiction.
- **Consolidation of Property Tax Levies:** Outdated and unnecessary property tax levies should be repealed, and remaining levies should be consolidated into one general levy for each level of local government.

Each of these policy ideas are discussed in more detail on the following pages. We also provide a history of Iowa's property tax and a recap of recent changes. While there are undoubtedly additional reforms that should be considered, this toolkit serves as a foundation for officials who are serious about prioritizing the taxpayer over growing government.

Introduction

Property taxes are, without a doubt, the most hated tax in Iowa. Since 2000, total property taxes collected have increased 119%, which is more than the increase in population, inflation, or the cost-of-living adjustment for Social Security. The Tax Foundation ranked Iowa's property tax burden as the 10th highest in the nation. Consequently, Iowans are demanding property tax relief, and they are tired of excuses from officials for why they have not delivered.

> **Property taxes are the most hated tax in Iowa. These reform recommendations prioritize the taxpayer.**

Making substantial changes to the property tax system in Iowa is not an easy task, but many approaches to reforming property taxes are available. Broadly, they fall into two categories: slow the growth and lower the burden. Statewide, three taxing authorities collect more than 90% of property taxes: schools (41%), cities (29%), and counties (22%).

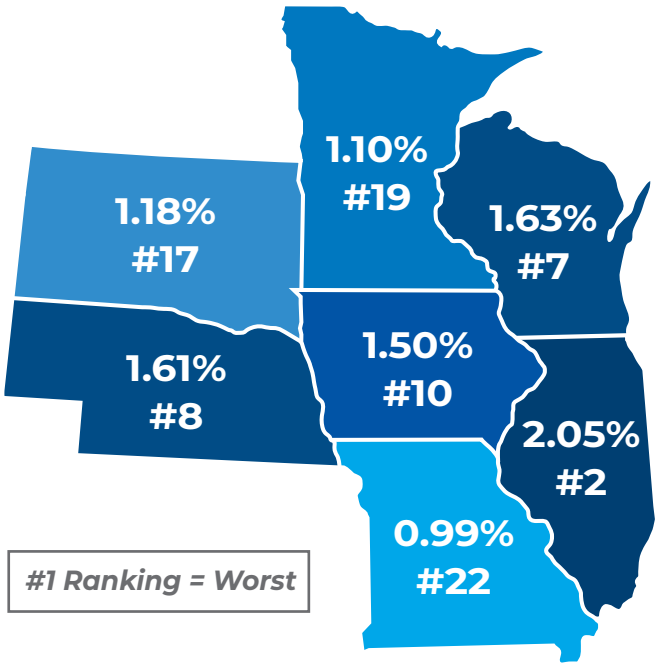
For many years, Iowa's property tax has been oppressive. High property taxes serve as a deterrent to economic growth. They can also prevent Iowans from living near their families and fully enjoying the wonders of life in our state.

The reform recommendations that follow prioritize the taxpayer. While many publications may provide a deeper exploration of property tax theory and practice, this toolkit provides actionable recommendations based on best practices. The guiding principle of ITRF's analysis is our fundamental commitment to free markets, private property rights, individual liberty, and limited government. Our recommendations advance these ideals to increase Iowans' prosperity and facilitate their escape from the property tax burden that has plagued the state for generations.

With an eye toward avoiding past reforms that fell short as future solutions are crafted, the following sections comprehensively address Iowa's property tax.

Midwest Property Taxes by Rate

(National Ranking, 2020)



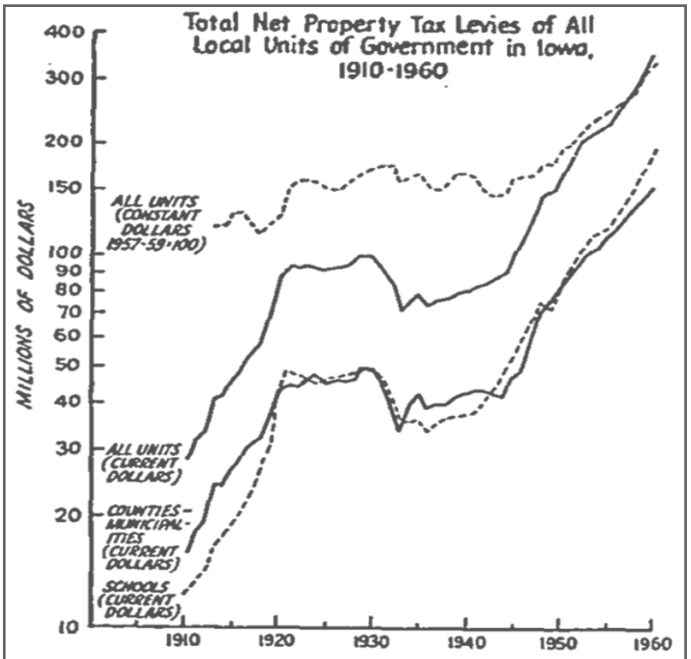
Source: Tax Foundation

Iowa's Property Tax History

Iowa's property tax has had a tumultuous history. Iowa's territorial legislature enacted the first revenue act in 1839, creating a tax levy on real and personal property. This form of taxation continued after statehood and was the primary source of revenue for both the state and local governments. In 1872, Iowa's first major tax reform made changes to taxation on railroads and assessments. Both historians and academics have considered Iowa's revenue system to have been a failure over the next 50 years, and its property tax system became one of the most burdensome in the nation. The 1910 Census exposed Iowa as the only state in the nation that had lost population since 1900, and its growth in manufacturing and commerce was noticeably less than in other states. The consensus view was that the tax environment was to blame.

The most comprehensive tax legislation in the State of Iowa to date passed in 1911. Many of the special tax levies we still have today, such as for roads and bridges, appeared that year, and responsibility for assessments switched from townships to the counties, creating the role of county assessor. Providing evidence that the tax changes worked, Iowa's municipal population increased 21%, or 234,631 people, soon thereafter.

Between 1910 and 1921, Iowa's property tax levy increased annually by 11.7%, mostly due to the economic prosperity of the time. Per capita personal income nearly doubled, and inflation, urbanization, and changing technology added significantly to government expenditures. Nevertheless, Iowans' displeasure with their property taxes continued, and people continued to find inequities and problems with it. The tax's collections accounted for 80% of all tax revenue during this time.



Source: Wright, D.S. and Marker, R.W., 1964. A Half-Century of Local Finances: The Case of Iowa. *National Tax Journal*, Vol. 17, No. 3, pp. 283.

In the late 1920s, Iowa farmers banded together to promote the idea of consolidating the rural one-room schoolhouses as a fix for the unequal burden of property taxation. More than 2,000 one-room schools were closed across rural areas of the state, and in their place, 385 consolidated schools were established, largely on a regular high-school basis. Even then, many believed the solution to property tax challenges, particularly in the rural districts, lay in the field of school finance reform.

The Great Depression was a catalyst for great change of property taxes in Iowa at both the state and local levels. In the early years of the Depression, Iowa lawmakers permitted counties' sale of bonds to pay for unemployment relief, which doubled the county tax levy during this time. When lawmakers realized that property taxes could no longer be their primary source of revenue, the state enacted a new revenue law on March 1, 1934, creating a personal income tax, a corporate income tax, and a sales tax.

The proceeds from these new taxes were intended to be used to support state government, pay the administrative costs of collecting the new revenue, and finance an emergency poor relief program. The remainder would go to the counties based on their assessed property valuations. Specifically, the sales tax was created to finance emergency relief measures and, at the same time, furnish some tax relief to the owners of property. The state abolished its tax on tangible property, yet the $6-per-thousand state levy (the mill rate) on intangibles remained. Iowa also created a homestead law, providing a rebate on a portion of the property tax paid by homeowners.

> **Iowa's property tax system became one of the most burdensome in the nation. When lawmakers realized it could no longer be the primary source of revenue, they created the income and sales taxes in 1934.**

These new taxes, although intended to serve as partial replacements for burdensome property tax levies, did not remedy the weaknesses and inequalities of the property tax system. Critics felt state legislators missed an opportunity to enact constructive legislation relating to the administration of the property tax, such as having the state centralize control over property assessments and the appointment of local assessors, who would be responsible to the state board of assessment and review.

With the new taxes, property tax collections dropped to 55% of all tax revenue, and from 1936 through 1944 the average annual levy increase was only 2.7%. However, in the post-war period, 1944 to 1960, the property tax collections rebounded to an average annual increase of 8.8%. Iowans continued to complain of property tax burdens, and the State Legislature enacted more reforms, including distribution of state funds for education in an inverse relationship to property wealth and creation of the agricultural land property tax credit.

The 1970s brought another big push for property tax reform. In 1971, the General Assembly of the Iowa Legislature passed a bill, House File 654, creating an education funding formula with a uniform mill rate set at $20, with a state aid target set at 70% of the cost per pupil. Shortly thereafter, in 1973, the state repealed the personal property tax, and the property tax credit for the elderly and disabled was expanded. In 1978, the state divided property into different classes and implemented a complex system of statewide assessment limitations, also known as rollback provisions.

While continuing to collect more property taxes per capita than the national average, the state legislature did relatively little to change property taxes over the next few decades. School funding stayed relatively the same until 1986, when the minimum uniform school levy rate changed to $5.40 per $1,000 of assessed value, which was then followed by a complete restructuring of the school funding formula in 1990. In 1995, the state revamped how it paid for mental health services, with the aim of lowering the county's property tax rates, and in 2003, the legislature considered a reform of the property tax system but failed to enact it.

Recent Changes to the Property Tax

In 2013, the legislature enacted a comprehensive property tax reform measure directed at providing commercial property tax relief. Some of the major reforms of the legislation included:

- Establishing a new property tax credit for commercial, industrial, and railroad property classifications and creating a new multi-residential classification.
- Reforming the property tax rollback for residential and agricultural property from 4 percent to 3 percent, while reforming the rollback for commercial, industrial, and railroad property (95 percent for assessment year 2013 and 90 percent for 2014 and after).

In fiscal year 2015 (FY15), the General Fund would "backfill" lost revenue from commercial property tax. Since FY17, this has been limited to $152 million directed back to cities and counties.

While the 2013 property tax reform was extensive, it failed to address local government spending or property taxes associated with public education, the largest component of property tax bills. Furthermore, local governments engaged in "revisionist history" regarding the backfill, which was never intended to be permanent, arguing that it was an obligation of the state that could not repealed or phased out. The legislature in 2021 enacted a phase-out, but analysis demonstrated that many cities and counties did not even need the money because property tax revenue was escalating.

The second-most-significant property tax reform legislation arrived in 2019. Responding to concerns over rising and complicated property taxes, the legislature passed a property tax accountability and transparency measure. Unlike the 2013 reform, this law attempted to deal with local government spending, creating a 2 percent "soft cap" that would apply to city and county budgets.

The other pillars of the law included measures to increase accountability and transparency by:

- Requiring cities and counties (not school districts) to pass resolutions identifying the maximum amount of property tax dollars they would collect in the next fiscal year and holding a public hearing on that resolution.
- Calling for local elected officials to justify property tax increases with a specific explanation of their need for more funding.
- Giving local taxpayers the opportunity to submit objections to proposals at the public hearing.

The law also required local governments to publish their budget notices. However, these notices often were not only difficult to find on city or county websites, but also very complicated. Similarly, although local governments were required to provide notice of their budget hearings, very few taxpayers attended them.

