

New budget/proposed property tax levy process

In 2023, the state legislature made a lot of changes to the property tax system through HB 718. One change is requiring more education for the property owner.

(Please note, the state legislature continues to make changes to several areas of local government including property taxes, franchise fees and capping utility rates. These change will reduce the funds available for the City to provide services and could result in major changes. Stay turned as the decision is made. Please encourage your state legislators to respect the local government decision making process and allow the local leaders together input their constituents and make the best decision for their community.)

A separate public hearing is required for the proposed property tax levy. The City will hold their hearing on Monday, March 24, 2025 at 6:30 p.m. in the City Council Chambers. The public hearing for the overall budget will be at 6:30 p.m. on April 14.

The budget hearing is for the fiscal year July 1, 2025-June 30, 2026.

CITY NAME: NOTICE OF PUBLIC HEARING - CITY OF ELKADER - PROPOSED PROPERTY TAX LEVY **CITY #:** 22-184
ELKADER **Fiscal Year July 1, 2025 - June 30, 2026**

The City Council will conduct a public hearing on the proposed Fiscal Year City property tax levy as follows:

Meeting Date: 3/24/2025 **Meeting Time:** 06:30 PM **Meeting Location:** Elkader City Hall

At the public hearing any resident or taxpayer may present objections to, or arguments in favor of the proposed tax levy. After the hearing of the proposed tax levy, the City Council will publish notice and hold a hearing on the proposed city budget.

City Website (if available)
 www.elkader-iowa.com

City Telephone Number
 (563) 245-2098

Iowa Department of Management	Current Year Certified Property Tax 2024 - 2025	Budget Year Effective Property Tax 2025 - 2026	Budget Year Proposed Property Tax 2025 - 2026
Taxable Valuations for Non-Debt Service	50,153,682	52,488,195	52,488,195
Consolidated General Fund	418,193	418,193	429,077
Operation & Maintenance of Public Transit	0	0	0
Aviation Authority	0	0	0
Liability, Property & Self Insurance	195,894	195,894	171,387
Support of Local Emergency Mgmt. Comm.	0	0	0
Unified Law Enforcement	0	0	0
Police & Fire Retirement	0	0	0
FICA & IPERS (If at General Fund Limit)	94,296	94,296	101,307
Other Employee Benefits	285,761	285,761	297,376
Capital Projects (Capital Improv. Reserve)	0	0	0
Taxable Value for Debt Service	50,861,436	54,220,935	54,220,935
Debt Service	364,558	364,558	619,370
CITY REGULAR TOTAL PROPERTY TAX	1,358,702	1,358,702	1,618,517
CITY REGULAR TAX RATE	26.98963	25.66390	30.45872
Taxable Value for City Ag Land	43,480	44,703	44,703
Ag Land	131	131	135
CITY AG LAND TAX RATE	3.00375	2.93045	3.00375
Tax Rate Comparison—Current VS. Proposed			
Residential property with an Actual/Assessed Valuation of \$100,000/\$110,000	Current Year Certified 2024/2025	Budget Year Proposed 2025/2026	Percent Change
City Regular Residential	1,251	1,589	27.02
Commercial property with an Actual/Assessed Valuation of \$300,000/\$330,000	Current Year Certified 2024/2025	Budget Year Proposed 2025/2026	Percent Change
City Regular Commercial	5,520	7,101	28.64

Note: Actual/Assessed Valuation is multiplied by a Rollback Percentage to get to the Taxable Valuation to calculate Property Taxes. Residential and commercial properties have the same rollback percentage through \$150,000 of actual/assessed valuation.

Reasons for tax increase if proposed exceeds the current:

The increases in the debt service levy are due to the Keystone Bridge bond and a short-term bond for new snowplow, police car and fire truck.

The left column of numbers on this report is the current year that ends June 30, 2025.

The middle column is for the upcoming tax year that starts July 1, 2025 and ends June 30, 2026. This column reflects the levy if the City did not make any changes from the current levy but wanted the same amount of dollars generated.

The right column is what the City actually wants to levy. If the City made no changes to the levy from the current year, this would generate \$1,358,702.00. However, due to increases in health insurance, property/liability insurance, and the debt service levy, the levy needs to increase \$3.46909 per \$1,000 of taxable valuation to generate \$1,618,517. The proposed tax levy rate for the City is \$30.45872.

(see more info next page)

Last year's tax levy: \$26.98963 ● per \$1,000 of taxable value.

The proposed levy: \$30.45872 ● per \$1,000 of taxable value.

Difference of \$3.46909 per \$1,000 of taxable value.

The dollar difference is \$259,815 ● more than last year due to increases in health insurance, property/liability insurance and mostly, debt service for the loan for the bridge.

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This number goes with the column to the right and is based on the proposed levy rate of \$30.45872.

