

# Iowa State Association of Counties

Local Government Mandates Study Committee

November 7, 2014

# Fee Schedules

- Sheriff's Fees
- Driver's License Fees
- Food Inspection Fees

# Unfunded Mandate

- Multi-residential Property Tax

# Background:

- Property tax reform passed in 2013 will take an estimated \$761.9 million out of county property tax revenues over the next 10 years. Counties provide necessary services and meet state mandates through property tax revenues.
- Adequate funding for roads, mental health services, local public health, the Environment First Fund, the Rural Enhancement and Protection (REAP) program and emergency management are areas of concern for counties. There are a number of services that counties provide to the public that are subsidized by property taxes because the fees charged to the customers are not adequate to pay for the service. Many fees have not been raised in years, and the increased expenses are funded by the property tax payer.
- This is an area that could be addressed by either increasing fees or by providing additional state funding to take the burden off of property taxes.

# Sheriff's Civil Fees

- Last adjusted in 2001
- Serving of a notice: \$10 to \$15
- Serving of a warrant: \$15 to \$20
- Serving of a subpoena: \$15 to \$20
- Summon jury to the premises: \$60 to \$100
- Execution of a garnishment: \$10 to \$15
- Execution of a deed or bill of sale: \$25 to \$30
- Personal property inventory: \$8 to \$10 hour

# Sheriff's Fees continued...

- Attending a sale of property: \$30 to \$50
- Conveying persons: \$10 to \$15
- Serving warrant to seize intoxicating liquors: \$1 to \$5
- Posting a notice: \$1 to \$5

# Why it is underfunded and unfunded

- Fees don't adequately meet the actual cost to perform the service
- Need for increased courthouse security (unfunded)
- Lack of mental health beds has deputies moving patients across the state for treatment (unfunded)

# Driver's License Fees

- Currently, there are 81 county treasurers' offices that issue drivers licenses.
- Last adjusted in 2004, \$7 is retained by the county, \$10 goes into the Road Use Tax Fund.
- In 2004 and 2009, the county treasurers, in conjunction with the Iowa Department of the Transportation (DOT) were required to do two time studies lead by the state auditor.
- The results were that the county offices could do this service at approximately \$10.31 per card. Copies of both audits can be seen on the state auditors website.



# Driver's License Fees

## Continued ...

- According to the DOT, county offices issued 375,897 driver licenses in FY 2013. Increasing the transaction fee from the current rate of \$7.00 to \$10.00 would generate an additional \$1,127,691.

### **SOLUTION:**

Increase the current fee from \$7 to \$10 to better represent the county cost of the issuing the license.