While the property tax accountability and transparency law was well intentioned, it failed to provide property tax relief. The 2 percent "soft cap" only takes a two-thirds majority vote of a city council or county supervisor board to override. In addition, the failure to include school districts made the reform ineffective. In terms of transparency, it failed to simplify the complexity of the property tax system, and the budget notices are too complex for most taxpayers to understand.

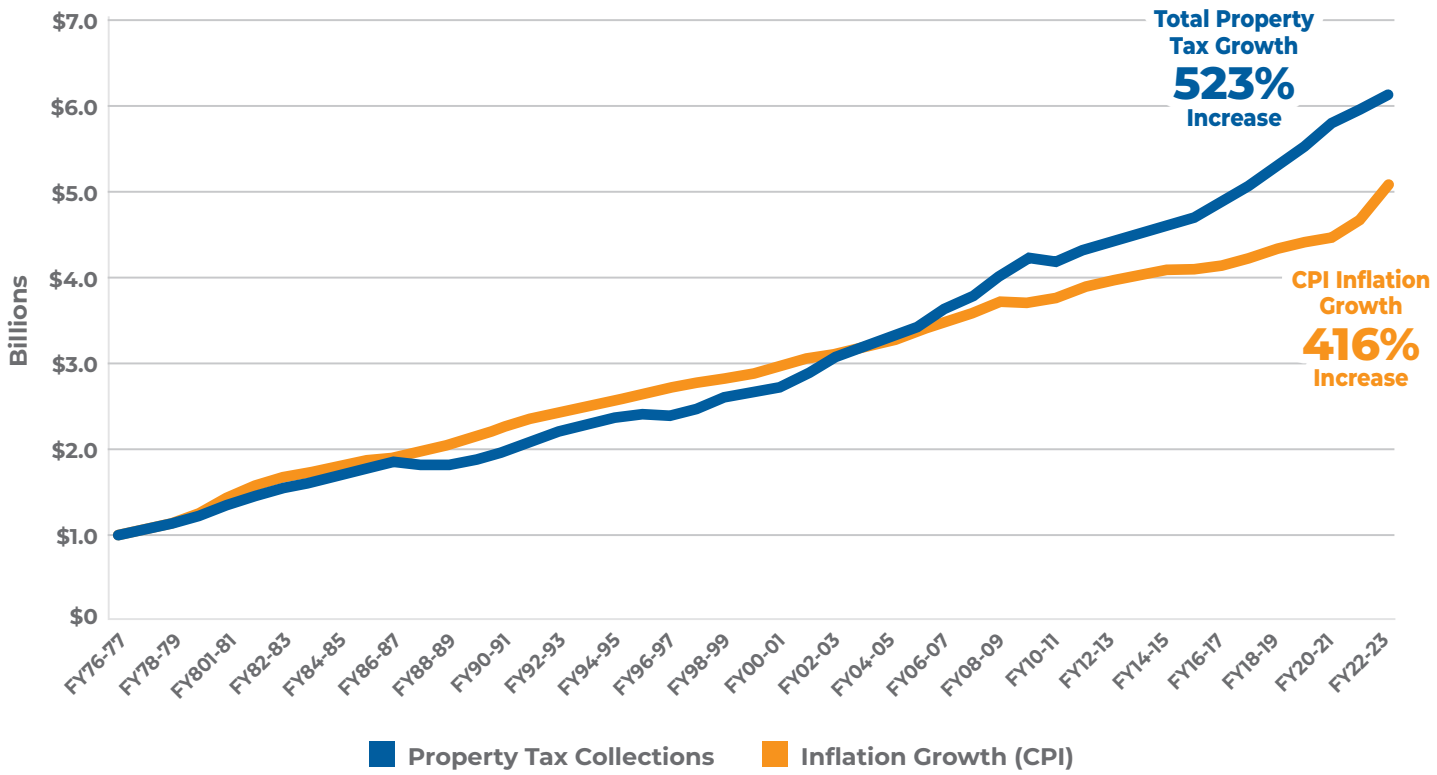
Finally, the law failed to address local governments' ability to take advantage of assessment windfalls. Too often taxpayers are told that the rates are going down, only to find that they are paying more in property taxes. This creates an "honesty gap" between local governments and the taxpayer.

The most recent reform of property taxes occurred in 2021. As part of a larger tax reform measure, the legislature not only phased out the backfill, but also eliminated the county mental health property tax levy. Iowa was the only state funding mental health through property taxes. Although some proponents assumed taxpayers would see relief with the elimination of this levy, 49 out of the 99 counties failed to pass along the savings to taxpayers.

When considering future property tax reforms, policymakers must address the total spending of local governments and increase transparency. Any reform that fails to address both problems will be a lost opportunity. The chart below gives a snapshot of the last half-century of local taxing entities' property tax collections in Iowa. In total, the amount of property tax dollars collected from citizens has increased 523%, while inflation has only increased 416% over the same period, meaning total collections are $1.1 billion more today than they would have been if property taxes had only increased in line with inflation.

Iowa Property Tax Collections Compared to Inflation Growth

(FY1977-2023)



Source: Iowa Department of Management, Minneapolis Federal Reserve Bank

Reform, Recommendations, and Solutions

Over the last century, public finance scholars have sought the best way to raise revenue to pay for the public services citizens demand. While the debate continues, remarkable agreement has coalesced around the general principles of sound tax policy: Simplicity, transparency, neutrality, and stability are all core principles of a good tax system. Unfortunately, Iowa has not faithfully adhered to these guides with the property tax.

Empirical research has determined that a state's ability to attract, retain, and encourage business activity is considerably affected by its structure of taxation. While economic policy suggests the property tax is the least harmful to economic growth and, when properly structured, can be efficient and transparent, Charles Tiebout argued persuasively in 1956 that people vote with their feet and will move if they do not feel the local taxation is fair or equitable.

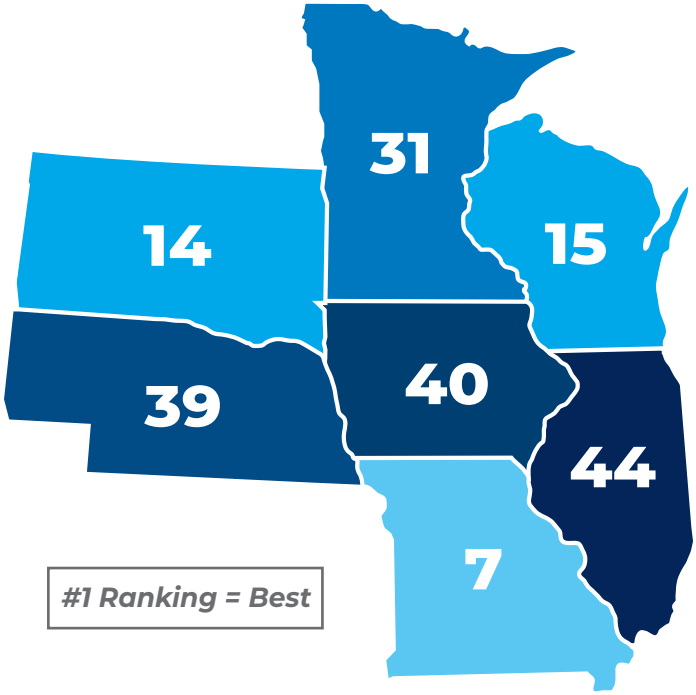
More-recent academic research has found the variation of property taxes within a region could be uniquely important determinants of intraregional location decisions, negatively affecting the establishment of small businesses. In fact, Timothy Bartik estimated in 1985 that a 10 percent increase in business property taxes decreases the number of new plants opening in a state by between 1 and 2 percent. Overall, states that keep property taxes low better position themselves to attract business investment.

The Tax Foundation's State Business Tax Climate Index measures how well states structure their tax systems, enabling policymakers, business leaders, and taxpayers to gauge their states' tax systems. According to the 2023 index, Iowa ranks 38th in the nation overall, with the property tax component even lower at 40th. The only proximate state with a lower ranking for property taxes is Illinois, ranked at 44th.

The remainder of this report provides policy recommendations for spending and transparency reforms of Iowa's property tax. With these reforms, Iowa will not only improve its ranking on the Tax Climate Index, but it will also promote economic growth.

Property Tax Climate Index Ranking

(2023)



Source: Tax Foundation

Spending

Local governments face many legitimate needs, but officials must convince the citizenry that they are spending wisely before imposing new taxes, fees, or other costs on them. Even if the Iowa Legislature were to enact significant property tax reforms, local spending would remain the primary driver of property taxes in the state. Failure to address spending will result in minimal property tax relief.

The clear historical record of past reform efforts is that any significant reform must address local government spending. The shift of education funding to the state in the 1970s and the elimination of the county mental health levy in 2019 both demonstrated that transferring programs to the state General Fund will not necessarily achieve the anticipated property tax savings. The same can be said of a tax shift that increases one tax to provide relief from another. Recent examples include the many cities in the Des Moines metro area that passed 1 cent sales tax increases, telling taxpayers that half of the revenue would be directed toward property tax relief. That has not happened.

Reforms to address property taxes from a spending perspective would address the following:

- Taxpayer-Funded Lobbyists
- Local Government Spending Limitations
- “Rachet-Down” Effect on Local Revenue
- Property Tax Rate Limitations
- Local Debt Limits
- Urban Renewal Practices

Taxpayer-Funded Lobbyists

Background

Taxpayer-funded lobbying is when political subdivisions such as counties, cities and school districts, pay lobbyists with money they have received from taxes. This can include membership fees in government sector lobbying associations like the Iowa League of Cities, Iowa Association of Counties, and the Iowa Association of School Boards. It can also include local governments hiring and contracting with lobbyists directly. For instance, in 2022 Linn, Marion, and Polk counties spent a combined $190,000 on lobbying.

Problem

Taxpayers may not realize that local governments, that is, cities, counties, and school boards, have lobbyists who are paid with property tax dollars. Whether these lobbyists are acting in the interests of the taxpayer or the government entity they represent is an important question.

Many local governments opposed the 2019 property tax accountability and transparency bill, and they tried to influence legislators to vote against it. While legislators faced pressure from local officials to oppose the reform, many of their constituents demanded its passage. During this debate, taxpayers were forced to fund lobbyists working on behalf of the local government officials who opposed their interests.

Solution

Considerations of fairness and morality suggest that taxpayer dollars should not be used to pay for lobbying. For instance, the League of Cities, the School Board Association, and the Iowa State Association of Counties, among other organizations, would almost certainly oppose any truth-in-taxation or spending limitation bill.

Local communities already have a voice in state government — their elected representatives – and local government officials can communicate directly with them without using taxpayer dollars to finance lobbyists. By eliminating both a budget line and a class of advocates paid to increase government revenue, prohibiting the use of taxpayer-funded lobbying would provide property tax relief in multiple ways.

Local Government Spending Limitations

Background

Over the past 20 years, the average annual rate of growth for property tax revenue has been: 4.1 percent for cities, 4.2 percent for county general services, and 3.7 percent for county rural services. In response to concerns over continually rising property taxes, the Legislature passed SF 634 in 2019, known as a property tax accountability and transparency measure. This legislation created a 2 percent "soft cap" on city and county budgets but excluded school districts. The law also required local governments to publish their budget notices and hearings in hopes citizens would attend and be involved in the local budgeting process.

