

PROPERTY TAX REVENUE AND VALUATION PROCESS

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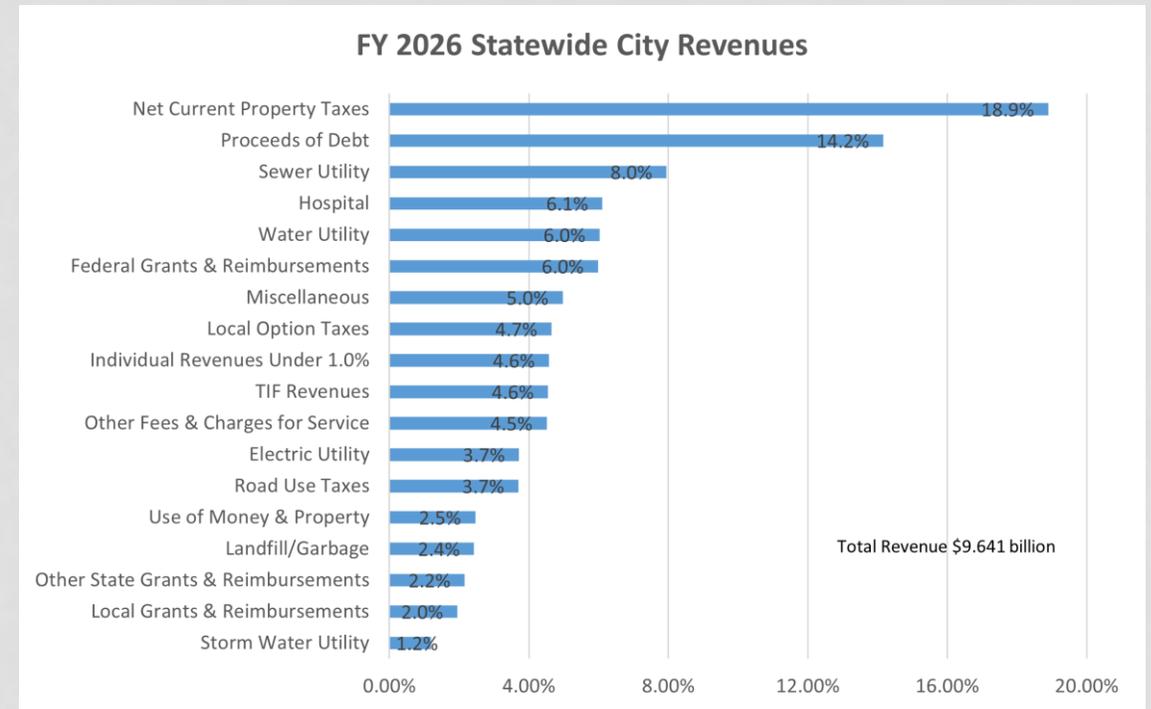
JANUARY 22, 2026

TODAY'S TOPICS

- High-level overview of the property tax process from property assessments to tax bills being issued.
- Examples focusing on residential and agricultural property.
- Review of recent legislation.
- A demonstration of LSA's new Property Tax Dashboard.

PROPERTY TAX BUILDING BLOCKS

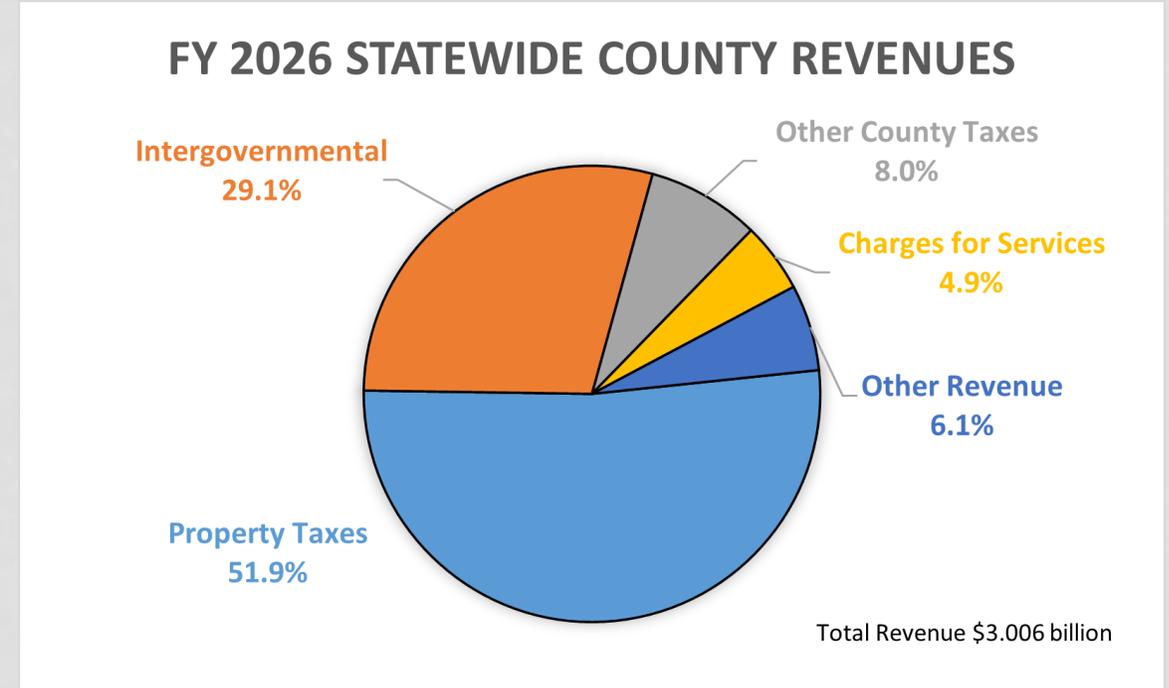
- Property Classifications are divided based on primary usage, which allows property groups to be treated differently for Valuations, Rollback, and Credits
 - Assessor – Residential, Commercial, Industrial, Agriculture (property assessed every two years in odd-numbered years)
 - Dept. of Revenue – Gas, Electric, Railroad, Telecommunications (property assessed annually)
- Assessed Value vs. Taxable Value
- Assessment Year vs. Fiscal Year