These lines are illustrating the amount of taxes a home with a valuation value of \$100,000 (last year) and \$110,000 (this year) or a commercial property with a valuation of \$300,000 (last year) and \$330,000 (this year) would pay using the City's current levy and the proposed levy (this does not include the levies of all of the other taxing entities). The percent change is misleading because it includes a change in valuation from last year to this year.

For the proposed fiscal year that ends June 20, 2025:

the proposed tax rate is \$26.98963 ●

the rollback is 46.3428%

$\$100,000 \times \$0.463428 = \$46,343$ taxable value $\times \$26.98963/\$1,000 = \$1,251$.

For the proposed fiscal year that ends June 20, 2026:

the proposed tax rate is \$30.45872 ●

the rollback is 47.4316%

$\$110,000 \times \$0.474316 = \$52,175$ taxable value $\times \$30.45872/\$1,000 = \$1,589$.

A difference of \$338.

If the valuation didn't change:
 $\$100,000 \times \$0.463428 = \$46,343$
 taxable value $\times \$26.98963/\$1,000 =$
 $\$1,251$.
 $\$100,000 \times \$0.474316 = \$47,431$ taxable value $\times \$30.45872/\$1,000 =$
 $\$1,444$.
 A difference of \$193.69 more.

If the value of your individual property increased, it may cause your overall tax bill to increase. The total tax levy also depends on the levy of the other taxing entities.

To check the value of your property go to the Assessor's website:

www.claytoncountytia.gov/149/Assessor

and then click the BEACON button.

That will take you to an area to search by address.

Scroll down to the area that is called valuation and taxation.

Valuation

	2024	2023	2022	2021	2020
Classification	Residential	Residential	Residential	Residential	Residential
+ Assessed Land Value	\$13,596	\$13,596	\$12,360	\$12,360	\$12,360
+ Assessed Building Value	\$0	\$0	\$0	\$0	\$0
+ Assessed Dwelling Value	\$198,898	\$198,898	\$160,237	\$160,237	\$151,013
= Gross Assessed Value	\$212,494	\$212,494	\$172,597	\$172,597	\$163,373
- Exempt Value	\$0	\$0	\$0	\$0	\$0
= Net Assessed Value	\$212,494	\$212,494	\$172,597	\$172,597	\$163,373

Taxation

	2023 Pay 2024-2025	2022 Pay 2023-2024	2021 Pay 2022-2023	2020 Pay 2021-2022
+ Taxable Land Value	\$6,301	\$6,755	\$6,690	\$6,972
+ Taxable Building Value	\$0	\$0	\$0	\$0
+ Taxable Dwelling Value	\$92,175	\$87,570	\$86,737	\$85,186
= Gross Taxable Value	\$98,476	\$94,325	\$93,427	\$92,158
- Homestead 65+ Exemption	(\$3,250)	\$0	\$0	\$0
- Military Exemption	(\$4,000)	\$0	\$0	\$0
= Net Taxable Value	\$91,226	\$94,325	\$93,427	\$92,158
x Levy Rate (per \$1000 of value)	49.03012	47.76918	44.66072	40.99879
= Gross Taxes Due	\$4,472.82	\$4,505.83	\$4,172.52	\$3,778.36
- Ag Land Credit	\$0.00	\$0.00	\$0.00	\$0.00
- Family Farm Credit	\$0.00	\$0.00	\$0.00	\$0.00
- Homestead Credit	(\$237.88)	(\$231.68)	(\$216.60)	(\$198.84)
- Disabled and Senior Citizens Credit	\$0.00	\$0.00	\$0.00	\$0.00
- Business Property Credit	\$0.00	\$0.00	\$0.00	\$0.00
= Net Taxes Due	\$4,236.00	\$4,274.00	\$3,956.00	\$3,580.00

In this example you can see that the valuation for 2023 is 23% more than the valuation of 2022. There was no increase for 2024 but it is still a useful example for years where there is an increase in valuation.

\$172,597 x the rollback of \$.546501 = \$94,325. Then the overall tax rate (\$47.76918, which includes the City's \$25.94165) is applied.

The value for 2023, \$212,494, is multiplied this year by the rollback of \$.463428. So the taxable value will be slightly higher at \$98,475 due to the increased valuation. Then the overall tax rate, which includes the City's \$26.98963, is applied.

In years that the valuation does not change, take the taxable value and multiple by the City rate to see the difference in just the City rate.

\$100,000 x \$.463428 = \$46,343 taxable value x \$26.98963/\$1,000 = \$1,251.

\$100,000 x \$.474316 = \$47,431 taxable value x \$30.45872/\$1,000 = \$1,444.

\$193.69 more

Questions? Contact Jennifer at City Hall at elkaderadmin@alpinecom.net or 245-2098 if you have questions on the City's levy rate.

The County Assessor, Andy Loan, or County Auditor, Jennifer Garms, are very good resources if you have questions on valuation or the overall tax rates.