Problem

While 2019 property tax accountability and transparency law was well intentioned, it has not provided the envisioned property tax relief. The 2 percent "soft cap" takes a two-thirds majority vote of a city council or county supervisor board to override which has proven to be an easy hurdle to clear for local governments. Since school districts were not subject to the reforms, the largest driver or property tax bills remains unaffected. And despite more required disclosure and public hearings during the budgeting process, the entire property tax system is still too complex for citizens to easily understand. Finally, the law was not able to diminish local governments' ability to take advantage of assessment windfalls. Too often taxpayers are still told that the rates are going down, only to find that they are paying more in property taxes.

The levies for debt service, capital improvements, and unified law enforcement are not included within the revenue limits established in the 2019 legislation. If a spending limitation exempts numerous budget items, it is less effective. New Jersey, for example, established a 2 percent property tax cap but exemptions for pensions, health benefits, debt, construction, and emergencies weakened the reform.

Solution

One solution for property tax relief is strengthening the 2 percent "soft cap" placed on city and county budgets and including school districts under this cap. A stronger spending limitation on all local governments, including school districts, would require voters to approve a budget increase and avoid interfering with the market's ability to determine property valuations. It would also avoid the pitfall of exempting various budget categories. Having a stronger cap would not be unusual; examples of property levy limitations abound.

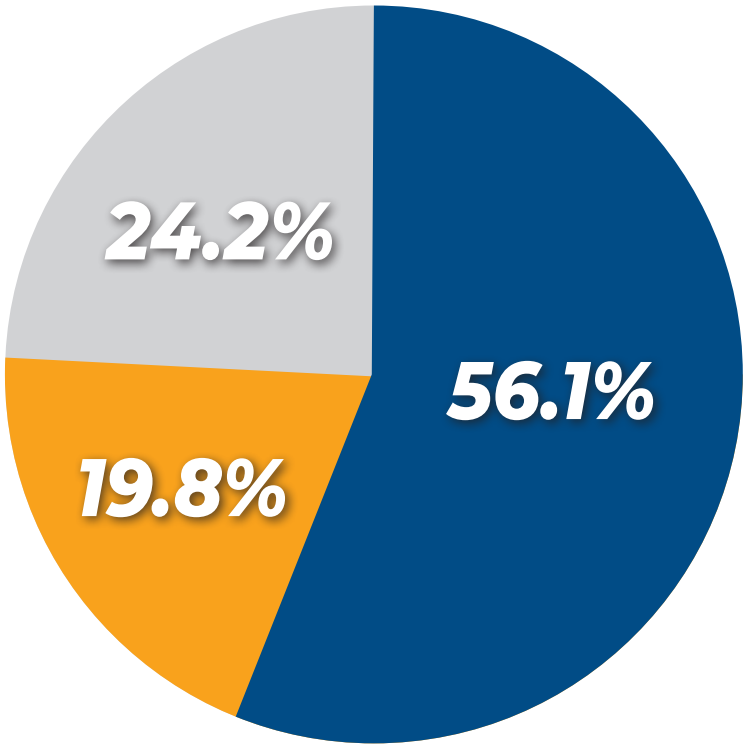
New York, a progressive, high-tax state, is not known for pro-taxpayer policies. Even so, the Empire State made permanent a property tax revenue cap limiting the annual growth of taxes levied by local governments and school districts to the lesser of 2 percent or the rate of inflation. For a local government to exceed the cap, the governing authority must approve it by a supermajority vote. The property tax cap has not hindered local governments or public education but has successfully saved taxpayers billions.

In 2019, the Texas legislature passed a property tax reform law (Senate Bill 2) that requires local governments to "hold an election if they wish to raise 3.5 percent more property tax revenue than the previous year." Cities and counties must go to the people for a vote before they can increase revenue beyond that limit, adjusted for any new local growth. "To put it bluntly, Senate Bill 2 requires cities and counties to stay within their taxpayers' ability to afford their local government," wrote Texas Lieutenant Governor Dan Patrick. The measure also limited the growth of school district revenue to 2.5 percent.

Iowa State Senator Brad Zaun (SF 2104) introduced a property tax reform bill with a strict spending limitation. In part, the bill would reform the 2019 law to lower the 2 percent budget increase to 1 percent and require budget increases to be approved by voters during elections, in which they would have to win 60 percent of the vote.

Requiring local governments to earn a vote of the people to raise spending forces them to be more accountable and to justify new spending. Economist Daniel Mitchell describes spending limits as similar to speed limits in a school zone, both are designed to protect. In the case of local governments, they apply the brakes to slow spending down.

Iowans Support Placing Limits on Local Government



To control the growth of property taxes, do you support or oppose the State Legislature setting limits on how much a local government can tax and spend?

- ***Support***
- ***Oppose***
- ***Undecided***

Source: Iowans for Tax Relief Foundation Poll - October 6, 2022

"Ratchet-Down" Effect on Local Revenue

Background

Property tax *rates* are important but advocates often forget that government spending causes higher tax bills. Local governments may even claim they have reduced rates, leaving taxpayers to wonder why their tax bills are bigger. Tax rates only tell one side of the story and can often be misleading.

Problem

Homeowners may reasonably assume that assessments are the cause of higher tax bills, which can make them angry with county assessors. While revaluation of property can lead to higher tax bills, the assessor does not deserve the blame. Local governments can use the cover of higher assessments or assessment windfalls to collect more revenue because increasing property values naturally lower the rate necessary to collect the same amount of money.

If assessments were to increase by 20 percent, local government officials may be tempted to increase budgets by more than they otherwise would. Only when valuations go down do they remind taxpayers of the link between valuations and rates. Confusion around this point can create the sense of an "honesty gap" — that is, a growing sense that local governments are not being straight with taxpayers.

Solution

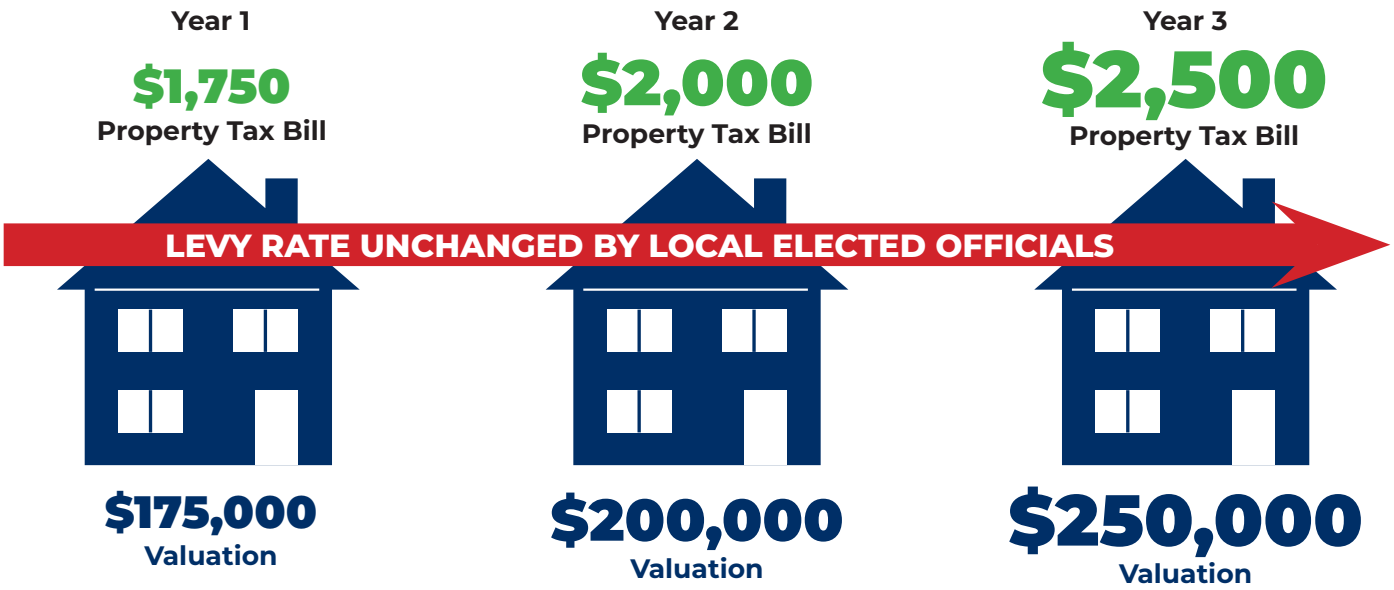
How can policymakers restore honesty to property taxes? The solution is to focus on revenue. Utah and Kansas provide the best examples. Both have truth-in-taxation laws, which contain provisions that local governments can only receive as much revenue as during the previous year. For example, if a city receives $1 million in FY22, it can collect only $1 million in FY23. When valuations rise, rates ratchet down to keep the taxing authority's revenue the same, as described in the Kansas law:

> *"Revenue neutral rate" means the tax rate for the current tax year that would generate the same property tax revenue as levied the previous tax year using the current tax year's total assessed valuation. To calculate the revenue neutral rate, the county clerk shall divide the property tax revenue for such taxing subdivision levied for the previous tax year by the total of all taxable assessed valuation in such taxing subdivision for the current tax year, and then multiply the quotient by 1,000 to express the rate in mills. The revenue neutral rate shall be expressed to the third decimal place.*

The major difference between the laws of Utah and Kansas is that Utah allows new growth to be factored into budgets, while Kansas does not. Neither, however, allows an automatic adjustment for inflation.

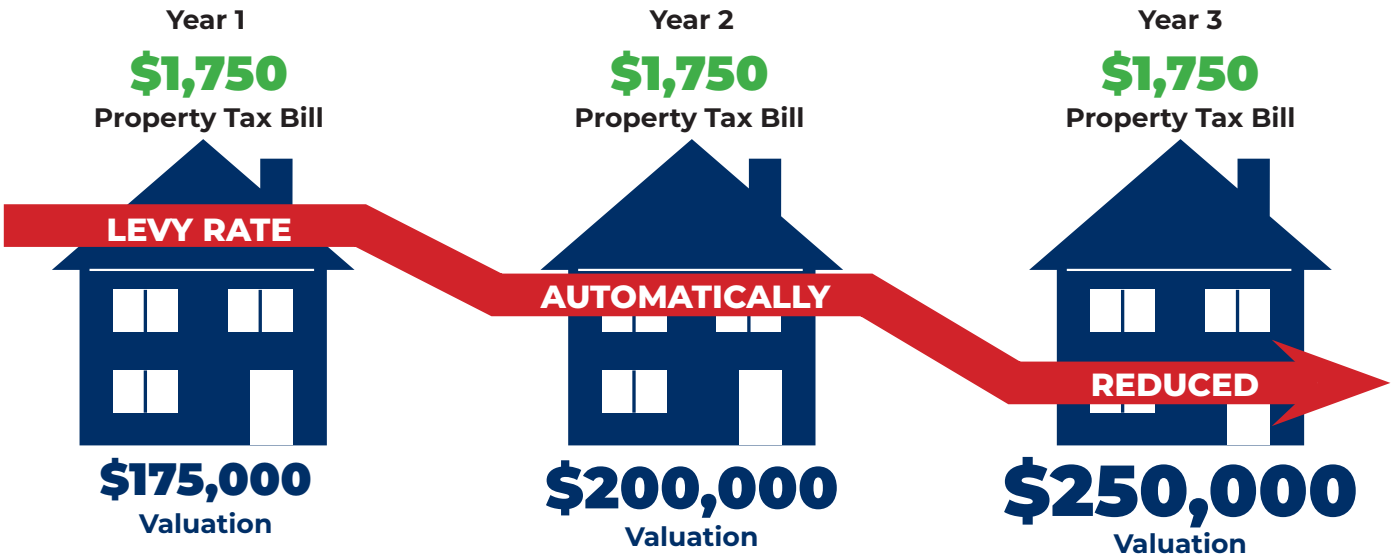
Focusing on revenue controls spending and does not allow local governments to take advantage of windfalls from assessments. More importantly, it forces local governments to be honest.