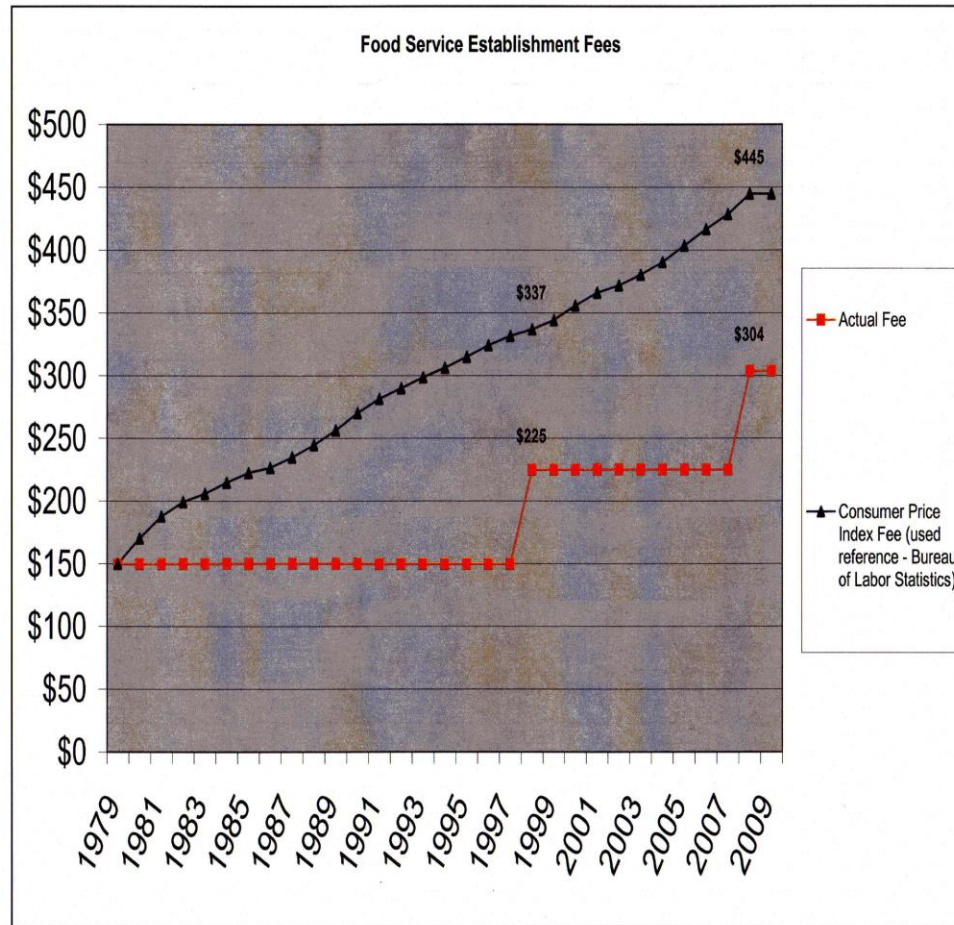
County	Issuance Numbers	Population	Per Capita Issuance
Delaware	7250	17764	0.4081288
Cass	5521	13956	0.395600459
Bremer	9423	24276	0.388161147
Union	4629	12534	0.369315462
Shelby	4484	12167	0.368537848
Warren	16928	46225	0.366208761
Monona	3349	9243	0.362328248
Winnebago	3919	10866	0.360666299
Ida	2542	7089	0.358583721
Clarke	3312	9286	0.356665949
Adams	1427	4029	0.354182179
Cherokee	4247	12072	0.351805832
Jones	7250	20638	0.35129373
Dallas	23211	66135	0.350963937
Montgomery	3712	10740	0.345623836
Kossuth	5341	15543	0.343627356
Dickinson	5690	16667	0.341393172
Franklin	3598	10680	0.336891386
Buena Vista	6778	20260	0.334550839
Greene	3101	9336	0.332155099
Howard	3145	9566	0.328768555
Iowa	5344	16355	0.326750229
Lucas	2861	8898	0.321532929
Jasper	11813	36842	0.320639488
Crawford	5475	17096	0.320250351
Jefferson	5344	16843	0.317283144
Allamakee	4400	14330	0.307048151
Mahaska	6847	22381	0.305929136
Sioux	10263	33704	0.304503916
Appanoose	3916	12884	0.303942875
Chickasaw	3772	12439	0.30323981
Lyon	3505	11581	0.302650894
Guthrie	3313	10954	0.302446595
Henry	6027	20145	0.299180938
Jackson	5930	19848	0.298770657
Audubon	1825	6119	0.298251348
Winneshiek	6272	21056	0.29787234
Page	4729	15932	0.296824002
Harrison	4395	14928	0.294413183
Marion	9805	33309	0.294364886
Wayne	1873	6403	0.292519132
Fremont	2171	7441	0.29176186
Monroe	2315	7970	0.290464241
Pocahontas	2123	7310	0.290424077
Mills	4373	15059	0.290391128
Floyd	4711	16303	0.288965221
Madison	4501	15679	0.28707188
Humboldt	2817	9815	0.287009679
Fayette	5869	20880	0.281082375
Poweshiek	5313	18914	0.280903035

County	Issuance Numbers	Population	Per Capita Issuance
Washington	6065	21704	0.279441578
Boone	7331	26306	0.27868167
Osceola	1797	6462	0.278087279
Mitchell	2898	10776	0.268930958
Adair	2065	7682	0.268810206
Benton	7002	26076	0.26852278
Emmet	2722	10302	0.26422054
Hardin	4628	17534	0.263944337
Clayton	4748	18129	0.261900822
Wright	3448	13229	0.260639504
Lee	9237	35682	0.258870018
Ringgold	1312	5131	0.255700643
Decatur	2108	8457	0.249260967
Buchanan	5155	20958	0.245968127
Keokuk	2575	10511	0.244981448
Worth	1836	7598	0.241642538
Tama	4258	17767	0.239657793
Hamilton	3699	15673	0.236010974
Taylor	1467	6317	0.232230489
Davis	1956	8753	0.22346624
Louisa	2540	11387	0.223061386
Hancock	2526	11341	0.222731682
Calhoun	2140	9670	0.221302999
Van Buren	1666	7570	0.22007926
O'Brien	3104	14398	0.215585498
Cedar	3744	18499	0.202389318
Palo Alto	1849	9421	0.196263666
Plymouth	4673	24986	0.187024734
Grundy	2256	12453	0.181161166
Butler	2633	14867	0.177103652
Sac	1700	10350	0.164251208
Black Hawk	0	131090	0
Carroll	0	20816	0
Cerro Gordo	0	44151	0
Clay	0	16667	0
Clinton	0	49116	0
Des Moines	0	40325	0
Dubuque	0	93653	0
Johnson	0	130882	0
Linn	0	211226	0
Marshall	0	40648	0
Muscatine	0	42745	0
Polk	0	430640	0
Pottawattamie	0	93158	0
Scott	0	165224	0
Story	0	89542	0
Wapello	0	35625	0
Webster	0	38013	0
Woodbury	0	102172	0
<b>Totals</b>	<b>375,897</b>	<b>3,046,172</b>	