Source: Department of Management

THE PROPERTY TAX CYCLE

- Property Tax Cycle
 - Assessment of Property
 - Assessment Protests
 - Equalization
 - Application of the Assessment Limitation (Rollback)
 - Tax Levy Setting
 - Issuance of Tax Bill
 - Tax Due Dates



Source: Department of Management

DETERMINING ASSESSED VALUE (JAN 1)

Who Determines Property Values in Iowa?

- **County Assessor**
 - Appointed by conference board, comprised of the board of supervisors, mayors or each incorporated city, and school board members from each high school district.
- **City Assessor**
 - Any city with a population of 10,000 or more may adopt an ordinance to establish the office of city assessor.
 - Appointed by conference board, comprised of the board of supervisors, city council, and school board.
 - Iowa currently has seven city assessors.
- **Department of Revenue (IDR)**
 - Central assessment of specific industries whose companies have property throughout the State.

Determining Assessed Values

- Residential, Commercial, and Industrial properties assessed at market value. Valuation Methods include:
 - Sales Method
 - Cost Method
 - Income Method
- Agricultural uses an Ag Productivity Formula
 - Measures a farm property's capacity to generate farm income.
 - Formula set by Iowa Department of Revenue using ISU data; applied uniformly statewide
 - Countywide value is fixed and then allocated to individual parcels using the Corn Suitability Rating (CSR)

DISPUTING ASSESSED VALUE (APR 7 – MAY 31)

- Board of Review
 - Local board consisting of three or five members evaluates assessment protests from property owners within the jurisdiction.
 - Protests submitted between April 7 and May 5.
 - Board Meets May 1 and May 31.
- Property Assessment Appeal Board
 - State Board consisting of three members.
 - Appeals must be submitted within 20 days of the local board's decision or by May 31, whichever date is later.

EQUALIZATION (OCT 1)

- In odd-numbered years, the IDR conducts a statewide assessment of each property class to identify large variances, known as an Assessment Ratio Study.
- If a property class varies by more than 5.0% from to the statewide market value, IDR “equalizes” the class by adjusting the assessment.
- Provides consistency among the classes of property across all jurisdictions.

2025 FINAL EQUALIZATION ORDERS
September 29, 2025

Jurisdiction	Agricultural Statutory Adjustment Percentage	Residential* Statutory Adjustment Percentage	Commercial Statutory Adjustment Percentage
COUNTY OF ADAIR	No Adjustment	No Adjustment	No Adjustment
COUNTY OF ADAMS	No Adjustment	6%	No Adjustment
COUNTY OF ALLAMAKEE	No Adjustment	No Adjustment	No Adjustment
COUNTY OF APPANOOSE	No Adjustment	No Adjustment	No Adjustment
COUNTY OF AUDUBON	No Adjustment	No Adjustment	No Adjustment
COUNTY OF BENTON	No Adjustment	No Adjustment	No Adjustment
COUNTY OF BLACK HAWK	No Adjustment	No Adjustment	No Adjustment
COUNTY OF BOONE	No Adjustment	No Adjustment	No Adjustment
COUNTY OF BREMER	No Adjustment	No Adjustment	No Adjustment
COUNTY OF BUCHANAN	No Adjustment	No Adjustment	11%
COUNTY OF BUENA VISTA	No Adjustment	No Adjustment	No Adjustment
COUNTY OF BUTLER	No Adjustment	No Adjustment	No Adjustment
COUNTY OF CALHOUN	No Adjustment	No Adjustment	No Adjustment
COUNTY OF CARROLL	No Adjustment	No Adjustment	No Adjustment
COUNTY OF CASS	No Adjustment	No Adjustment	No Adjustment
COUNTY OF CEDAR	No Adjustment	No Adjustment	No Adjustment
COUNTY OF CERRO GORDO	No Adjustment	No Adjustment	No Adjustment
COUNTY OF CHEROKEE	No Adjustment	No Adjustment	No Adjustment
COUNTY OF CHICKASAW	No Adjustment	No Adjustment	No Adjustment
COUNTY OF CLARKE	No Adjustment	No Adjustment	No Adjustment
COUNTY OF CLAY	No Adjustment	No Adjustment	No Adjustment
COUNTY OF CLAYTON	No Adjustment	No Adjustment	No Adjustment
COUNTY OF CLINTON	No Adjustment	No Adjustment	No Adjustment
COUNTY OF CRAWFORD	No Adjustment	No Adjustment	No Adjustment
COUNTY OF DALLAS	No Adjustment	No Adjustment	No Adjustment
COUNTY OF DAVIS	No Adjustment	No Adjustment	No Adjustment
COUNTY OF DECATUR	No Adjustment	No Adjustment	No Adjustment
COUNTY OF DELAWARE	No Adjustment	No Adjustment	7%
COUNTY OF DES MOINES	No Adjustment	No Adjustment	No Adjustment
COUNTY OF DICKINSON	No Adjustment	No Adjustment	No Adjustment
COUNTY OF DUBUQUE	No Adjustment	No Adjustment	No Adjustment
COUNTY OF EMMET	No Adjustment	No Adjustment	No Adjustment

