

# Property taxes pay for services lowans value

## Key services in schools, cities and counties rely on property taxes

**Education:** teacher salaries, school facilities and educational programs

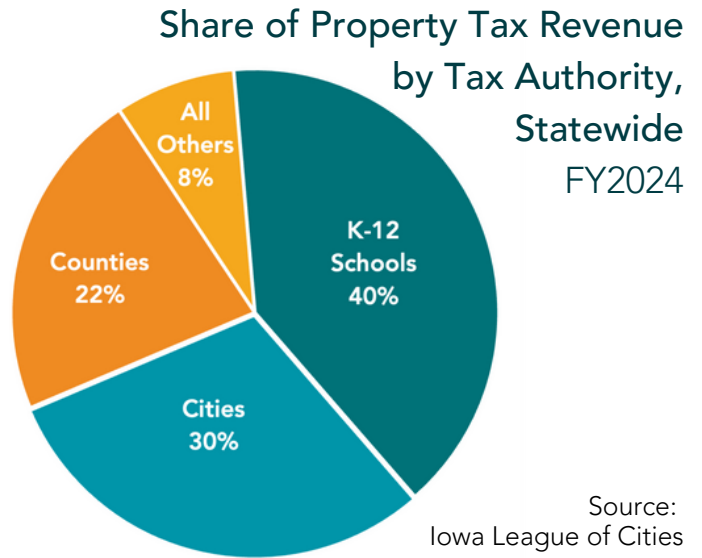
**Public Safety:** police, fire departments and emergency medical services

**Infrastructure:** roads, bridges, sidewalks and other critical infrastructure

**Culture and Recreation:** libraries, parks and community centers

**County Services:** public health, mental health programs and social services

**Other Services:** cemeteries, sewers and ag extension offices



## Community livelihoods at stake if property taxes decline or can't grow

### Cuts to Public Services

Reduced funding leads to fewer resources for public safety, infrastructure maintenance, and keeping up with increased costs.

### Increased Local Debt

Local governments may need to borrow more to cover budget shortfalls, leading to higher long-term costs.

### Declining Quality of Life

Cutting or scaling back services and amenities makes communities less attractive to residents and businesses.

## Schools rely on consistent and predictable property tax funding

In Iowa, schools are the largest recipients of property tax revenue. Local school districts depend on property taxes – in combination with state aid – for general operating expenses, building maintenance and construction, and specialized programs, including special education and extracurricular activities. State law requires a minimum property tax levy for school funding, but districts can ask voters to approve additional levies for specified purposes allowed by state law. Low amounts of supplemental state aid (per-pupil spending) can push property taxes higher.

# Complex property tax system requires cautious legislating

County assessors evaluate properties every two years to determine their market value. Assessors consider factors such as property location, size, condition, and recent sales of similar properties.

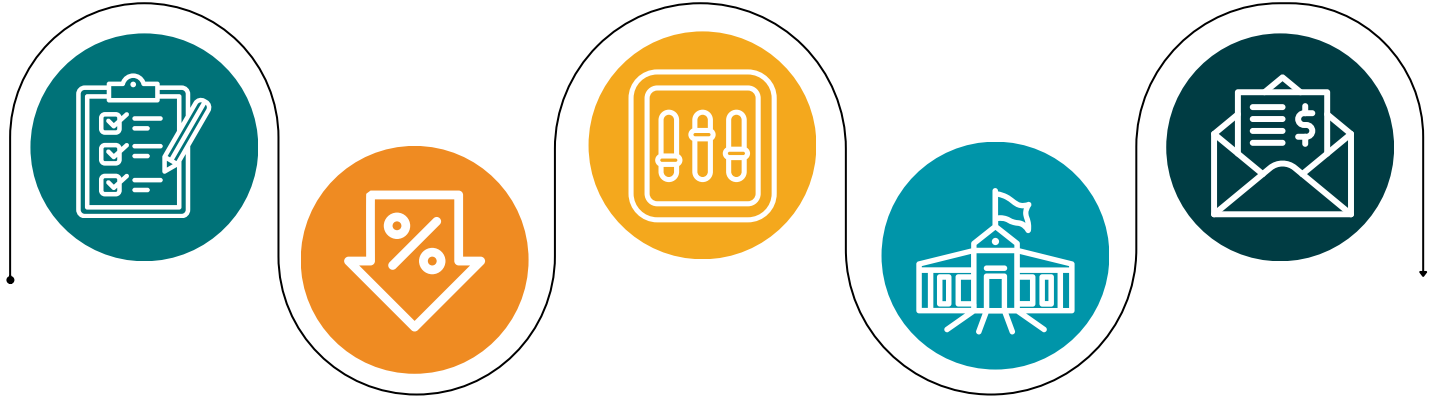
To ensure uniformity across counties, the Iowa Department of Revenue adjusts assessed values in counties where assessments are either too high or too low compared to the state's market value standard.