# Food Inspection Fees

- In the past 35 years, the Legislature has increased food licensing fees twice. Both times, the increase was not enough to cover the cost of operating the program. Because of the low fees, many counties have returned the food program to the Department of Inspection and Appeals (DIA) (DIA inspected 23 counties in 2009 and inspects 52 counties today).
- Because of the low fees, DIA has lowered its inspection frequency to two times in the past three years. Inadequate and irregular license fee increases are starving Iowa's food safety system and have the potential to put the health and lives of the consuming public at risk.

# Food Inspection Fees vs the CPI



## Subsidizing the State Food Program with Local Tax Dollars

2013

### Scott County

Percent subsidized	<b>38%</b>
Cost to taxpayers	<b>\$128,000</b>

### Cerro Gordo County

Percent subsidized	<b>50%</b>
Cost to taxpayers	<b>\$70,000</b>

### Linn County

Percent subsidized	<b>37%</b>
Cost to taxpayers	<b>\$145,000</b>

### City of Ottumwa

Percent subsidized	<b>22%</b>
Cost to taxpayers	<b>\$14,000</b>

### ADLM

Percent subsidized	<b>36%</b>
Cost to taxpayers	<b>\$32,000</b>

### Buena Vista County

Percent subsidized	<b>33%</b>
Cost to taxpayers	<b>\$21,000</b>

### Johnson County

Percent subsidized	<b>36%</b>
Cost to taxpayers	<b>\$100,000</b>

# Progression of Change in Contracting Food Establishment Inspection in Iowa // FY10 – FY14

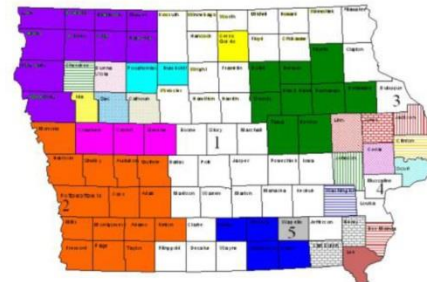
Map of Iowa Food Programs FY10



DIA: 23  
counties

- Gray – Department of Inspections and Appeals
- Orange – Shelby County
- Pink – Carroll County
- Purple – Sioux City
- Light Blue – Pocahontas County
- Dark Blue – ADLM
- Dark Green – Cerro Gordo County
- 1 – City of Ames
- 2 – City of Council Bluffs
- 3 – City of Dubuque
- 4 – City of Muscatine
- 5 – City of Ottumwa (includes Wapello County)

Map of Iowa Food Programs FY11



DIA: 37  
counties

- Gray – Department of Inspections and Appeals
- Orange – Shelby County
- Pink – Carroll County
- Purple – Sioux City
- Light Blue – Pocahontas County
- Dark Blue – ADLM
- Dark Green – Blackhawk County
- 1 – City of Ames (DIA took back FY12)
- 2 – City of Council Bluffs
- 3 – City of Dubuque
- 4 – City of Muscatine
- 5 – City of Ottumwa (includes Wapello County)

Map of Iowa Food Programs FY13



DIA: 43  
counties

- Gray – Department of Inspections and Appeals
- Orange – Shelby County
- Red – Buena Vista County
- Purple – Sioux City
- Dark Blue – ADLM
- Dark Green – Blackhawk County
- Gray – Linn County
- 1 – City of Council Bluffs
- 2 – City of Dubuque
- 3 – City of Ottumwa (includes Wapello County)

Map of Iowa Food Programs FY14



DIA: 52  
counties

- Gray – Department of Inspections and Appeals
- Orange – Shelby County
- Red – Buena Vista County
- Purple – Sioux City
- Dark Blue – ADLM
- Dark Green – Blackhawk County
- Gray – Linn County
- 1 – City of Council Bluffs
- 2 – City of Dubuque
- 3 – City of Ottumwa (includes Wapello County)

# Food Inspection Fees continued...

## **SOLUTION:**

Increase food licensing fees to fully fund food safety program activities in compliance with Iowa Code. DIA should be authorized to administer the food licensing fees through the Iowa Administrative Code. There should also be established an automatic fee adjustment mechanism to annually increase fees by the percentage increase in the consumer price index.

