

Senate panel hears feedback on latest version of Iowa property tax bill

By **ROBIN OPSAHL**
Iowa Capital Dispatch

The latest version of a property tax bill discussed by a Senate subcommittee Wednesday is still expected to go through changes before a floor vote — but Sen. Dan Dawson, R-Council Bluffs, said it’s still a priority to pass legislation on the issue this year.

Restraining property taxes for Iowans has been one of Republicans’ priorities for the 2025 legislative session, with leaders saying it was the top issue GOP lawmakers heard about on the campaign trail in the 2024 election. Dawson and Rep. Bobby Kaufmann, R-Wilton, the Ways and Means Committee chairs in the Senate and House respectively, introduced their proposal making major changes to Iowa’s property tax system in March as a way to address these concerns.

The largest change proposed in Dawson and Kaufmann’s bill was to change Iowa’s local property tax system from the “rollback” system of calculation to a “revenue-restricted” system. “Rollback” refers to how the state currently limits property tax growth, a system where only a portion of a residential property’s value is subject to property taxes. There is a 3% growth limit on the aggregate value of residential property in the state used to determine how much of a property’s value can be taxed each year, which is used by the Iowa Department of Revenue sets the rollback rate.

The legislative proposal would remove the rollback, potentially allowing for a higher rate of property value growth that would be taxable. To limit property tax increases, the GOP bill instead proposes capping most property tax levy rates to 2% each year and limiting how much in new tax revenues local

governments can collect as a way to stop property taxes from rising.

Senate Study Bill 1227, the property tax bill discussed in a subcommittee meeting Wednesday, includes these changes. However, it was adjusted from the previous bill to allow local governments to exceed the 2% levy rate growth during times of high inflation, allowing for up to 5% increases as determined by increases in the consumer price index (CPI).

While Nate Ristow with the Iowa Taxpayers Association praised the legislation overall, he said he was concerned about allowing higher property tax rates based on CPI. Ristow suggested “that there be some sort of clarification and incentive in there for communities that don’t fully utilize the allowable levy increase.”

Dustin Miller, representing the Iowa Chamber Alliance and some local government entities said localities are “certainly open” to talking about changes to the CPI component of setting levy rate growth limits, but said it was important these changes do not negatively impact communities that are seeing significant growth and investment.

“We want to make sure that new growth language is correct, because I think that’s important from a pro-growth standpoint,” What we don’t want to do is penalize those communities that are growing, and then certainly we don’t want to impinge any existing deals that are out there.”

More changes will be added through an amendment brought up by Dawson Wednesday — he said the amendment will create a system to phase out the rollback through a “hybrid model” for residential properties over a period of 10 years.

Another major change to the bill will

come in the homestead property tax exemption. While previous versions of the bill included a \$25,000 and \$50,000 exemption, Dawson said the new proposal will have a property tax exemption of 25% of a home’s taxable value, up to \$125,000. He said this change will address concerns some local governments brought up about how the flat tax exemptions could cause problems in certain communities based on how property values differ in rural and urban areas of the state.

The homestead property tax exemption based on a percentage of a home’s value will provide relief for Iowa homeowners without “taking a lot of communities’ property tax base and wiping (it) out unintentionally,” he said.

“I think this gets us pretty darn near close to the end of where the whole system reform lies at,” Dawson said.

Other components of the bill include shifting \$426 million in K-12 schools from property taxes to the state and a property tax freeze for seniors over age 70 who have incomes at 250% or less than the federal poverty level.

Emily Piper with the Iowa Association of School Boards, said she was concerned about how the bill’s proposal to shift some current school levies to the Secure an Advanced Vision for Education (SAVE) funding stream, in cases where schools have promised to fund certain projects through bond referendums but are not able to secure funding through the state.

“Using SAVE dollars to backfill more of those additional levy rate raises a concern, because it’s open-ended,” Piper said. “We don’t understand how much is going to be going there, and we want to be certain if we’re doing that, that we don’t inadvertently

negatively impact current bonds that are out there because the revenue is not as great as had been projected.”

Dawson said many Iowa school districts have cash reserves that could be used to offset lost property tax revenue and move forward with infrastructure projects.

Sen. Janet Petersen, D-Des Moines, said she was also concerned about this shift of education funding from local property taxes to the state in the context of the current state budget that draws on the Taxpayer Relief Fund and other reserves to make up for budget shortfalls.

“We need to proceed with caution when we say the state is going to pick up a portion of the tab (for) our schools,” Petersen said. ” So that’s one area I’m really wanting to make sure that we’re in a decent spot for that, so that our valuable growth and school budgets don’t take a hit on that.”

She said other parts of the bill, like the homestead tax credit, will “moving in the right direction” on addressing high property tax costs,.

“This is more reform than it is relief, but I do believe it does maybe put in place some changes to formula and make it easier for Iowans to understand and predict,” Petersen said.