IOWA'S CURRENT PROPERTY TAX SYSTEM IS BROKEN:



Local elected officials can leave levy rates unchanged and and ride a wave of increasing property valuations as their budgets grow ans they spend more.

THE SOLUTION: RATCHET DOWN THE LEVY RATE



As property valuations increase, the levy rate is automatically reduced to provide taxing authorities the same amount of property tax revenue as the previous year.

Property Tax Rate Limits

Background

Local taxing entities have layered multiple tax levies on each property in addition to general taxation, such as levies dedicated to public libraries, emergency management, debt service, cemeteries, and flood and erosion control. Iowa cities have around 30 different levies, while counties and townships have around 10, and other taxing districts, such as agricultural extensions, county hospitals, and miscellaneous districts, have fewer. Iowa applies the maximum levy rate limit to each individual levy, not on each level of government or in aggregate. And several types of levies continue without limitations, being permitted at the "amount necessary."

Problem

Uniformity in property taxation is highly desirable, but with so many unique combinations of levies, local governments in Iowa have inconsistent property tax rates. Iowa cities' consolidated tax rates range from $18.13 per $1,000 of assessed value in Bankston to $50.60 in Lamoni. For counties, the urban rate ranges from $2.70 in Dickinson County to $10.35 in Decatur County.

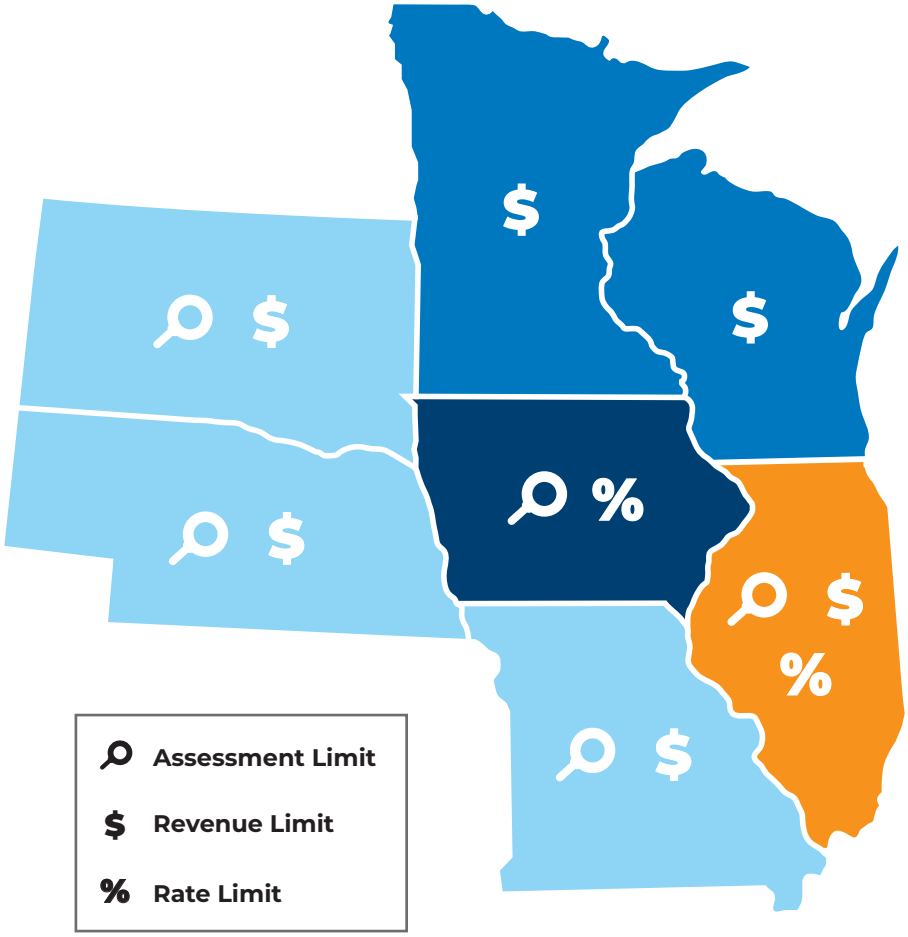
When rate limits are applied selectively, taxing authorities can shift responsibilities to those levies without limits. Over time, local government spending goes up, and the intent of the rate limit is negated. Overall, Iowa has a statewide average effective property tax rate of 1.53%, which is well above the national average of 1.07%. This gives Iowa the 11th highest effective property tax rate in the country.

Solution

Allow local governments one, capped levy for general operations and remove the others. Using a rate limit for property taxes is a neutral way to limit taxation. It keeps substantially similar properties from bearing radically different tax burdens from community to community across the state. Many of the additional levies are paying for standard functions of government, anyway, and should be included in the capped general levy. If separate levies for different purposes must continue, all of them should have rate limitations.

Additionally, the collective bargaining reform Iowa enacted in 2017 (HF291) eliminated the need for unemployment compensation, tort liability, and the Federal Insurance Contribution Act (FICA) to have separate levies with no rate limits. These levies should be consolidated into the general levy for all local taxing entities.

Property Tax Limitations



Source: Tax Foundation

Iowa Property Tax Levies Without Rate Limitations

	Levy	Purpose
City	Civic Center Rent and Maintenance	Rent, insurance, and maintenance of Civic Center
	Insurance	Liability, property, and self-insurance costs
	Emergency Management	Support of a local Emergency Management Commission
	County Bridge	Aid for the county bridge
	Employee Benefits	Police and fire retirement, FICA and IPERS, and other employee benefits
County	General Supplement	Unemployment benefits, some insurance, early retirement, and other miscellaneous purposes
	Debt Service	Principal and interest on debt
	Rural Supplemental	Employee benefits and an aviation authority

Source: Summary of Tax Levy Rate Limitations 2022, Iowa Department of Management

Local Debt Limits

Background

Local governments use debt for multiple reasons, but capital projects and equipment purchases are the most common, including building new facilities or renovating existing buildings, jails, libraries, water treatment plants, road repairs and construction, sidewalks, and equipping emergency management services. Most forms of debt are subject to voter referenda and must garner 60% of public approval to be issued. As of 2021, Iowa's local governments were carrying a total of $13.8 billion in outstanding debt, of which cities held $7.1 billion, schools $4.9 billion, and counties $1.1 billion.

Iowa's Constitution limits the debt of all political subdivisions to 5% of the value of the taxable property within them. However, this limit applies only to debt payable from property taxes. If the debt is payable from a city utility (such as water or sewer) or from enterprise revenue (such as landfills or garbage facilities), there is no legal limit.

Overall, Iowa's local government debt is 61% general obligation bonds, 34% revenue bonds, 4% loans, and 1% lease-purchase agreements. All political subdivisions of the state are required to report outstanding debt obligations to the State Treasurer each year.

Problem

Local governments are allowed to issue forms of debt, such as revenue bonds and lease-purchase agreements, that are often not subject to the constitutional debt limit. In addition, certain projects and allowances permit cities and counties to issue debt without voter approval. Because this debt is largely paid using property taxes, local governments' ability to avoid the debt limit or public approval drives up property taxes.

Thus, the debt-service amount paid by cities across the state amounts to $669 million, or 7.78% of all budgeted expenses. (Note that counties have no limit on the rate of debt service within their property tax levies.) While debt is sometimes necessary, lowering debt service provides direct relief to property taxpayers.

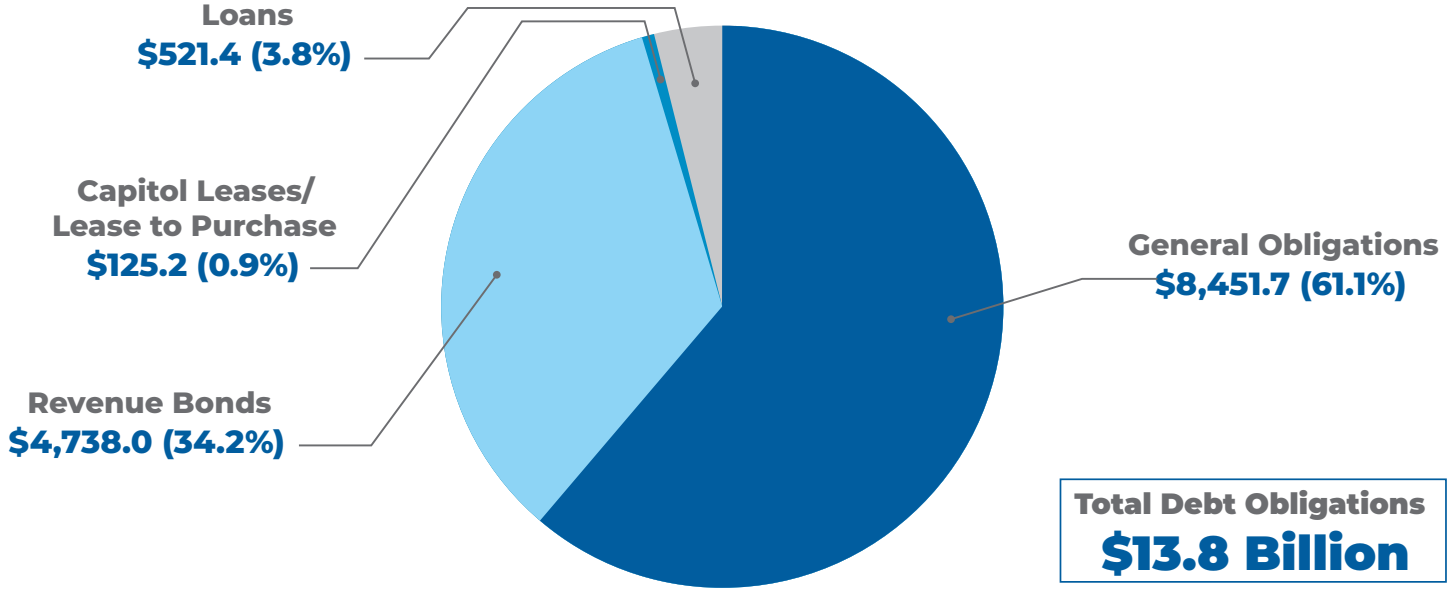
Solution

Dating back to first constitution adopted by the State of Iowa in 1857, there has been a constitutional debt limit of 5 percent for all local governments. Over time, new forms of debt have been created and legal loopholes have allowed local governments to bypass this 5 percent limit. While some debt is paid with sources of revenue other than property taxes, taxpayers have the ultimate responsibility to pay it if these other revenue sources are insufficient. To maintain the intent our state's founders had with regards to debt, and to ensure property taxpayers are not unfairly exposed to debt liabilities, the 5 percent constitutional debt limit should be applied to all forms of debt and at all levels of local government.

Local taxing jurisdictions should also not be allowed to incur large amounts of debt without a vote of the people. While borrowing small sums may be necessary for emergencies or other unique situations, local boards or city councils incurring debt without taxpayer votes should be infrequent.