This example is page 1 of the [2025 Equalization Orders](#) from the IDR.

ASSESSMENT LIMITATION — ROLLBACK (NOV 1)

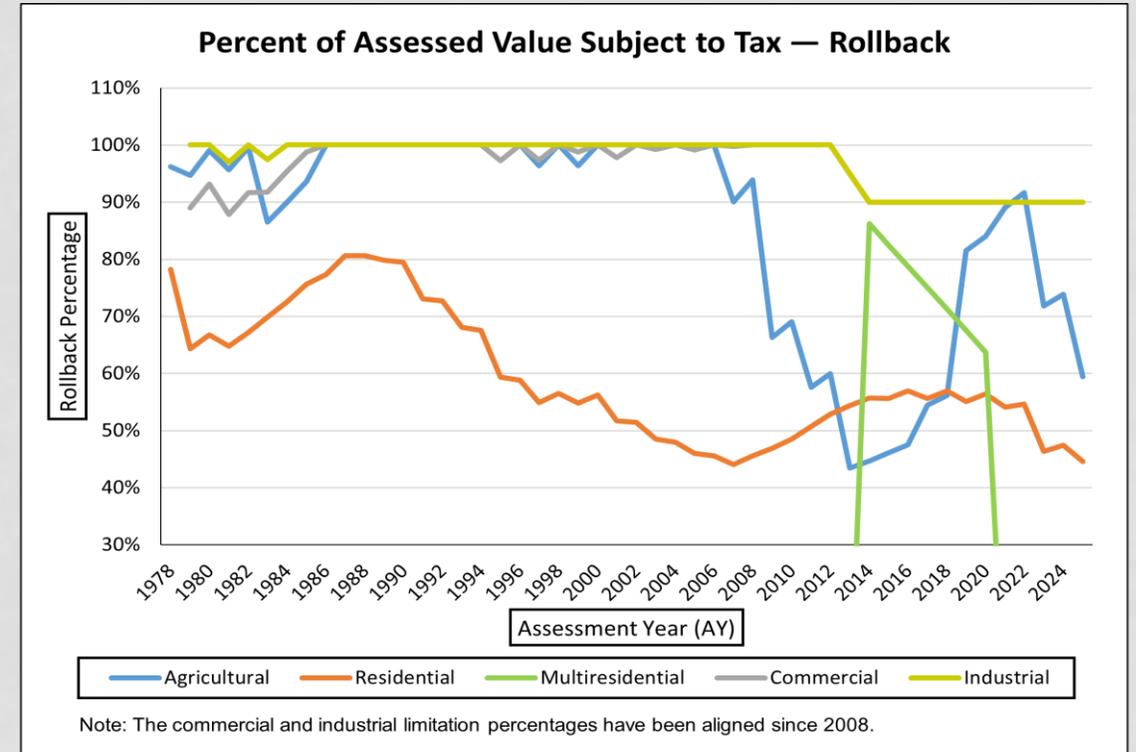
- If the statewide value in a class of property exceeds the 3.0% Growth Limitation, the value is “rolled back” to equal the limitation amount.
- The goal is to create predictability in taxable values and prevent large tax bill variances year to year.
- This assessment limitation is applied to each individual property.
- Released each October.

Agricultural Tie.