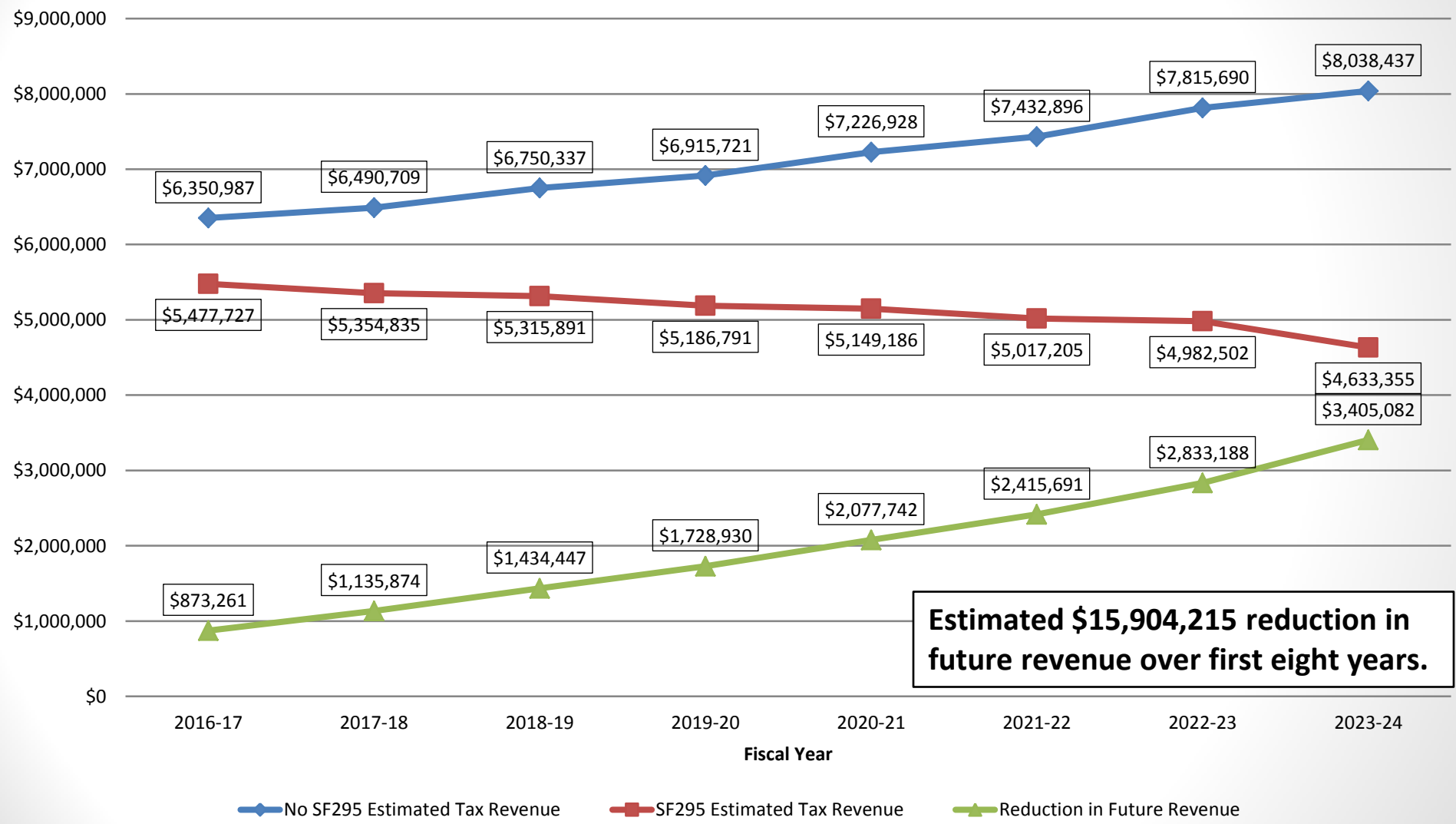
# Multi-Residential Property Tax

- New classification in assessment year 2015 implemented by SF295.
- Legislatively imposed rollback to 86.25% in FY 2017 (AY 2015) and down 3.75% per year until AY 2022 when the class becomes coupled with the residential rollback.
- No backfill to local governments for the reduction in future revenue.
- LSA estimates a loss of \$374.1 million over eight years among all taxing jurisdictions.