Debt Used By Iowa Cities and Counties

(FY2021, Millions)



Source: Iowa Treasurer Outstanding Obligations Report

Top 3 Cities

Population	City	Per Capita Debt
100,000+	Cedar Rapids	$3,451
	Des Moines	$2,975
	Davenport	$2,293
50,000-99,999	Dubuque	$4,072
	Ames	$3,367
	Sioux City	$3,358
25,000-49,999	Bettendorf	$3,880
	Marshalltown	$2,249
	Marion	$2,026
10,000-24,999	Coralville	$16,485
	Fort Dodge	$6,916
	Grimes	$5,465
5,000-9,999	Adel	$6,153
	Sioux City	$4,999
	Webster City	$4,789

Per Capita Debt by Population Group

(June 30, 2021)

Population	City	Per Capita Debt
2,500-4,999	Eagle Grove	$8,890
	Williamsburg	$8,501
	Fairfax	$6,213
1,000-2,499	Sanborn	$12,654
	Stuart	$10,936
	Arnolds Park	$8,261
500-999	Okoboji	$10,167
	De Soto	$7,478
	Raymond	$7,332
under 500	Wahpeton	$15,718
	Lone Rock	$9,933
	Calumet	$9,130

Top 3 Counties

Population	County	Per Capita Debt
100,000+	Polk	$455
	Woodbury	$306
	Linn	$263
50,000-99,999	Warren	$703
	Dubuque	$268
	Dallas	$239
25,000-49,999	Clinton	$558
	Webster	$433
	Lee	$340
10,000-24,999	Mitchell	$3,074
	Winnebago	$1,701
	Guthrie	$1,609
under 10,000	Ida	$3,673
	Adair	$2,349
	Audubon	$2,042

Source: Iowa Treasurer Outstanding Obligations Report

Urban Renewal Practices

Background

Urban renewal areas have existed in Iowa since 1957, and the designation can allow governments to finance public infrastructure, redevelop slums or blighted areas, or (very broadly) promote economic development. Local governments have several tools at their disposal to accomplish those goals, with tax increment financing (TIF) being a common one.

TIF, which ostensibly reserves the incremental property tax increases from the designated areas for urban renewal funding, is permitted in 49 states (with Arizona as the only exception), and Iowa first authorized its use by cities in 1969. Counties gained limited use in 1991, but by 1996, counties enjoyed the same broad use of urban renewal tools, including TIF, as cities. Other property tax incentives available in Iowa include abatements (full or partial reduction in property taxes) and enterprise zones (typically providing distressed areas tax breaks and additional incentives).

Approximately 900 active urban renewal areas are spread across the state, including 725 that generated TIF revenue in 2021. Property tax dollars reserved for TIF projects first eclipsed $100 million in 2000 and have multiplied rapidly over the past two decades (Chart 1).

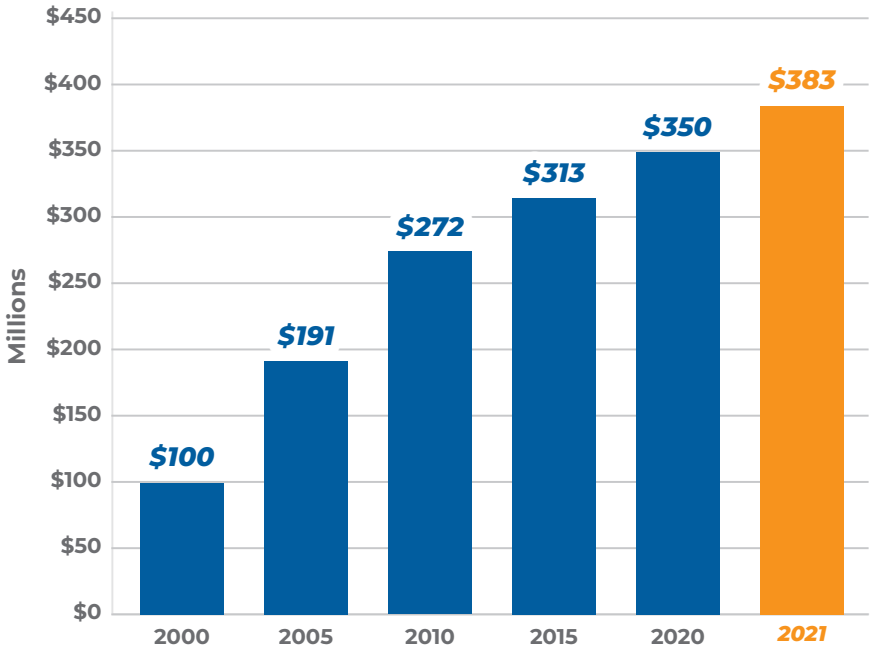
Problem

Unfortunately, property tax incentives, including TIF, haven't created economic growth. Iowa's Department of Revenue analyzed TIF activity in the state over the course of 15 years and concluded that TIF likely "leads to no net employment or wage gains when measured for entire local economies." A series of national studies examining 50 years of property tax incentives similarly found "little evidence of economic benefits."

What such widespread use of urban renewal areas can do, however, is subsidize development that would have happened even without incentives and train businesses and developers to lobby for their own handouts from the taxpayer. Communities whose public officials lean heavily on these programs may find fees and other taxes increasing to make up for the property tax dollars they have given away. This means local governments may be tying up property tax dollars needlessly while further saddling residents and businesses with growing tax burdens.

Statewide Property Tax Dollars Financing TIF

(Chart 1)



Source: Legislative Services Agency

Local taxpayers aren't the only ones footing the bill for incentives, either. Given Iowa's laws governing urban renewal areas, the state's general fund must backfill the school aid formula to cover property taxes devoted to such incentives. In FY22, for instance, Iowa paid out over $75 million to cover TIF's impact on the school aid formula and over $13 million for the impact of abatements.

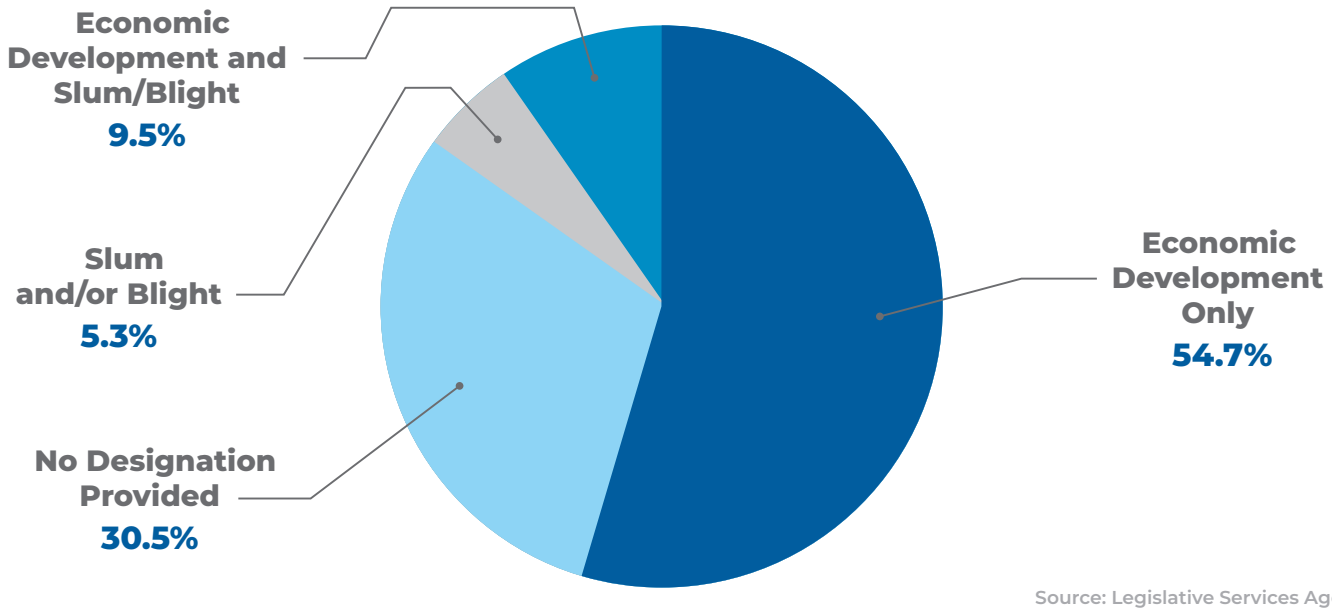
Solution

Beyond shifting the focus of local tax policy from an endless cycle of targeted handouts to one of lower rates that benefit all households and businesses, Iowa can improve its urban renewal practices in a variety of ways:

- End the use of TIF as a development tool in areas that are already growing and return TIF to its original purpose of redeveloping deteriorating urban areas. Require an official determination of blight using objective, measurable data from a specific community. Less than 15% (Chart 2) of TIF districts in Iowa were created to combat slums or blight.
- Allow property tax incentives to be utilized only with strong evidence that a given project would not occur without the subsidy. This "but for" test helps ensure tax dollars don't fund development that was going to happen anyway.
- Limit the percentage of a given community's property tax dollars that can be dedicated to urban renewal areas to no more than 4%.
- Increase the frequency of the Department of Revenue's Tax Increment Financing Evaluation Study to give lawmakers complete, current information on the program's effectiveness.
- Redirect the benefits of incremental revenue to existing taxpayers sooner by capping the length of time urban renewal areas can exist at no more than 10 years.
- Prohibit the use of urban renewal funds for the construction of public buildings. Local governments have multiple other revenue streams and bonding options at their disposal to finance construction.

FY 2021 TIF Taxing District Designations

(Chart 2)



Source: Legislative Services Agency

Transparency

One of the fundamental principles of good governance is openness and transparency. Many state government agencies have moved toward greater online transparency, but governments — especially at the local level — still have a long way to go. Many local units of government, including counties, cities, school districts, townships, and others, have little to no information concerning the functions and costs of government available for citizens and taxpayers online. Cities, counties, and school districts publish budget documents, but they are often complex and difficult to interpret, especially when it comes to government finance.

For democracy to work, citizens require information about government's activities, and policymakers who come and go over time should be easily able to access historical records. Providing information in a clear, complete, and easy-to-understand way prompts more accountability and openness. This is not a one-time action, but a philosophy, and constant improvement allows citizens and elected officials to hold state and local government in check.

Fiscal transparency is necessary if local property taxes are to be sustainably reduced or kept under control, while uniformity is needed for property taxpayers so they can see and understand their property tax bills.

Reforms addressing the following affect property taxes from a transparency perspective:

- Uniform Disclosure
- November-Only Revenue and Spending Questions
- Direct Notification
- Assessment Equity and Fairness
- Consolidation of Property Tax Levies

Uniform Disclosure

Background

The Iowa State County Treasurer's Association provides property tax information for all 99 counties. Taxpayers can simply click on their counties and enter their information to view their property tax bills.