- Links taxable growth of Agriculture and Residential Property.
- Limits both classes to a maximum of 3.0% annual growth.
- Residential growth may not exceed agricultural.
- If agricultural declines, residential growth is limited to zero

ROLLBACK AND GROWTH LIMIT GRAPH

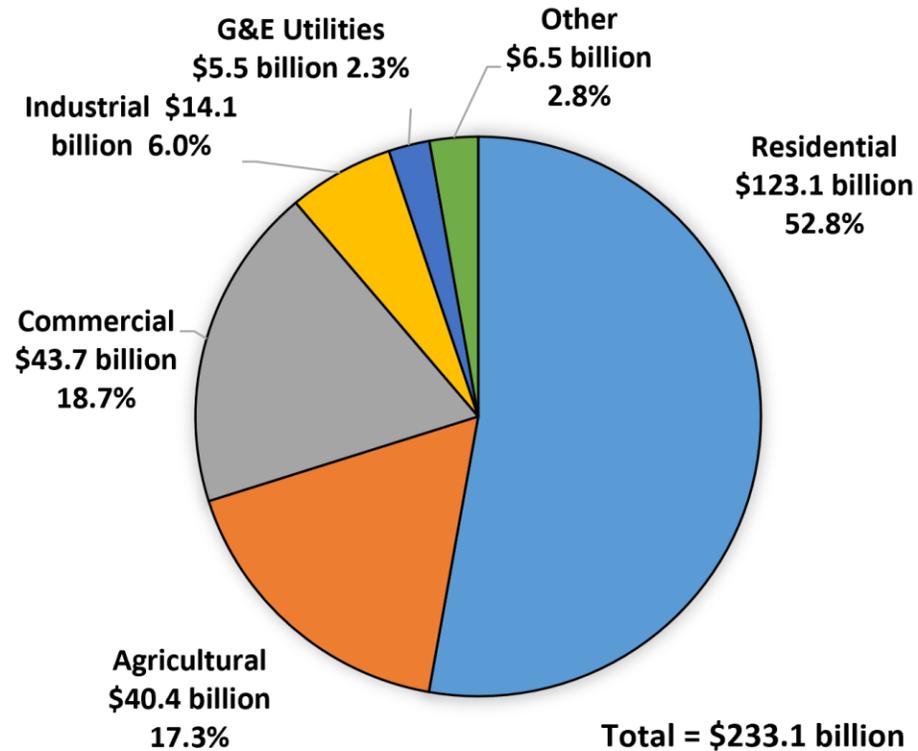
- Major changes
 - 1978: First Rollbacks enacted.
 - 1979: Additional classes added.
 - 1980: Growth caps for all classes lowered.
 - 2013: Growth caps for some classes were lowered.
 - 2014: Growth restriction removed.
 - 2015-2020: Multiresidential Class.



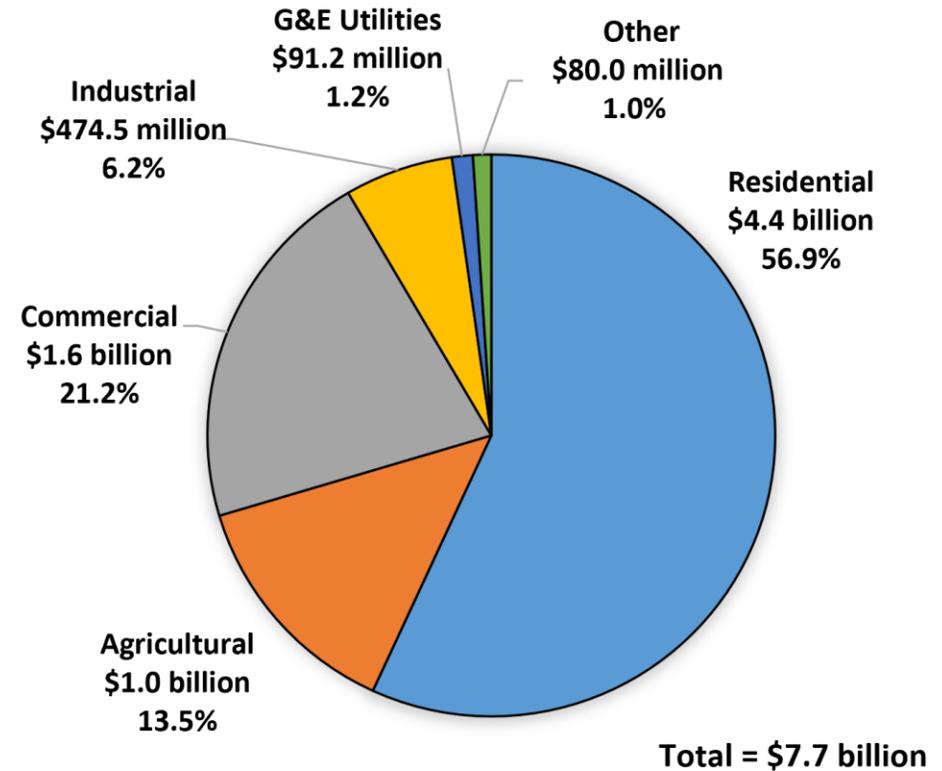
Data provided by the [Department of Revenue](#).