To calculate the property tax bill, the taxable value is multiplied by the total combined levy rates. Credits and exemptions are then subtracted. Property taxes are paid in two installments, typically in September and March.

## Assessment

## Equalization

## Payment



## Rollbacks

After the assessment, the Iowa Department of Revenue applies a "rollback" percentage to reduce the taxable value of properties.

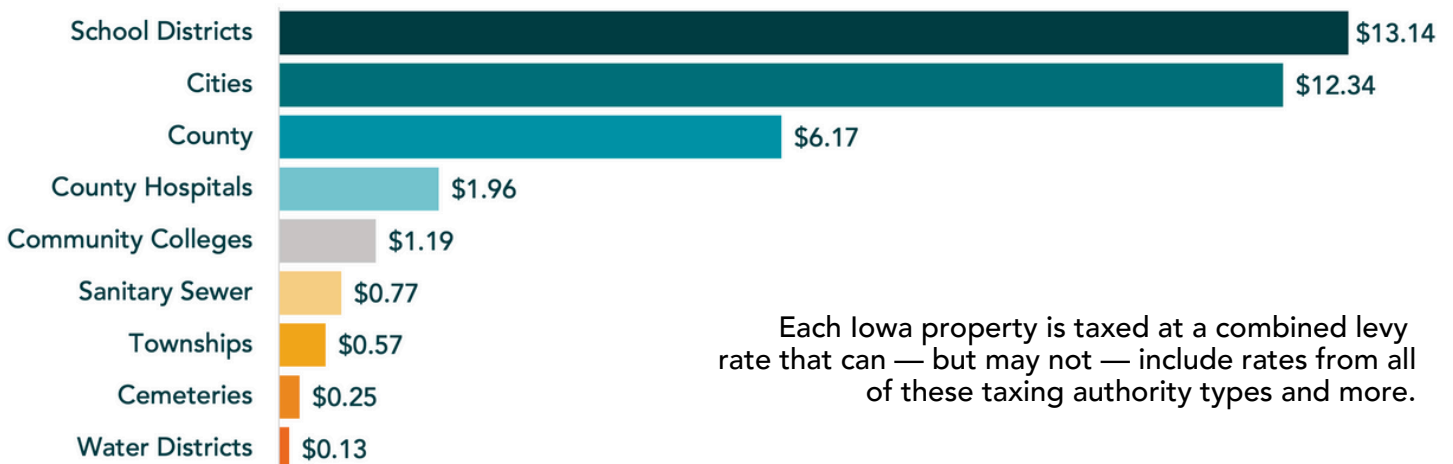
## Rate Setting

Under strict limits set by the state, local taxing authorities, such as cities, counties, school districts, and townships, set levy rates based on their budget needs. Each taxing authority's rate is combined to determine the total levy rate applicable to a property.

## Property taxes sustain hospitals, colleges, sewers and more

### Average levy by taxing authority type, FY2024

\$ per \$1,000 of taxable value



Each Iowa property is taxed at a combined levy rate that can — but may not — include rates from all of these taxing authority types and more.