Problem

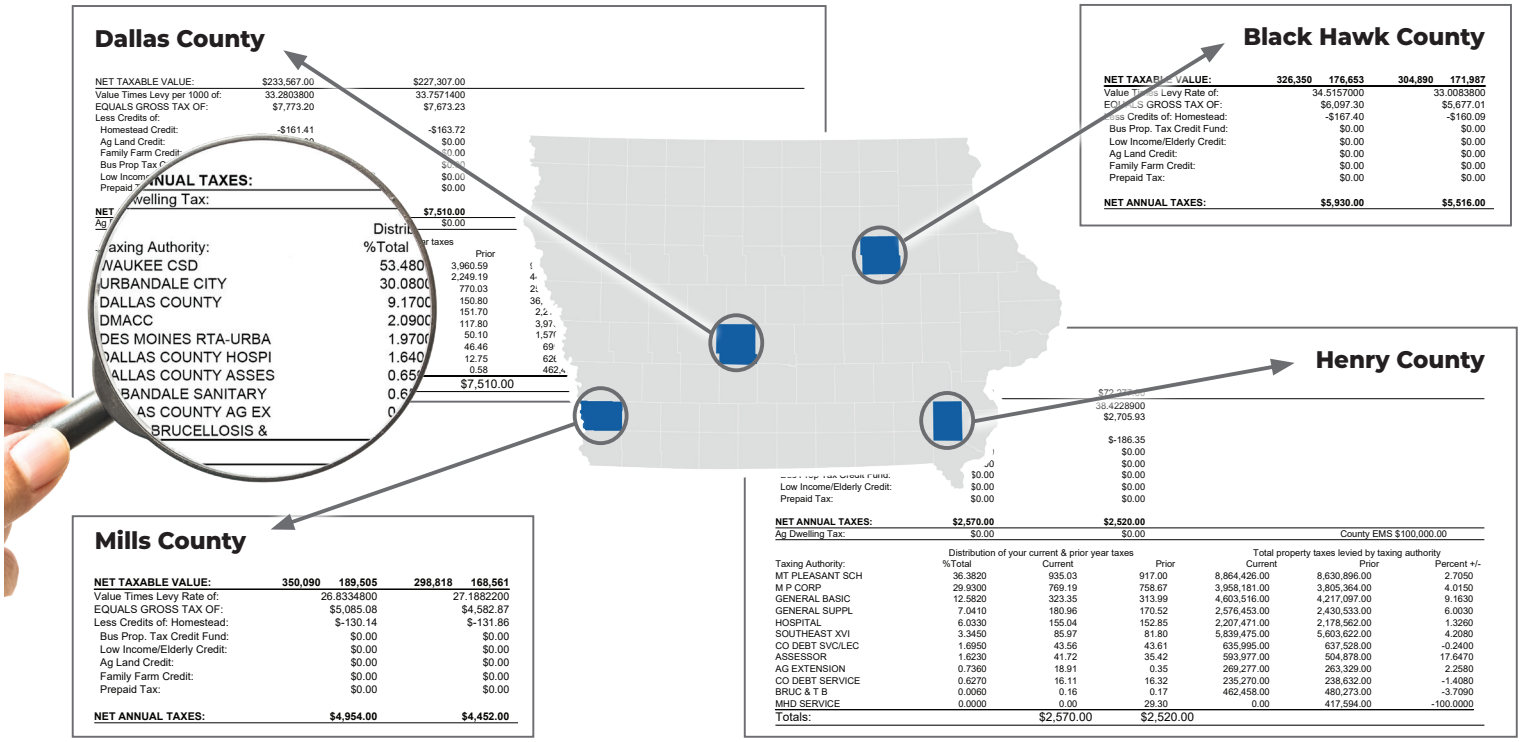
The problem is that the statements are not uniform, varying by county. With transparency as a policy goal, all counties should follow a uniform reporting standard for property tax bills. Henry, Blackhawk, Dallas, and Mills Counties, for example, all have different property tax statements. Henry and Dallas Counties provide very detailed property tax statements that show not only the total amount owed, but also a breakdown by the taxing authority collecting the money. Blackhawk and Mills Counties do not have such breakdowns, so taxpayers in those counties are missing important information about how their property tax bills are allocated among taxing authorities.

Solution

Iowa has brought greater transparency to public education through its Iowa School Performance Profiles website. Iowans can select their school districts and find valuable information about how local schools are doing.

This standard should apply to property tax bills. All counties should have the same uniform presentation, following the model of Dallas County. A property tax statement should not just contain the amount owed, compared with the previous year; it should also list all levies, broken down by the relevant authorities. This approach provides taxpayers a complete picture of their tax bills and the way in which the money is allocated.

Property Tax Statements Inconsistent Across Iowa



November-Only Revenue and Spending Questions

Background

The Iowa Constitution mandates that the general election be held on the first Tuesday after the first Monday in November of each even-numbered year. This includes county officers, such as auditor, sheriff, treasurer, recorder, county attorney, and supervisors, as well as nonpartisan offices, including public hospital trustees, soil and water conservation commissioners, county agricultural extension councils, and township officers. City and school elections are held on the same day in November, except in odd-numbered years.

Approximately 93% of eligible Iowans are registered to vote, and for nearly 30 years, Iowa has been in the top 10 nationwide for voter registration and participation. When lawmakers noticed that school elections were not producing the voter turnout other elections received (averaging 6.7%), the legislature passed HF566 in 2017, moving school elections from September to November. School election voter turnout increased 150%.

Problem

Most Iowa citizens are aware that elections take place in November each year but don't have the same awareness about the many special elections that may occur throughout the year. Three opportunities for special election dates are available for counties, cities, schools, and merged areas in odd-numbered years, and two opportunities are available in even-numbered years. These elections may take place in March, September, and, in odd-numbered years, November.

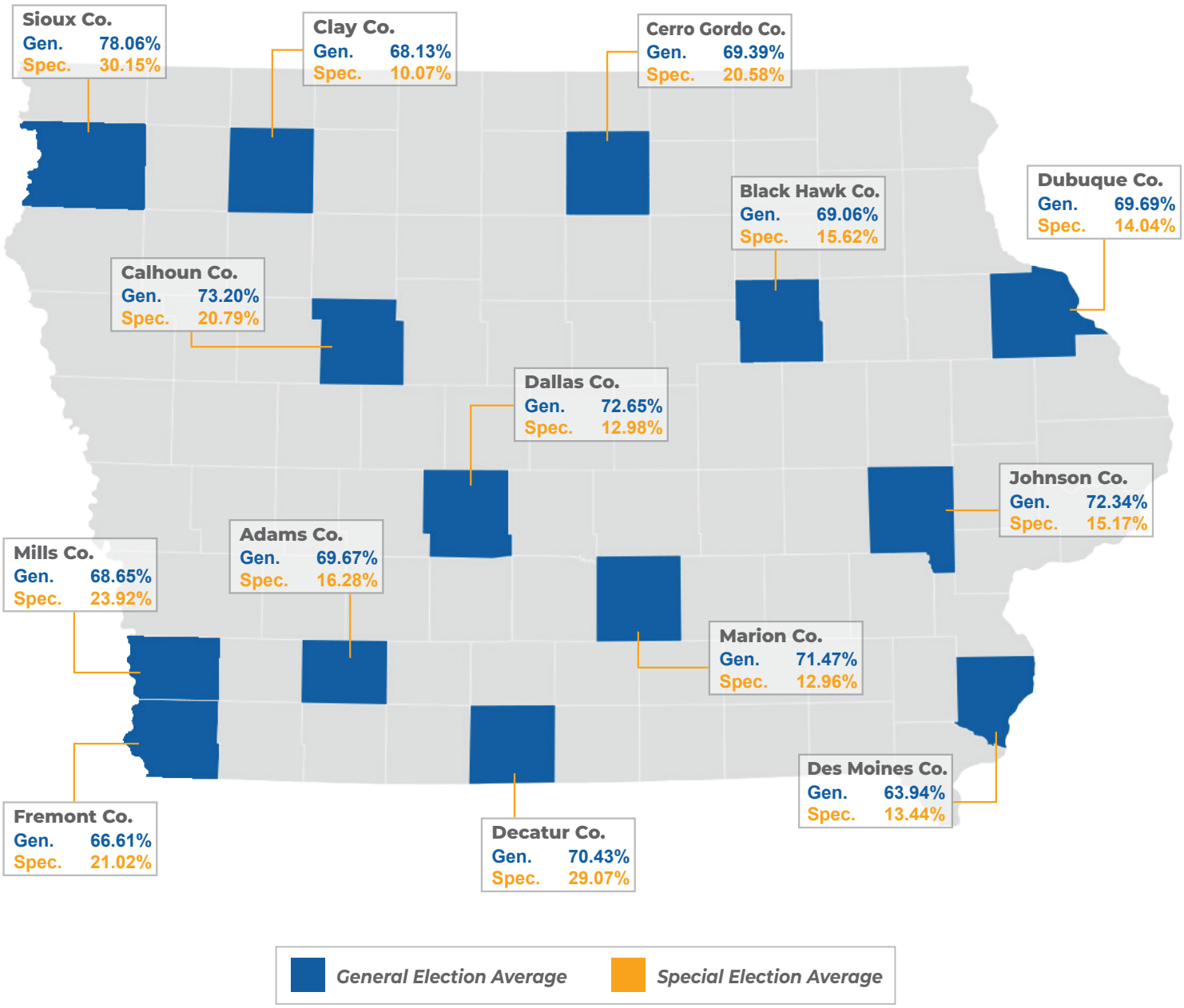
Many special elections include financial questions that directly affect property taxes and determine some of the most-important decisions affecting local property taxpayers, yet the voter turnout for these questions is a fraction of the turnout achieved during general November elections. A small sampling of special elections across multiple counties in Iowa found the average voter turnout was only 18%, whereas the average November turnout since 2010 has been 65%.

Solution

All bonded indebtedness, voted levies, and other revenue or spending questions that directly affect property taxes should be placed on November election ballots for the greatest possible participation of the electorate. Iowa code already recognizes the gravity of bond issue decisions, requiring a 60 percent threshold for passage rather than a simple majority. Exceptions may be made for financial issues that arise in direct response to natural disasters or other public emergencies.

Voter Turnout

(averages from most recent available election data)



Source: Secretary of State & Corresponding County Auditors Offices

Direct Notification

Background

Iowans are frustrated with high property taxes, but very few understand the complexity of the system. In 2019, the property tax transparency and accountability law required each city and county to hold a public hearing focused on the proposed budget and total property taxes needed to fund that budget. Information about this hearing such as the date, time and location are required to be published and posted on the local government's website, social media accounts and the local newspaper.

Problem

While Iowa law now mandates property tax hearings be held, many taxpayers are not aware of these events. Unfortunately, few taxpayers browse their local governments' websites looking for information, and notices are often placed in the back pages of newspapers and go unseen. In addition, the detailed budget notices are complicated and hard for the average taxpayer to understand.

Numerous reasons explain this unfortunate fact. Taxpayers can feel intimidated by local officials, and finances can be more complex and less exciting than other issues. Fireworks and animal ordinances, for instance, frequently attract greater participation from concerned citizens.

Solution

Direct notification laws exist in Utah, Kansas, and Nebraska and have significantly increased the number of taxpayers actively participating in budget hearings. The best way to describe direct notification is that it is an aggressive transparency measure, and it forces local governments to be honest. This policy is the gold standard for property tax reform, injecting more sunlight and transparency into the local government budget process. Rusty Cannon, President of the Utah Taxpayers Association, described the importance of direct notification and the budget hearing thus:

> *And having that process in place has made elected officials through the decades that this has been in place to think twice or three times about getting a plan together, substantiating that plan, making it clear to voters, "here's why we need this, here's what we're going to do", and when they make their case, oftentimes taxpayers will show up to these hearings and walk away convinced that this is something that's needed.*

Modeled after existing laws across the country, public hearings on property taxation and spending should require a direct notification be sent to taxpayers within each jurisdiction, personalizing the impact for their property. The notification would provide information on the proposed budget and how much their specific tax bill would increase under the proposal. The notice needs to include the same information local governments are already required to post such as the date, time, and location of the hearing. Citizens are thus empowered to voice their opposition or support, and the process forces local governments to justify spending increases. Local government officials must also take recorded votes to approve increases in tax collections.