ASSESSED VALUE VS. TAXABLE VALUE

AY 2024 TAXABLE VALUATIONS BY CLASS



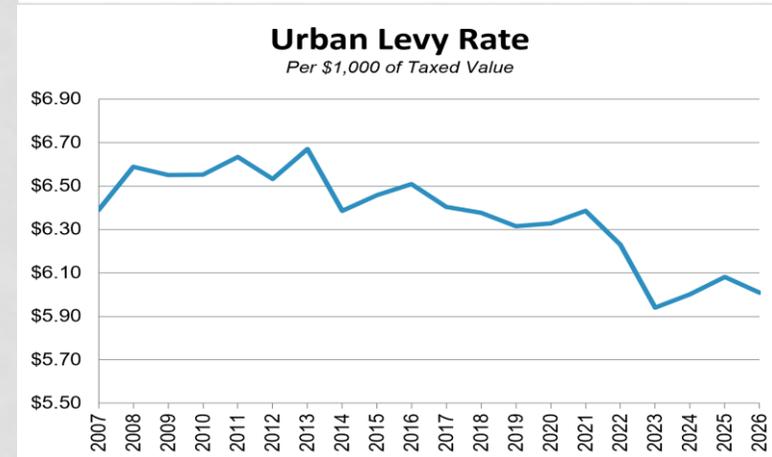
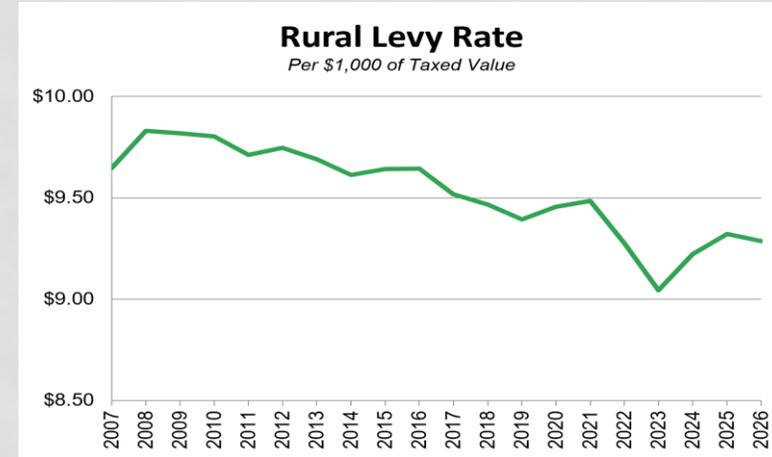
FY 2026 PROPERTY TAXES BY CLASS



Data provided by the Department of Management

URBAN & RURAL LEVY RATES (DEC – FEB)

- December – February taxing entities set levy rates and adopt budgets.
- [House File 718](#) (Property Tax, Assessments, and Bond Elections Act)
 - Passed during the 2023 Legislative Session.
 - Combined General Fund Levy (CGFL).
 - City CGFL capped at \$8.10 per \$1,000 in taxable value.
 - Counties are capped at \$3.50 per \$1,000 for General Services and \$3.95 for Rural Services.
- [Senate File 2442](#) (Individual Income Tax Rate Act)
 - Passed during the 2024 Legislative Session.
 - Four Taxable Growth Tiers.



Data provided by the [Department of Management](#).

EXEMPTIONS, CREDITS, AND ABATEMENTS

- Certain property may be wholly or partially exempt from property taxation due to the property itself, the owner, or the use.
 - Exemption – reduces a property's assessed value.
 - Credit – reduces a property's taxable value.
 - Abatement – temporarily reduces a properties assessed value.
- Common Residential examples:
 - Homestead Tax Credit
 - Homestead Exemption 65+
 - Military Service Exemption
 - Residential Tax Abatement
- Additional examples include property that is used by the federal, State, or local government; nonprofit organizations; religious groups; public airports; and public libraries.

RESIDENTIAL EXEMPTION VS. CREDIT

Example A: No Credits or Exemptions

Assessed Value	Assessment Limitation	Taxable Value	\$0 Exemption	Consolidated Levy	Property Taxes	\$0 Credit
\$200,000	47.4316%	\$94,863	\$94,863	30.0427	\$2,849.95	\$2,849.95

Example B: \$17,000 Exemption

Assessed Value	Assessment Limitation	Taxable Value	\$17,000 Exemption	Consolidated Levy	Property Taxes	\$0 Credit
\$200,000	47.4316%	\$94,863	\$77,863	30.0427	\$2,339.22	\$2,339.22

Example C: \$500 Credit

Assessed Value	Assessment Limitation	Taxable Value	\$0 Exemption	Consolidated Levy	Property Taxes	\$500 Credit
\$200,000	47.4316%	\$94,863	\$94,863	30.0427	\$2,849.95	\$2,349.95