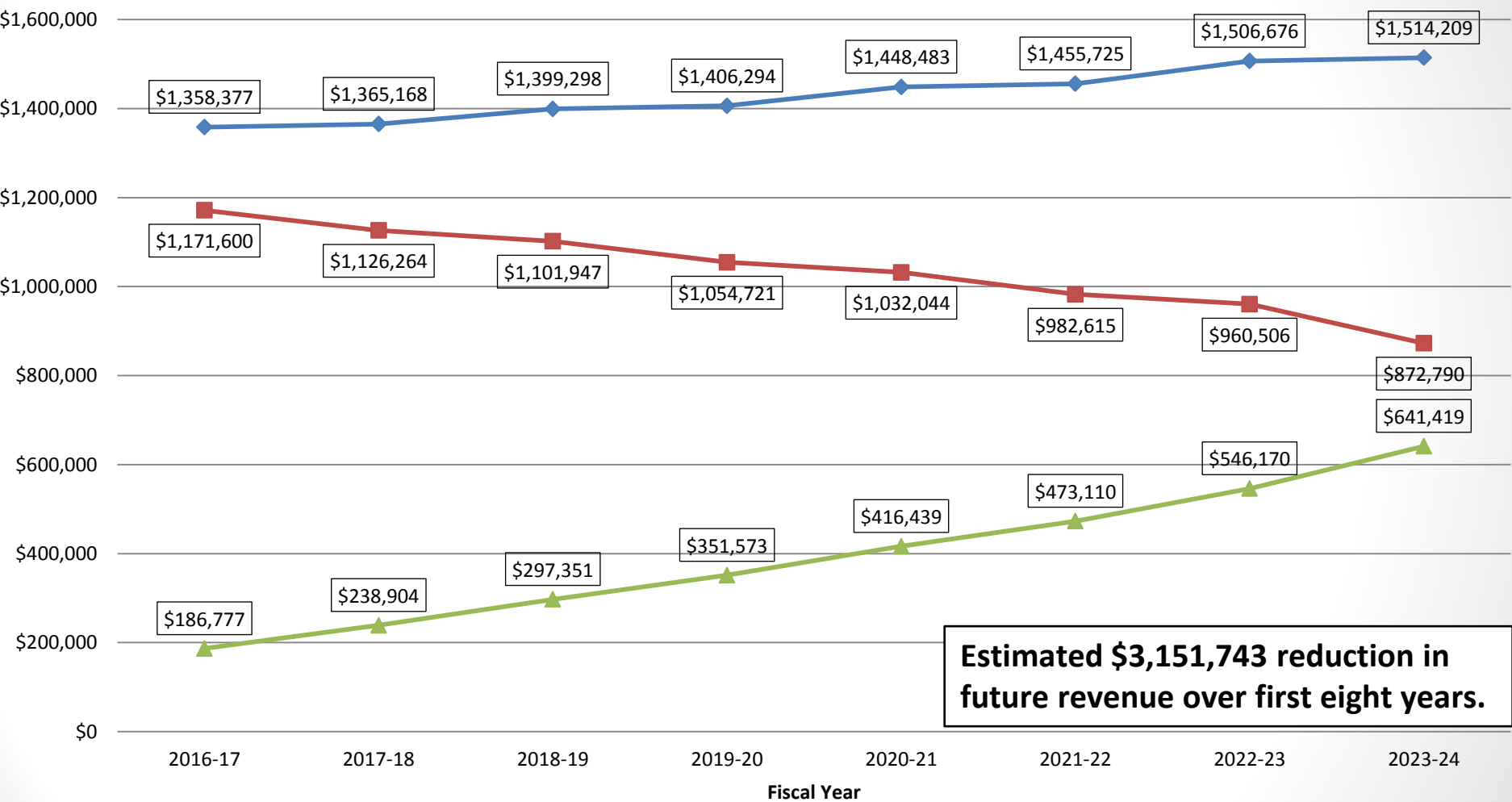
# County Property Tax Revenue From Multi-residential Class