Direct notification is important because it

provides the taxpayer with information on how their property tax bills will be affected by potential spending increases in a more personal way. Rather than trying to determine what a given city or county may be proposing within their new budget, taxpayers can clearly see how much that budget will cost them. Taxpayers who have more information about local budgets feel more comfortable attending hearings and expressing their concerns about rising property taxes.

Example of Direct Notification

Office of the Salt Lake County Auditor
2019 Notice of Property Valuation & Tax Changes
Scott Tingley, CIA CGAP
Salt Lake County Auditor
www.sico.org/property-tax/

THIS IS NOT A BILL

[redacted]

Property Location: [redacted]
Acres: 18
Above Ground Sq Ft: 988
Tax Area: 29
Type: 111 Single Family Residence
Last Review: 2019
Parcel Number: [redacted]

2019 Market Value	2019 Proposed Property Tax	Appeal to County Board of Equalization by
$274,700	**$2,291.66**	**09/16/19**

NOTICE OF PROPERTY VALUATION

Assessment Type	2019 Market Value	COMPARE 2018 Market Value
FULL MARKET VALUE RESIDENT EXEMPTION REDUCTION	$274,700 <123,615>	$242,800 <109,260>
TOTAL TAXABLE VALUE	$151,085	$133,540

BE HEARD

If you believe the assessed value of your property in incorrect, you may begin the appeal precess by filling an Appeal Form with the County Auditor by **09/16/19**
Visit www.sico.org/property-tax/

For detailed property valuation information visit wwwsico.org/assessor/

NOTICE OF TAX CHANGES

TAXING ENTITY	2019 IF TAX INCREASE APPROVED		2019 IF NO BUDGET CHANGE		2019 CHANGE IF INCREASE APPROVED		2018		BE HEARD A public meeting will be held
	RATE	TAX	RATE	TAX	TAX	%	RATE	TAX	Date/Time/Place
GRANITE SCHOOL DISTRICT	.005836	881.73	.005836	881.73			.006059	809.12	
STATE BASIC SCHOOL LEVY	.001661	250.95	.001661	250.95			.001666	222.48	
UT CHARTER SCHOOL-GRANITE	.000129	19.46	.000129	19.46			.000097	12.95	
SALT LAKE COUNTY	.001933	292.05	.001933	292.05			.002025	270.42	
WEST VALLEY CITY	.003490	527.29	.003490	527.29			.003681	491.56	AUG 13 6:30 PM [redacted]
WEST VALLEY CITY JDG	.000018	2.72		.00	2.72	100%	.000025	3.34	AUG 13 6:30 PM [redacted]
SL COUNTY LIBRARY	.000536	80.98	.000536	80.98			.000559	74.65	
MAGNA MOSQUITO ABATEMENT	.000072	10.88	.000040	6.04	4.84	80%	.000041	5.48	HEARING HELD IN DEC 2018
JORDAN VALLEY WATER CONS	.000383	57.87	.000383	57.87			.000400	53.42	
GRANGER HUNTER IMPROVEMNT	.000485	73.28	.000485	73.28			.000519	69.31	
CENTRAL UT WATER CONSERV	.000400	60.43	.000378	57.11	3.32	6%	.000400	53.42	AUG 12 6:00 PM [redacted]
MULTI COUNTY ASSESS/COLL	.000009	1.36	.000009	1.36			.000009	1.20	
COUNTY ASSESS/COLL LEVY	.000216	32.63	.000216	32.63			.000225	30.03	
TOTAL	.015168	2,291.66	.015096	2,280.78			.015706	2,097.38	

Assessment Equity and Fairness

Background

Iowa has six different classifications of real property used for property tax purposes: agricultural, residential, commercial, industrial, public utility, and railroad. State law requires property subject to taxation to be assessed at 100% of its fair market value, with an exception for agricultural land, which is assessed using a five-year average productivity calculation.

The most-important concept for property taxation is that all property should be valued/assessed for tax purposes on a uniform basis so that the actual property tax burden is distributed fairly among individual property owners. One widely used and accepted method to determine uniformity or fairness of assessments is to compare the assessed value of an individual property to its sale price. For example, a property assessed at $12,000 that sold for $26,000 would have an assessment/sales ratio of 46% ($12,000 ÷ $26,000). Ideally, assessors want their sales ratio as close to 100% as possible, which means the assessment matches the probable sales price or current market value of the property. Auditors in Iowa maintain and remit sales and assessment data to the Department of Revenue where it is used as one of the factors for the biennial equalization of assessments.

Problem

According to the most recent sales ratio study (2020), 70% of assessing jurisdictions maintain property assessments outside the established industry standards for assessment equity or fairness. This forces many taxpayers across the state to pay more than they otherwise would, while others pay less than they should. If an assessor maintains assessments inequitably, then property taxation will be unfair.

The Department of Revenue reviews assessment data from each jurisdiction to determine if the statutory requirement of 5% above or below actual value has been met. However, this is based on the median (middle-most value) of the sales ratio for each property class and jurisdiction, not the individual property values.

Solution

The state should consider using a datapoint called the coefficient of dispersion (COD), which measures the variation of individual sales from the median/middle, to assess the uniformity or fairness of assessments within each jurisdiction. This datapoint was previously reported as part of a now discontinued sales study. The study should be reinstated for the purpose of disclosing the COD for each county and identify when it is outside the acceptable range. According to industry standards, regardless of urban or rural, all COD percentages should be below 20% if enough sales have occurred to produce valid numbers.

Additionally, Iowa assessors should all become certified through the Institute of Iowa Certified Assessors. While the higher level of assessment training required for this certification does not guarantee better results, many of the counties that have certified assessors maintain assessments more equitably.

Appraisal Uniformity Across Counties

How to interpret coefficient of dispersion:

- A low COD indicates appraisals in the county are uniform.
- A high COD indicates properties are appraised at inconsistent percentages of market value.
- A COD of 10 percent means properties are, on average, appraised within 10 percent of the middle assessment level.
- Industry standards published by the International Association of Assessing Officers suggest:
  - Newer, more homogeneous areas have CODs between 5 and 10 percent.
  - Older, heterogeneous areas have CODs between 5 and 15 percent.
  - Rural residential and seasonal homes have CODs between 5 and 20 percent.

NAME	COD
Adair	27.24%
Adams	67.49%
Allamakee	25.72%
Appanoose	32.31%
Audubon	25.51%
Benton	24.60%
Black Hawk	18.24%
Boone	22.87%
Bremer	13.33%
Buchanan	23.56%
Buena Vista	16.08%
Butler	23.38%
Calhoun	32.64%
Carroll	14.68%
Cass	19.30%
Cedar	19.07%
Cerro Gordo	16.53%
Cherokee	24.10%
Chickasaw	19.73%
Clarke	30.04%
Clay	15.05%
Clayton	22.25%
Clinton	28.16%
Crawford	25.71%
Dallas	9.02%
Davis	20.34%
Decatur	37.36%
Delaware	20.32%
Des Moines	24.35%
Dickinson	15.53%
Dubuque	11.94%
Emmet	27.94%
Fayette	27.08%

NAME	COD
Floyd	17.86%
Franklin	27.40%
Fremont	36.46%
Greene	34.08%
Grundy	21.93%
Guthrie	21.03%
Hamilton	27.08%
Hancock	18.23%
Hardin	27.31%
Harrison	22.02%
Henry	22.27%
Howard	20.78%
Humboldt	23.66%
Ida	33.19%
Iowa	20.11%
Jackson	21.01%
Jasper	22.38%
Jefferson	22.37%
Johnson	9.38%
Jones	16.29%
Keokuk	28.17%
Kossuth	21.57%
Lee	24.64%
Linn	11.44%
Louisa	24.43%
Lucas	29.86%
Lyon	27.48%
Madison	21.67%
Mahaska	23.64%
Marion	26.32%
Marshall	21.04%
Mills	25.91%
Mitchell	14.02%

NAME	COD
Monona	22.91%
Monroe	27.10%
Montgomery	29.02%
Muscatine	16.71%
O'Brien	28.00%
Osceola	21.96%
Page	27.92%
Palo Alto	23.80%
Plymouth	19.93%
Pocahontas	32.45%
Polk	14.89%
Pottawattamie	20.61%
Poweshiek	18.70%
Ringgold	22.01%
Sac	28.90%
Scott	11.51%
Shelby	22.62%
Sioux	14.55%
Story	12.43%
Tama	30.41%
Taylor	31.84%
Union	36.17%
Van Buren	29.97%
Wapello	25.58%
Warren	12.73%
Washington	14.67%
Wayne	30.83%
Webster	22.74%
Winnebago	26.63%
Winneshiek	15.50%
Woodbury	18.33%
Worth	27.71%
Wright	25.28%

Source: Iowa Department of Revenue 2020 Sales Ratio Study and Residential Deed transfer COD

Consolidation of Property Tax Levies

Background

No municipality in the State of Iowa may levy a tax unless it is specifically authorized to do so by state law. Over time, the legislature has approved multiple different property tax levies. For example, under current law, Iowa cities have 30 different property tax levies available to them, including the regular general levy that is capped at $8.10.

Problem

These multiple small property tax levies are combined to make up the taxing entity's total, or consolidated, tax rate per $1,000 of taxable property. Taxpayers often have no idea what individual property tax levies are used or how much is collected for each purpose because their tax bills only give the consolidated rate. Allowing many additional levies also drives up the overall cost of government, because local governments can shift spending outside the regular general levy.

Many of these special levies came into existence multiple decades ago and no longer serve a purpose. In 1921, for example, Iowa passed the Municipal Band Law, which enabled towns to implement property taxes to support community bands. In the 1930s, the state created a property tax to fund farmers' testing of their cattle for brucellosis.

Solution

Repeal outdated and unnecessary property tax levies, and consolidate remaining levies into one general levy for each level of local government. There is no need to break out every piece of government funding into a separate property tax levy. The general levy for each government should cover its services. Spending accounts like those that fund emergency management systems, libraries, cemeteries, and employee salaries have no need of separate property tax levies.

Unfortunately, immediate consolidation is not realistic, so a phased approach may be necessary. Any levies not being used should be repealed immediately. Those that are used infrequently or by a minority of local taxing entities should be evaluated and consolidated on a short timeframe. Those used by most local governments need to be quantified and subjected to cost-benefit analyses to reasonably increase the general levy sufficiently to cover the immediate needs of local government without creating opportunity for large increases of tax bills.

Over time, other levies should be phased out. Consider the debt-service levy. All future debt should be funded through the government's general levy, with the debt-service levy expiring when existing debt is paid off.