RESIDENTIAL TAX BILL

Mary L Wells Polk County Treasurer 111 Court Avenue, County Admin Bldg Des Moines, IA 50309		PROPERTY TAX STATEMENT	
Bill Type: Residential Parcel : 181 00 0 0 0 0 000 Tag : ANK-X-ANK-12345 Owner : Doe, John P Name : Doe, Jane H Address : 555 SW Main St Description : LOT 00 LAKEVIEW ESTATES PLAT 1		Bill #: RE1234567	
John P Doe 555 SW Main St Ankeny, IA 50023			
STATEMENT OF TAX FOR FISCAL YEAR 2022-2023 Assessed value is determined by the assessor. Taxable value reflects adjustments as determined by the State of Iowa			
Valuation Date	January 1, 2021 (Current Year)		January 1, 2020 (Prior Year)
	Assessed Value	Taxable Value	Assessed Value
Land	55,200	29,880	31,138
Dwelling	184,900	100,087	184,900
Farm Building			
Total:	240,100	129,967	240,100
Multiply Taxable Value by Levy		37.89024	38.53708
Equals Gross Tax		\$4,924.48	\$5,219.42
Less Credits:			
Homestead		183.77	186.90
Elderly/Disabled		0.00	0.00
Ag Land		0.00	0.00
Family Farm		0.00	0.00
NET TAX:		\$4,741.00	\$5,033.00
2nd Half Payment Stub due March 1, 2023 To avoid interest, pay on or before March 31, 2023		Total Property Tax for 2023 \$4,741.00 March Tax Amount \$2,370.50 Interest Fee Amount \$0.00 Amount Paid \$0.00 March Total Amount Due \$2,370.50	
Parcel : 181 00 0 0 0 0 000 Owner : John P Doe			
1st Half Payment Stub due September 1, 2022 To avoid interest, pay on or before September 30, 2022		Total Property Tax for 2023 \$4,741.00 September Tax Amount \$2,370.50 Interest Fee Amount \$0.00 Amount Paid \$0.00 September Total Amount Due \$2,370.50	
Parcel : 181 00 0 0 0 0 000 Owner : John P Doe			
Tax Authority Group Info		Tax Distribution by Authority	
	% of Total	2022-2023	2021-2022
Ankeny Community School	45.00%	2,133.45	2,261.33
City of Ankeny	26.13%	1,238.82	1,299.52
Polk County	17.87%	847.22	931.61
Broadlawns Medical Center	6.80%	322.39	336.71
DMACC	1.83%	86.76	88.58
DART	1.68%	79.65	85.06
County Assessor	0.59%	27.97	25.17
Agricultural Extension	0.09%	4.27	4.53
State of Iowa	0.01%	0.47	0.50
Totals		\$ 4,741.00	\$ 5,033.00
		Total Tax Levied by Authority	
		2022-2023	2021-2022
		81,843,606	77,518,076
		55,000,218	50,969,337
		208,369,556	205,144,329
		72,491,311	68,568,918
		36,929,401	34,101,040
		2,827,651	2,688,491
		6,340,550	5,105,822
		936,091	927,413
		462,458	480,273
		465,200,842	445,503,699

Source: the city of Ankeny

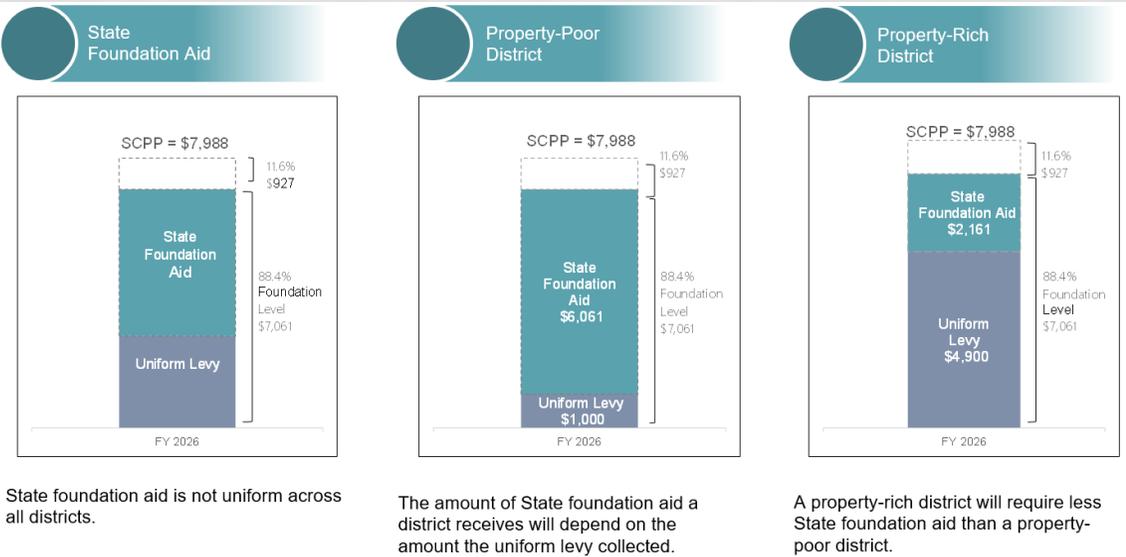
Assessment to Payment

- Property assessed on January 1, 2024
- Tax statements mailed March 20, 2025
- First half of taxes due September 1, 2025
- Second half of taxes due March 1, 2026