## Polk County - Population 451,677 - Rank 1



# County Property Tax Revenue From Multi-residential Class

## Dubuque County - Population 95,697 - Rank 7

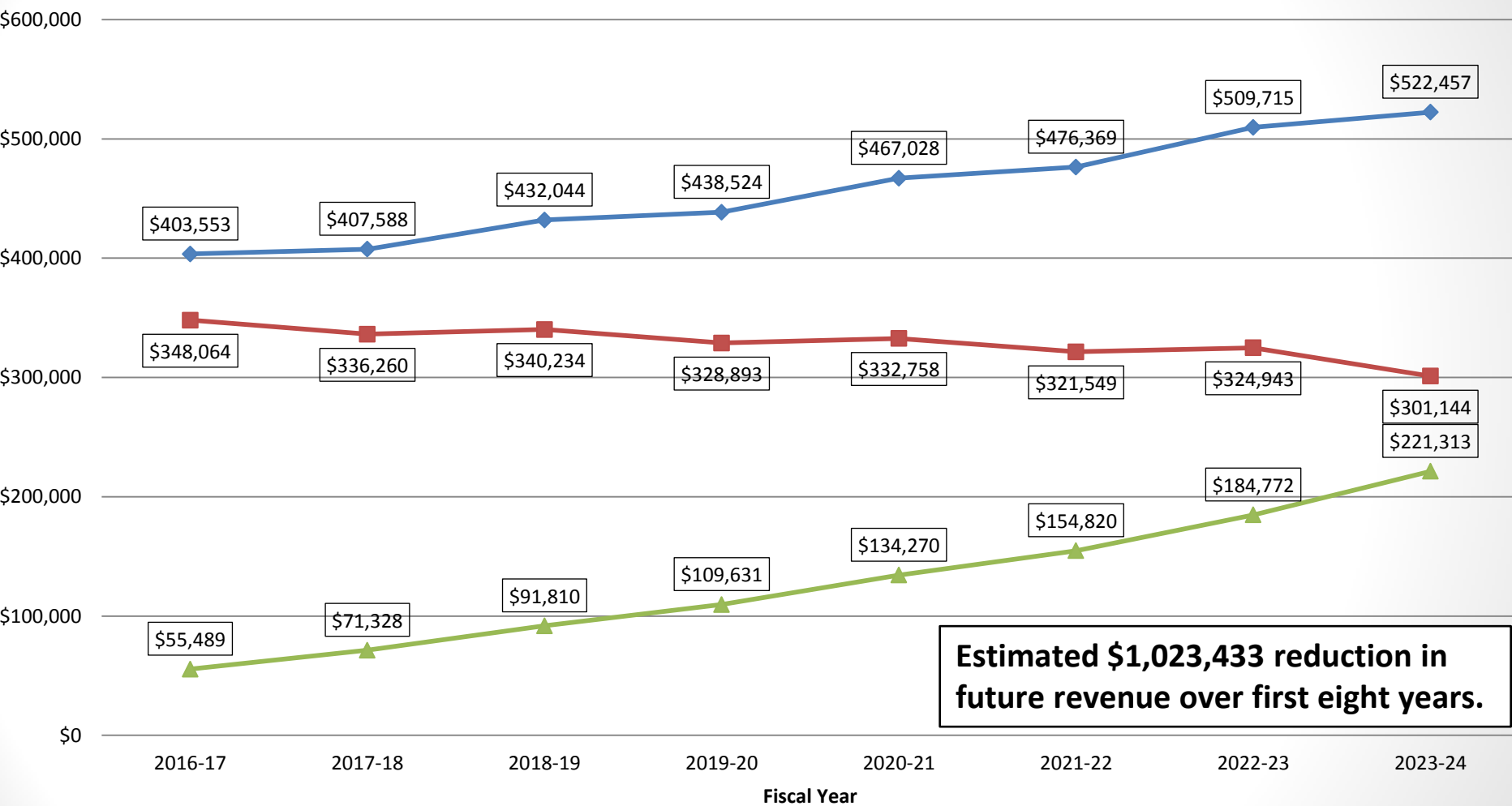


**Estimated \$3,151,743 reduction in future revenue over first eight years.**

◆ No SF295 Estimated Tax Revenue    
 ■ SF295 Estimated Tax Revenue    
 ▲ Reduction in Future Revenue

