

FY 2009 County Property Taxes

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As the snow flies and counties prepare their budgets for FY 2010, *By the Numbers* finally gets around to looking at county property taxes for the current fiscal year, FY 2009. Statewide county property taxes (excluding utility excise taxes collected on gas and electric utility values) increased 5.7% from FY08, up to \$861 million. Countywide property taxes are up 5.2% while rural-only taxes are up 8%. Most counties, 91 of them, will collect more property taxes in FY09 than in FY08; eight counties will collect less. The biggest increase in taxes is 19% (Johnson County) and the biggest decrease is 10% (Audubon County). The median change in property taxes is a 4.4% increase. For comparison's sake, the latest inflation figure from the Social Security Administration is 5.8%.

Statewide taxable values (again, excluding gas and electric utility values) will increase 8.5% from FY08. This is significantly higher growth than the 2.4% increase last year, but valuations generally increase more in odd-numbered years, which are re-assessment years. A full 95 counties saw at least some growth in their tax base in FY09 (based on 2007 assessments); the median change was 5.5%. The biggest increase was 22% in Dickinson County; Dallas County's tax base grew 17% in FY09; and 13 other counties also saw double-digit growth. Of the four counties that saw negative valuation growth, the biggest decline was 3% in Howard County. Other counties to lose valuation were Clarke, O'Brien, and Cedar.

The average countywide tax rate is down slightly from FY08, as is the rural-only rate. The average total rate (rural plus

countywide) is \$10.06 in FY09, down from \$10.08 in FY08. Thirty-one counties increased their countywide rate in FY09; 68 decreased it. Changes to the rural rate were more evenly split. On the rural side, 34 counties increased the rate; 32 decreased it; 33 kept it constant. The biggest increase in the countywide rate was \$1.55 in Davis County (which had positive valuation growth of 2%), and the biggest decrease was \$1.69 in Audubon County (positive valuation growth of 9%). Interestingly, last year Audubon County had the biggest increase in its countywide rate, a jump of \$1.43. The biggest rural rate decrease was \$0.56 in O'Brien County, and the biggest increase was \$2.54 in Black Hawk County. That significant jump in Black Hawk County is due to the reallocation of local option sales tax revenues from 100% for property tax relief to 50% for property tax relief and 50% for road and bridge construction. Twenty-three counties will exceed the \$3.50 general basic maximum rate in FY09, the same number of counties that exceeded the limit in FY08. Only three counties will exceed the \$3.95 rural basic maximum rate in FY09. Audubon and Lucas counties remain above the \$3.95 level for the third consecutive year, while Winnebago County is above \$3.95 for the first time. Greene County, which had been above \$3.95 for the last two years, dropped back to \$3.95 in FY09.

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