City Property Tax Rates

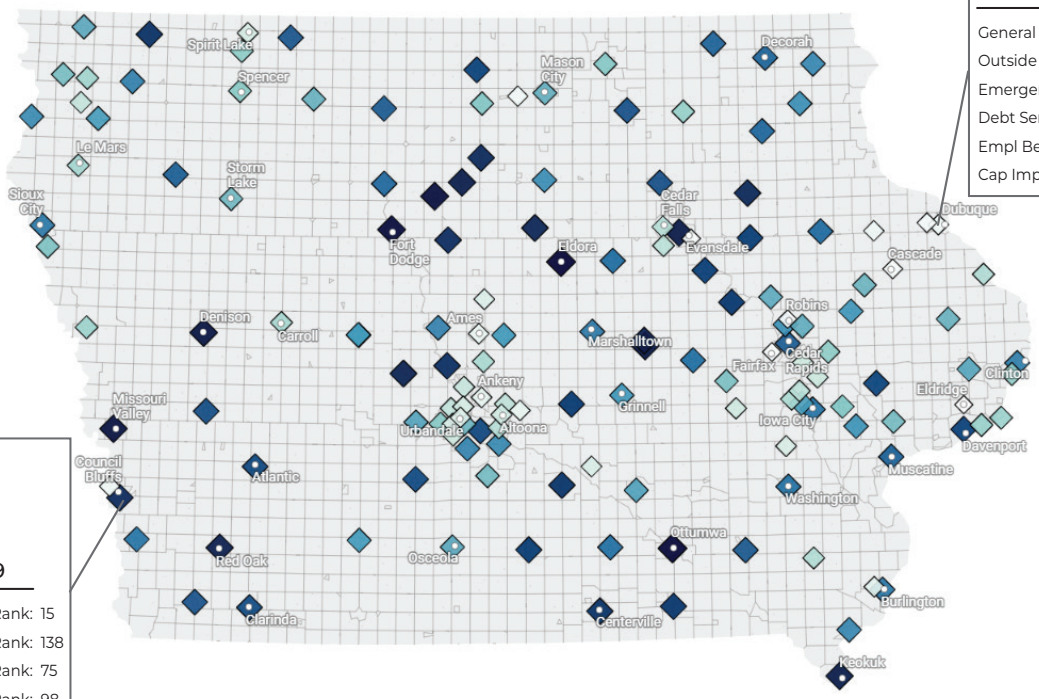
(150 Largest Cities; FY 2023)

DUBUQUE

RANK #8

Total Levy: $9.71686

General Levy :	$8.100	Rank: 15
Outside Levy:	$0.765	Rank: 90
Emergency Levy:	$0.000	Rank: 1
Debt Services:	$0.022	Rank: 12
Empl Benefits Levy:	$0.830	Rank: 18
Cap Imp:	$0.000	Rank: 1



COUNCIL BLUFFS

RANK #134

Total Levy: $17.82559

General Levy :	$8.100	Rank: 15
Outside Levy:	$1.579	Rank: 138
Emergency Levy:	$0.073	Rank: 75
Debt Services:	$2.820	Rank: 98
Empl Benefits Levy:	$5.235	Rank: 127
Cap Imp:	$0.000	Rank: 1

Best **Worst**

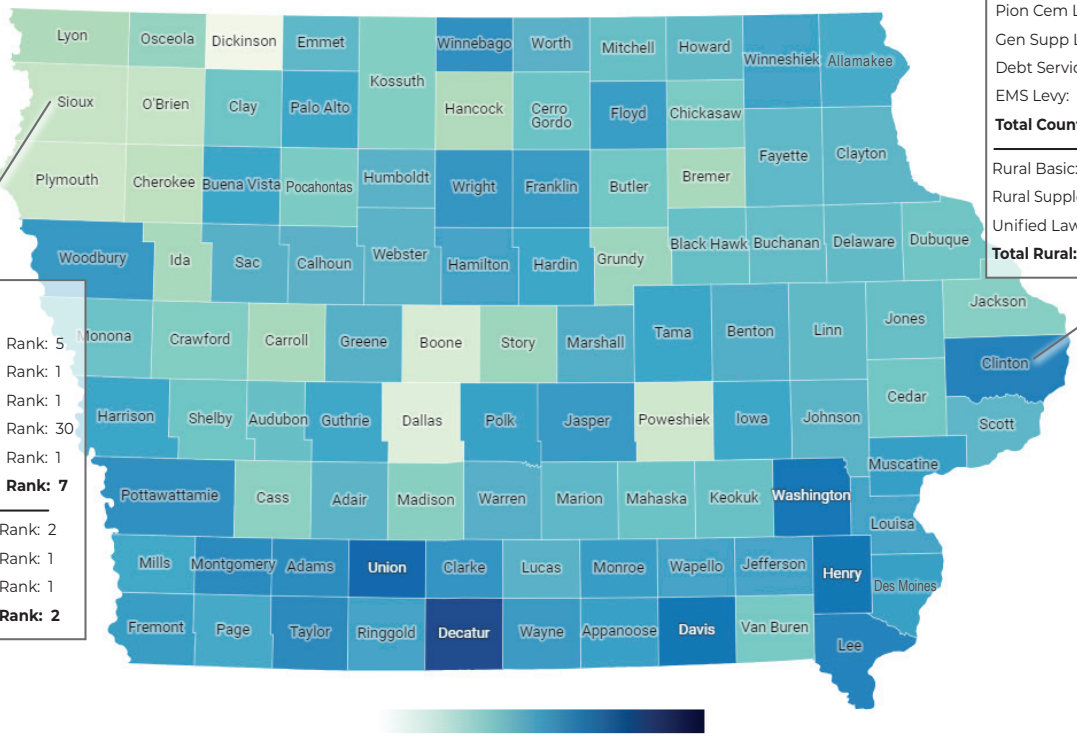
Source: ITR Local

County Property Tax Rates

(99 Counties; FY 2023)

CLINTON COUNTY

General Levy :	$4.151	Rank: 86
Pion Cem Levy:	$0.039	Rank: 99
Gen Supp Levy:	$2.873	Rank: 90
Debt Service:	$1.030	Rank: 93
EMS Levy:	$0.000	Rank: 1
Total County Wide:	**$8.093**	**Rank: 94**
Rural Basic:	$2.620	Rank: 18
Rural Supplemental:	$0.000	Rank: 1
Unified Law:	$0.000	Rank: 1
Total Rural:	**$2.620**	**Rank: 18**



SIOUX COUNTY

General Levy :	$3.491	Rank: 5
Pion Cem Levy:	$0.000	Rank: 1
Gen Supp Levy:	$0.000	Rank: 1
Debt Service:	$0.147	Rank: 30
EMS Levy:	$0.000	Rank: 1
Total County Wide:	**$3.637**	**Rank: 7**
Rural Basic:	$1.314	Rank: 2
Rural Supplemental:	$0.000	Rank: 1
Unified Law:	$0.000	Rank: 1
Total Rural:	**$1.314**	**Rank: 2**

Best **Worst**

Source: ITR Local

IOWANS FOR TAX RELIEF
ITR LOCAL

Want to learn more about your property taxes?

Visit ITRlocal.org to see how property taxes have increased in your community when compared to inflation and population. You can also compare your total property tax bill to other communities across the state. Take time to explore the specific local government information we have such as tax rates for each school district, city and county, debt levels, and much more. ITR Local is your one-stop-shop for everything you need to know about property taxes in Iowa.

School District

Southeast Polk

Last Updated: July 20, 2022

Change over the last 10 years

Enrollment Plus Inflation: 35.3%

Property Tax Revenue: 28.3%

Email Your School Board

City

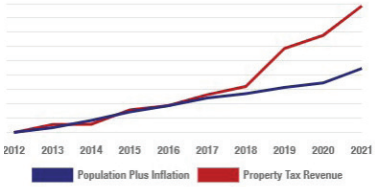
Altoona

Last Updated: September 26, 2022

Change over the last 10 years

Population Plus Inflation: 49.6%

Property Tax Revenue: 127.2%



Email Your City Council

County

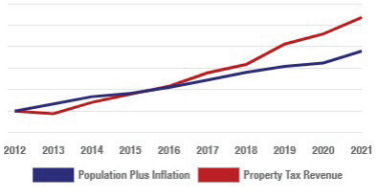
Polk

Last Updated: April 13, 2022

Change over the last 10 years

Population Plus Inflation: 29.7%

Property Tax Revenue: 52.6%



Email Your Supervisor

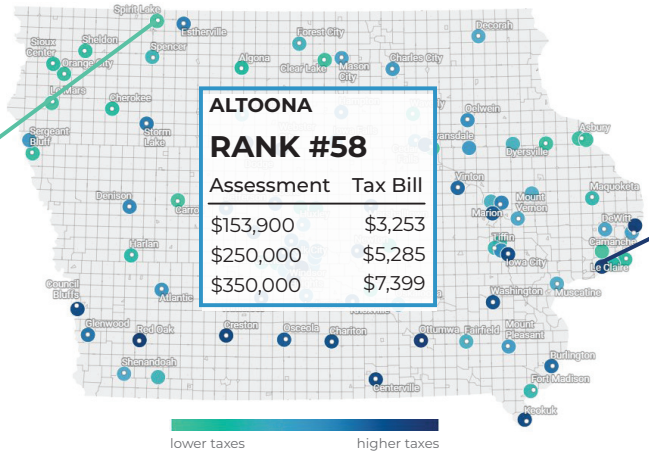
Property Tax Bill Comparison

Estimated property tax bills for taxes payable in September 2022 and March 2023

SPIRIT LAKE

RANK #1

Assessment	Tax Bill
$153,900	$2,130
$250,000	$3,460
$350,000	$4,844



ALTOONA

RANK #58

Assessment	Tax Bill
$153,900	$3,253
$250,000	$5,285
$350,000	$7,399

DAVENPORT

RANK #94

Assessment	Tax Bill
$153,900	$3,761
$250,000	$6,109
$350,000	$8,553

See estimated property tax bills for the 100 largest Iowa cities at **ITRlocal.org.*

About Iowans for Tax Relief Foundation

Our vision is to make Iowa a state bursting with opportunity and pathways to success, while preserving our heritage of family and community values.

We will achieve this by lowering taxes, encouraging responsible government spending, reducing burdensome regulations, and fostering good governance.

We believe Iowa is a good place to live. Our communities must be places where people want to, and can, stay for the long-term.

We believe taxpayers are best equipped to know what they need and want. Iowans should be able to keep as much of their own money as possible to help build the life they want.

We believe family is important and an essential building block to a strong society. Iowa must be a place where individuals can pursue their dreams without having to leave their family base.

Our Change Model

1) Research principled solutions to problems Iowans face

2) Educate Iowans about ITRF solutions

3) Engage and Activate Iowans in support of ITRF solutions

Over 40 years ago, a former state legislator looked around the Iowa Capitol and saw it filled with noisy special interests, always wanting lawmakers to spend more of your money. Dave Stanley, the founder of Iowans for Tax Relief Foundation, knew Iowans needed an organization to conduct research and provide facts about taxes, government spending, and regulation, and to promote the principles of limited government. Since 1982, ITR Foundation has carried out the mission Dave defined for us.

In recent years, ITR Foundation has laid the groundwork for policy victories that include:

- A 3.9% flat individual income tax
- A 5.5% flat corporate income tax
- Elimination of the inheritance tax
- Elimination of taxes on retirement income
- Increased property tax transparency
- Protection of donor privacy
- Home-based business protections
- Implementation of universal recognition, fee waivers, and criminal justice reforms in Iowa's occupational licensing system

7601 Office Plaza Dr Suite 140, West Des Moines, Iowa 50266

ITRFoundation.org