SCHOOL AID FORMULA

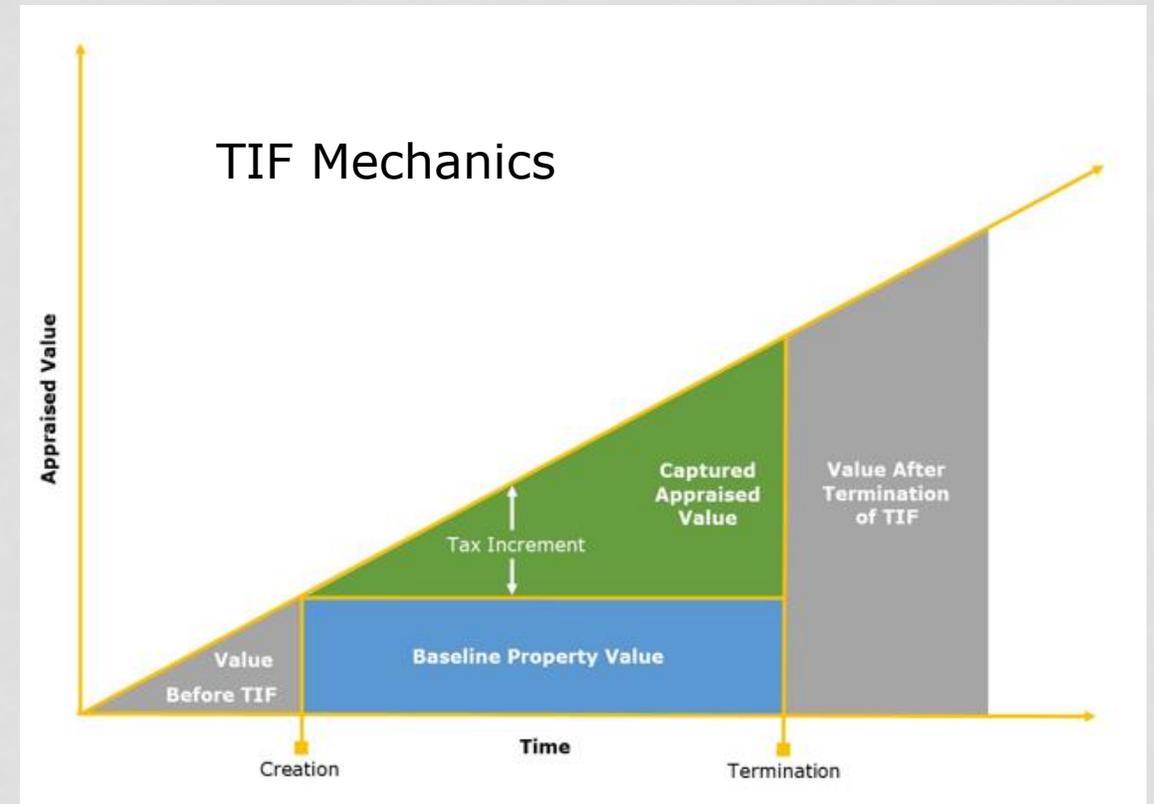
- K-12 education is funded through a combination of property tax, State General Fund moneys, and Federal support.

- Uniform property tax levy is applied statewide.
 - \$5.40 per \$1,000 in taxable value
- The State Foundation Aid backfills dollars up to the Foundation Level of 88.4%.
- Additional Levy funds the remainder of the minimum spending limit called the State Cost Per Pupil (SCPP).
- FY 2026 SCPP was set at \$7,988
- State Supplemental Aid (SSA) is the yearly growth in SCPP, which was \$162 in FY 2026.



TAX INCREMENT FINANCING (TIF)

- Creating a TIF District
 - City, County, or Rural Improvement Zone Establishment of an Urban Renewal Area
 - Slum, Blight, and/or Economic Development
 - 20-Year TIF duration
 - Base & Increment
- DOM TIF Database December 1, 2025
- LSA TIF Report February 15, 2026
- General Fund Impacts
 - Property Tax Replacement Claims
 - School Finance



TAX INCREMENT FINANCING (TIF)

TIF Special Revenue Funds Financial Summary

In Millions

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
Beginning Balance	\$ 156.3	\$ 180.4	\$ 171.8	\$ 201.4	\$ 191.7	\$ 208.3	\$ 171.8	\$ 195.8
TIF Property Tax Revenue	310.4	323.9	326.0	336.0	377.1	387.1	398.1	428.1
Property Tax Replacement Claims	14.3	4.6	12.6	8.4	11.2	14.9	12.2	11.0
Interest	6.3	5.0	18.7	19.0	3.3	3.2	7.9	20.3
Asset Sales & Repayments	45.3	31.7	34.0	16.7	21.1	3.6	8.6	25.3
Total Revenue	\$ 376.3	\$ 365.2	\$ 391.3	\$ 380.1	\$ 412.7	\$ 408.8	\$ 426.8	\$ 484.8
Rebates	67.0	69.6	76.9	83.7	89.6	99.9	94.3	97.7
Nonrebate Expenditures	303.8	307.9	294.2	304.6	306.6	331.4	316.7	382.9
Returned to Prop. Tax System	0.3	0.9	1.4	0.0	1.5	1.3	1.4	2.0
Total Expenditures	\$ 371.1	\$ 378.4	\$ 372.5	\$ 388.3	\$ 397.7	\$ 432.6	\$ 412.4	\$ 482.5
Ending Balance	\$ 161.5	\$ 167.2	\$ 190.6	\$ 193.2	\$ 206.7	\$ 184.5	\$ 186.2	\$ 198.1