While many agreed that changes to Iowa’s property tax system were needed, some advocates and legislators have said moving on the bill during the 2025 legislative session may not be feasible. Mike Owen with Common Good Iowa, a progressive advocacy organization, said the group was registered against the bill before the amendment was introduced “mainly because there wasn’t enough time in this session to deal with something so big.”

Honor

Continued from Page 1

aboard the flight. He served in an ordnance unit in West Germany.

“Everybody has been after me to do it,” he said. “They finally talked me into it.”

“I think I’m really going to enjoy it,” he added. “I want to thank everyone who donated to the Honor Flight.”

Martin said he has never been to Washington. “I just want to see everything — as much as I can,” he said.

Cal Mogler, of Fort Dodge, was also looking forward to seeing the monuments in Washington. “I’ve never seen a lot of the stuff we’re going to see here now,” he said.

Mogler is a veteran of the Iowa Army National Guard who served in the 194th Field Artillery, working out of the armory in Algona.

He said his brother, Art Mogler, and several buddies have been on previous Honor Flights. They encouraged him to go, he said.

Army veteran Dave Wildin, of Algona, was also making his first trip to Washington. He served in the 546th Transportation Co. from 1965 to 1967. He was among the American soldiers sent to the Dominican Republic in 1965 during a civil war there. His unit was

later sent to work at the United States Military Academy in West Point, New York. He has written a book about his Army experiences called “I’m Not Going To Die.”

Air Force veteran Warren Mitchell, of Aurelia, said he had never been to Washington. But he said what he was really looking forward to on the trip was spending time in the company of so many other veterans.

“I am more interested in the camaraderie with everyone here, my fellow veterans,” he said.

Looking around at the veterans clad in red hats and red shirts filling the airport terminal, he said, “There’s a lot of military service sitting right here.”

Mitchell served in air traffic control and radar units from 1972 to 1978. All of his service was in the United States. However, in 1975, around the time Saigon fell in the Vietnam War, his unit was put on alert to potentially go to South Vietnam on literally five minutes notice. He said groups of about 20 airmen used to sit in a cargo plane, waiting to learn if they were going to South Vietnam

“Talk about some nervous dudes,” he said.

Also on board the flight were volunteers

carrying six flags representing veterans who applied to go on an Honor Flight, but died before they were able to. They are Navy veteran Dennis Ammaz, of Webster County; Army veteran Clifford Cameron, of Franklin County; Army veteran Ron Grove, of Ida County; Army veteran Thomas Rabbitt, of Webster County; Navy veteran Ed Ruddy, of Webster County; and Army veteran Albert Yung, of Webster County. The flags were to be photographed at the various monuments, and were to be presented to the veterans’ families when the flight returned Wednesday night.

The flight was to land at Dulles International Airport in the Virginia suburbs of Washington. There, the veterans were to board buses and head into the capital.

The group was to visit the Lincoln Memorial, Vietnam War Veterans Memorial, Korean War Veterans Memorial, World War II Memorial, the Marine Corps War Memorial, Arlington National Cemetery and the Air Force Memorial.

David Borer, a freelancer for the Daily Freeman-Journal, is aboard the flight.

NOTICE OF PUBLIC HEARING - AMENDMENT OF CURRENT BUDGET				
City of WEBSTER CITY				
Fiscal Year July 1, 2024 - June 30, 2025				
The City of WEBSTER CITY will conduct a public hearing for the purpose of amending the current budget for fiscal year ending June 30, 2025				
Meeting Date/Time: 5/19/2025 06:05 PM		Contact: Dodie Wolfram		Phone: (515) 832-9141
Meeting Location: City Hall Council Chambers 400 2nd Street Webster City IA 50595				
There will be no increase in taxes. Any residents or taxpayers will be heard for or against the proposed amendment at the time and place specified above. A detailed statement of: additional receipts, cash balances on hand at the close of the preceding fiscal year, and proposed disbursements, both past and anticipated, will be available at the hearing. Budget amendments are subject to protest. If protest petition requirements are met, the State Appeal Board will hold a local hearing. For more information, consult https://dom.iowa.gov/local-gov-appeals .				
REVENUES & OTHER FINANCING SOURCES		Total Budget as Certified or Last Amended	Current Amendment	Total Budget After Current Amendment
Taxes Levied on Property	1	4,777,944	-38,348	4,739,596
Less: Uncollected Delinquent Taxes - Levy Year	2	0	0	0
Net Current Property Tax	3	4,777,944	-38,348	4,739,596
Delinquent Property Tax Revenue	4	0	0	0
TIF Revenues	5	366,444	0	366,444
Other City Taxes	6	1,365,812	-77,000	1,288,812
Licenses & Permits	7	151,400	-15,620	135,780
Use of Money & Property	8	1,234,869	0	1,234,869
Intergovernmental	9	1,673,230	-310,000	1,363,230
Charges for Service	10	20,783,913	-973,480	19,810,433
Special Assessments	11	0	0	0
Miscellaneous	12	2,208,533	0	2,208,533
Other Financing Sources	13	11,400,000	-10,500,000	900,000
Transfers In	14	10,993,893	0	10,993,893
Total Revenues & Other Sources	15	54,956,038	-11,914,448	43,041,590
EXPENDITURES & OTHER FINANCING USES				
Public Safety	16	3,948,547	0	3,948,547
Public Works	17	2,335,129	300,000	2,635,129
Health and Social Services	18	26,294	0	26,294
Culture and Recreation	19	1,426,101	336,233	1,762,334
Community and Economic Development	20	871,966	306,375	1,178,341
General Government	21	2,239,247	0	2,239,247
Debt Service	22	1,238,383	107,000	1,345,383
Capital Projects	23	4,381,600	3,400,000	7,781,600
Total Government Activities Expenditures	24	16,467,267	4,449,608	20,916,875
Business Type/Enterprise	25	42,826,375	-7,500,000	35,326,375
Total Gov Activities & Business Expenditures	26	59,293,642	-3,050,392	56,243,250
Transfers Out	27	10,993,893	0	10,993,893
Total Expenditures/Transfers Out	28	70,287,535	-3,050,392	67,237,143
Excess Revenues & Other Sources Over (Under) Expenditures/Transfers Out	29	-15,331,497	-8,864,056	-24,195,553
Beginning Fund Balance July 1, 2024	30	52,013,339	0	52,013,339
Ending Fund Balance June 30, 2025	31	36,681,842	-8,864,056	27,817,786
Explanation of Changes: Revenue decreases due to less property taxes received, AWOS Federal Grant anticipated to be received next FY, lower building permits than anticipated, less billable department charges, didn't implement the 15% rate increase in Sewer, and bonding for projects changed. Expense increases due to Airport Project finished this FY that was originally budgeted FY24, Splash Pad expense, Economic Development Grants, Fairmeadow #2, and Beach Street which was originally budgeted in FY26.				