# County Property Tax Revenue From Multi-residential Class

## Marion County - Population 33,252 - Rank 22

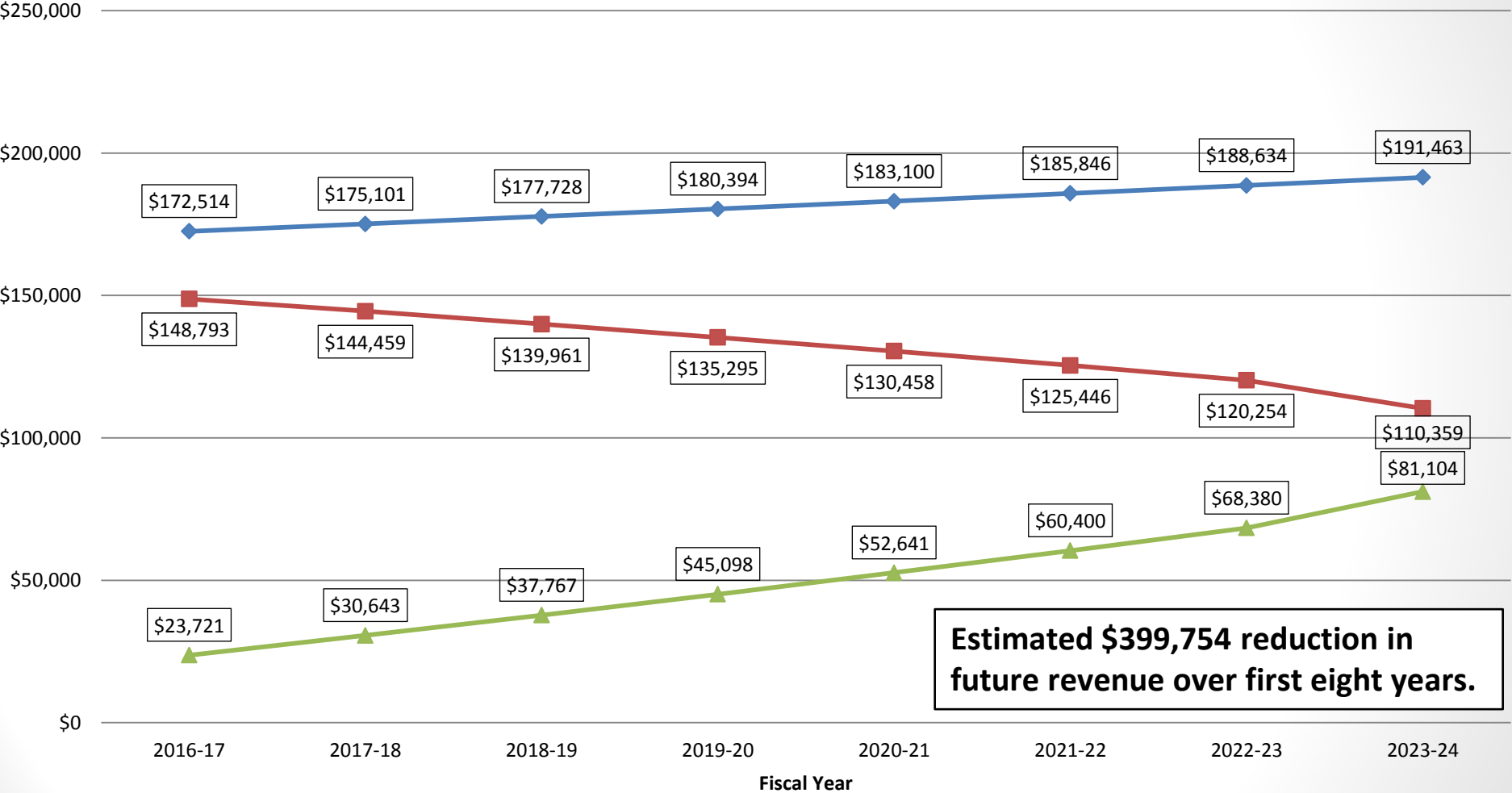


**Estimated \$1,023,433 reduction in future revenue over first eight years.**

◆ No SF295 Estimated Tax Revenue    
 ■ SF295 Estimated Tax Revenue    
 ▲ Reduction in Future Revenue