HOUSE FILE 718 (PROPERTY TAX, ASSESSMENTS, AND BOND ELECTIONS ACT)

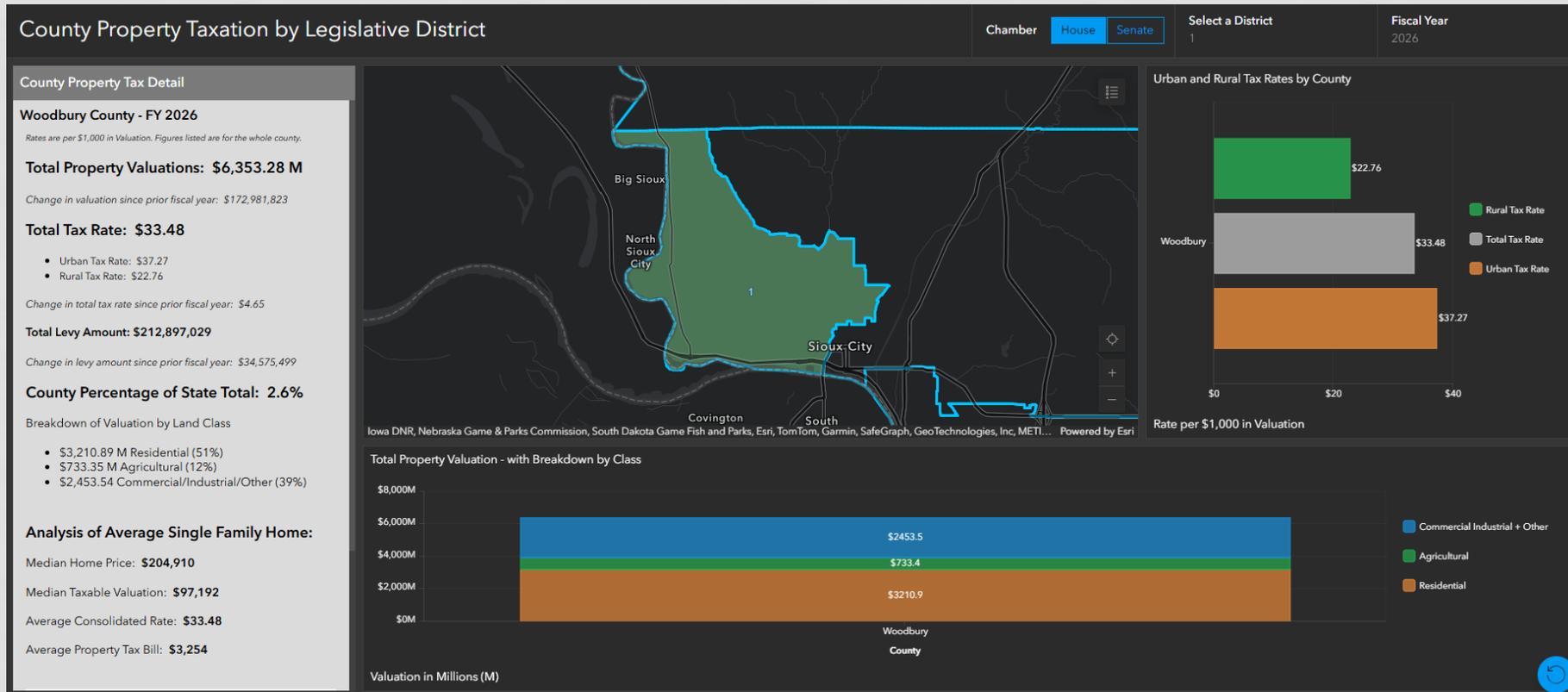
- Passed during the 2023 Legislative Session.
- Consolidated 19 city levies into the Consolidated General Fund Levy (CGFL).
- Created a three-tier levy limitation based on tax valuation growth.
- Expanded the Homestead Credit and Military Service Exemption.
- Imposed new minimum assessment agreements and limits on commercial abatements.
- Required statements to be mailed to each property owner.
- Changed budget timelines, forms, hearings, and processes.

SENATE FILE 2442 (INDIVIDUAL INCOME TAX RATE ACT)

- Passed during the 2024 Legislative Session.
- Adjusted the three-tier levy limitation based on tax valuation growth created in HF 718 to a four-tier system.
- Updated annual taxpayer statement notices and publication requirements.
- Imposed strict deadlines and penalties for cities to certify their budgets.
- Created an Assessment Limitation (Rollback) for pipeline utility companies.

Tier	Annual Non-TIF Taxable Value Growth	CGFL Revenue Impact
1	Less than 2.75%	No Impact
2	2.75% - 3.99%	Growth Reduced by 1.00%
3	4.00% - 5.99%	Growth Reduced by 2.00%
4	6.00% or higher	Growth Reduced by 3.00%

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