LEGAL PUBLICATION
NOTICE OF PUBLIC HEARING ON
PROPOSED PLANS,
SPECIFICATIONS, FORM OF
CONTRACT AND
ESTIMATE OF COST FOR:

**2025-2026 WATER MAIN
REPAIRS AND SANITARY
SEWER REHABILITATION
PROJECT**

JURISDICTION OF CITY OF WEB-
STER CITY, IOWA PUBLIC
IMPROVEMENT PROJECT

Public Notice is hereby given that a public hearing will be held by the City of Webster City, Iowa on the proposed Contract Documents (plans, specifications, and form of contract) and estimated total cost for the **2025-2026 Water Main Repairs and Sanitary Sewer Rehabilitation Project** at its meet- ing at **6:05 P.M.** on the **19th day of May 2025** , in said City Council Chambers, Webster City City Hall, 400 Second Street, Webster City, Iowa 50595.

The **2025-2026 Water Main Repairs and Sanitary Sewer Rehabilitation Project** locations for the water main repairs were deter- mined by the City and within the City's budget amount. The locations were determined by information from the City, conditions of the ex- isting storm or sanitary pipe, and the City's budget amount. The project will include eleven (11) locations with two (2) alternate locations brief- ly described below:

- WATER VALVE REPLACEMENTS
1. SUPERIOR ST & CEDAR ST
 2. SUPERIOR ST & OHIO ST
 3. SUPERIOR ST & 2ND ST
 4. OAK ST & 2ND ST
 5. ELM ST & PROSPECT ST
 6. 2ND ST & MAPLE AVE
 7. BANK ST & LYNX AVE

- FIRE HYDRANT REPLACEMENTS
1. 1626 2ND ST
 2. LYNX AVE & GRAND ST - This location includes the replacement of a storm sewer intake.
 3. BANK ST (E DUBUQUE ST) & PARK ST

- SANITARY SEWER SPOT REPAIR LOCATIONS
1. LYNNDAL DRIVE - H10-25 TO H10-30: Sanitary sewer spot repair, two service line replacements from the main to the ROW. Includes patching back with HMA pavement.
 2. BEACH STREET - G13-115 TO G13-10: Installation of new manhole to replace existing lamp hole. In- cludes patching back with HMA pavement.
 3. SUPERIOR STREET & WAL- NUT STREET - South of manhole H15-70: Sanitary sewer spot repair near H15-70 and mono form lining of manhole H15-70. Includes patching back with PCC pavement.

The Professional will prepare stag- ing plans to maintain traffic at appli- cable locations to be determined by the City, limit lane closure, and reduce inconveniences for the pub- lic. Spot repairs will require full clo- sures and detour. The Professional will make field measurements for plan preparation. The scope of the Project will be adjusted to meet the City's available budget and priori- tization. This includes any field revi- sions that may be necessary based on pre-construction cleaning and televising of each line. The Profes- sional and the City will coordinate the scope of work and repair loca- tions for inclusion in the construction drawings.

This Notice is given by authority of the City Council of the City of Web- ster City, Iowa.

Dated at Webster City, Iowa, this 7th day of April 2025.

John Hawkins, Mayor
ATTEST:
Sherry Simmons, City Clerk
L90014 #10645 5/08/25

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515-832-4350 ext. 023 for the newsroom

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