# County Property Tax Revenue From Multi-residential Class

## Henry County - Population 20,222 - Rank 35

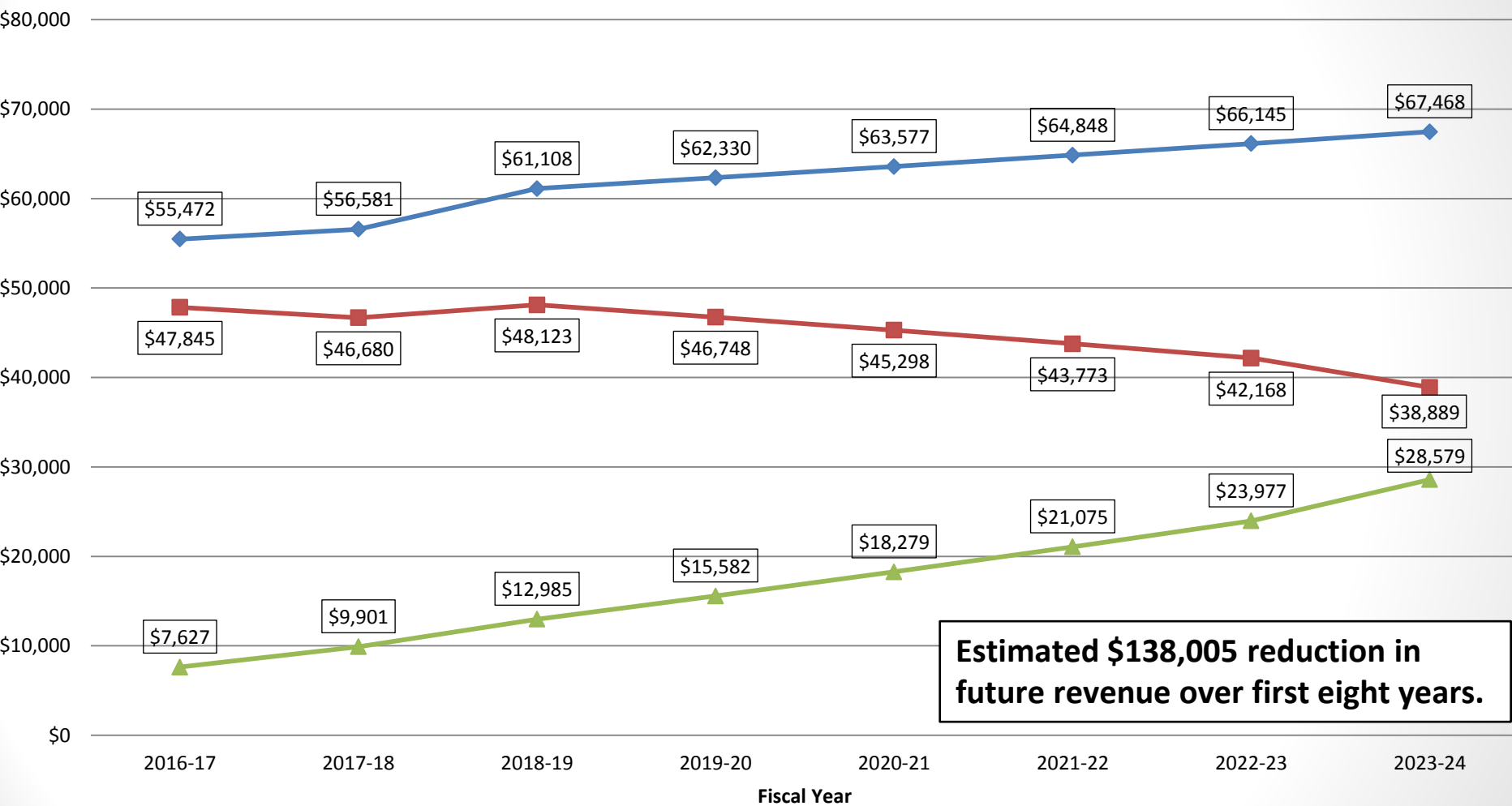


**Estimated \$399,754 reduction in future revenue over first eight years.**

◆ No SF295 Estimated Tax Revenue    
 ■ SF295 Estimated Tax Revenue    
 ▲ Reduction in Future Revenue

# County Property Tax Revenue From Multi-residential Class

## Howard County - Population 9,526- Rank 79



**Estimated \$138,005 reduction in future revenue over first eight years.**

◆ No SF295 Estimated Tax Revenue    
 ■ SF295 Estimated Tax Revenue    
 ▲ Reduction in Future Revenue

# Multi-residential Property Tax

## **SOLUTION:**

In the absence of the repeal of the multi-residential classification provisions, a standing appropriation should be established to ease the hardship of the substantial loss in future revenue local governments will experience. The loss in future revenue will result from the shift from commercial to multi-residential classification and the elimination of the replacement dollars for these properties. Effectively, it will be a 13.75% reduction in taxable value in FY 2017, and an additional 3.75% per year until the coupling with the residential class.

Thank you for your consideration of these vital issues to the members of the Iowa State Association of Counties and all local government.

Any questions?

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