



The Iowa Legislature passed House File 718 ([Iowa Acts Chapter 71](#)) during the 2023 Legislative Session, which changed many parts of the property taxation process. One of the more prominent changes was the introduction of an annual mailed hearing notice to each owner of taxable property in March. These notices will provide a large amount of information aimed at educating taxpayers about the forthcoming budget. Below is a description of the various parts of the notice.

MEETING AND PROPERTY TAX REQUEST INFORMATION

The front page of the mailed notice is divided into 3 sections. Each section will show the proposed property tax information and meeting information for the K-12 school district, county, and city (for urban residents) which tax within the tax district where the property is located. These hearings will be solely concerned with the proposed property tax, and no unrelated business can be discussed during this meeting. There will be another hearing on the full budget at a later meeting of the local government. The time, date, and location for each of these hearings is shown at the top of each section.

ANYTOWN School Public Hearing on Proposed Property Taxation for Fiscal Year July 1, 2024 – June 30, 2025					
Date: 03/27/2024	Time: 5:30 PM	Location: AnyTown High School Media Center, 410 NW 2 nd St. AnyTown, IA			
Telephone: (515) 281-3322	Website: https://dom.iowa.gov/schools				
	Current Property Tax	Current Tax Rate	Effective Tax Rate	Proposed Prop Tax	Proposed Tax Rate
All School Funds	84,639,085	16.99602	15.11846	90,192,351	16.10296
Reasons Proposed Property Tax exceeds the Current Property Tax:					
Increase in the cost of insurances, pay increases and employee benefits					

Information for three different hearings will be shown – one each for the K-12 school district, county, and city. If this property is outside of a city, the city meeting section will be blank. Below the hearing information is information on the property tax that is being proposed for the next fiscal year. Presented in this

property tax information box is the current fiscal year’s budgeted tax dollars and total tax rate and the property tax revenue and total rate for the coming fiscal year.

Property tax dollars and rate applying to the current budget year that began last July 1.

Property tax dollars and rate proposed for the coming budget year beginning July 1.

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Reasons Proposed Property Tax exceeds the Current Property Tax:

Increase in the cost of insurances, pay increases and employee benefits

Reason for increase in property tax dollars, should there be an increase

“Effective Tax Rate” shows what would happen to the tax rate should the local government budget the same amount of property tax dollars next year as they did for the current year. It is not a limit on taxes.

PROPERTY TAX DISTRIBUTION – CURRENT BUDGET YEAR

At the top of the back page of the mailed notice is a table showing an estimate of property tax that will be distributed to each local government on this notice in the current year. The information in this table is based on tax district totals, so it will not show the full amount going to each local government in total. The table shows the amount of property tax revenue, including Tax Increment Financing revenue, going to each local government from the tax district. The rightmost column shows the percentage of the total property tax revenue from the tax district that goes to each of the three local governments listed on the front of the

notice. The percentage is based on the “Total Property Tax” column so that TIF revenue is included in the calculation

The table below shows how current taxes levied within this taxing district are distributed. TIF included where applicable.

Taxing Authority	Non-TIF Property Tax	TIF Tax	Total Property Tax	Authority % of Tax
School	132,436	0	132,436	31.36
County	56,884	0	56,884	13.46
City	144,514	23,264	167,778	39.73
All Others	65,239	0	65,239	15.45

If this table shows all zeros on the mailing, it is due to the property being in a tax district in the budget year that did not exist in the current year. Since the tax district did not exist in the current year, there is no tax data available to display.

EXAMPLES OF CHANGE IN PROPERTY TAX – BUDGET YEAR

The last section of the mailing, at the bottom of the back page, is a pair of examples which show a comparison of how the proposed taxes owed will increase or decrease taxes for a property with a 100,000 assessed value in the current year and in the budget year. The top example is for a residential class property, and the bottom is for a commercial property. The first 150,000 of commercial property is taxed the same as residential property, so the examples match.

The examples below show how taxes on a property with a value of 100,000 would be distributed in both the Current and Proposed Budget years:

Residential Property:

Taxing Authority	Tax Using Current Tax Rate	Tax Using Proposed Tax Rate	% Change
School	744	623	-16.26
County	536	424	-20.90
City	812	686	-15.52

Commercial Property – Note the first 150,000 of Commercial property has the same taxation basis as Residential:

Taxing Authority	Tax Using Current Tax Rate	Tax Using Proposed Tax Rate	% Change
School	744	623	-16.26
County	536	424	-20.90
City	812	686	-15.52

Property tax that would be owed on a property worth \$100,000 in the current budget year; uses the “Current Tax Rate” from the front of the mailing.

Property tax that would be owed on a property worth \$100,000 in the upcoming budget year; uses the “Proposed Tax Rate” from the front of the mailing.

The “% Change” column shows the percent of change (increase or decrease) for the amount of tax that would be owed to each local government under this specific example. This example is for a property with a value of 100,000 in each year, meaning that the property’s value did not change. It is possible that a property would experience no change in value from one year to another, but is unlikely. Most properties will change value from year-to-year, so this example will likely vary from an actual property. Do not see an example with a decrease in taxes owed and assume that your tax bill will do the same.

Visit <https://dom.iowa.gov/property-taxes> for a tool to help you apply the property tax rates in this mailing to a specific property.

Fremont County Auditor Press Release

Budget Statement Mailing

Property owners in Iowa will soon receive a new mailing that will contain information about the proposed property tax rates for the next fiscal year. Iowa Code 24.2A requires a budget statement be mailed to property owners after March 20 of each year. The budget statement will include information regarding school, county, and city proposed tax rates as well as information about scheduled public hearings regarding the proposed tax rates. Previously, this information was shared with the public by publishing maximum levy notices in the newspaper, but a change to Iowa Code 24.2A now requires county auditors to mail the statements to all property taxpayers. The proposed rates are for taxes that will be paid in September, 2024 and March, 2025. The statement will include information about the impact of the proposed property tax rates on both a \$100,000 residential property and a \$100,000 commercial property. The actual impact of the tax rates on an individual's property could be different than the examples in the statement, which do not include a change in the assessed value or the assessment limitation (rollback), which has reduced from 54.6501% to 46.3428% on residential property commercial property up to \$150,000 in value.

The statement is not a property tax bill. Taxpayers owning property in more than one tax district may receive multiple statements. The budget statement will include the following information:

- Date, time, and location of public hearings to consider proposed property tax rates for next fiscal year
- Phone number and website (if applicable) for each associated taxing authority
- Current, effective, and proposed tax rate information
- Comparison of current, effective, and proposed tax rates
- How current taxes levied by the school, county and city are distributed
- Comparison of how taxes would be distributed in the current and proposed budget years

Additional information regarding the budget statement will be made available online at <https://dom.iowa.gov/property-taxes> on or after March 20, 2024.

Dee Owen

Fremont County Auditor