



City and School Property Tax Report

Fiscal Year 2018-19

August 2018

Taxpayers Association of Central Iowa
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Understanding the Numbers

The consolidated property tax rates for the local budget and tax-paying year that began July 1, 2018 (Fiscal Year 2019) are shown in Tables 1-3. They are the result of decisions made by every government body in a given geographic location, added together. They reflect property tax per \$1,000 of taxable value.*

Often the city is the most visible unit of government, but typically the school district levies the largest share of the tax bill. The other significant entities collecting property taxes are the county, the county hospital (Broadlawns Medical Center in the case of Polk County), Des Moines Area Community College, and the Des Moines Area Transit (DART), all of which are governed by separately elected governance bodies.

Anyone can look at the back of their property tax statement, or go online to <https://www.polkcountyiowa.gov/treasurer/property/property-tax/> to see which local governments collect what share of the total tax and how that compares to the prior year. Looking at the statement is the single most important way to exercise accountability over elected officials.

The total tax rate is affected by the unique mix of government entities serving the geography in which a particular residence or business is located. For example, a property in the City of Ankeny and in the Ankeny school district would pay taxes that are about average for the metro area, whereas someone living in Ankeny but in the Saydel district would pay among the lowest taxes in the metro area. Property taxes are also much lower in Dallas County than in Polk County. A property that is in Urbandale and in the Dallas Center-Grimes district pays about 15 percent more if they are located in Polk County than if located in Dallas County.



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The consolidated rate varies considerably—from \$34.09 per thousand to \$47.83. One of the most significant drivers of the rate is the property “wealth” in a given jurisdiction such as a city or a school district. “Wealthier” government entities have higher-valued property per capita and/or a higher share of commercial property, so lower rates are needed to produce a given amount of property tax revenue. (The amount of commercial property matters because commercial and industrial property is taxed at 90 percent of its value, whereas residential property is taxed at around 55 percent.) A community with a lot of commercial property can use that wealth to lower the rates for everyone else. Commercial property also costs less to serve per square foot.

Another cause of variation is the stage of growth of a given local government. Long-established entities like Des Moines, Windsor Heights, etc. have higher costs because of aging infrastructure, aging housing stock, and longer-term union presence. They also tend to have a citizenry with lower wealth per capita in comparison with faster-growing suburbs.

*See p. 9 for information about how taxable value is determined.

Communities also have varying expectations for public services. As a visual example, some prefer their public buildings to show architectural flourish while others prefer them to be more utilitarian. Thus, a relatively property rich community may still have a relatively high tax rate because that's what they prefer.

School districts are less subject to differences in preferences because the state funding formula has an equalizing effect. Districts with low valuation per capita receive more state aid, so in the end, every student is funded at relatively the same level for the same property tax rate, at least in terms of operations. There can still be significant wealth-based differences in capital spending, however.



...differences in property tax rates do not necessarily indicate differences in efficiency or that one government is doing a better job than another.

Table 3 shows how consolidated rates for cities in central Iowa stack up among all cities statewide. Des Moines and Windsor Heights are in the top ten statewide. With the exception of Clive and Urbandale, consolidated rates for central Iowa communities all rank within the top third statewide.

In summary, differences in property tax rates do not necessarily indicate differences in efficiency or that one government is doing a better job than another. They are more likely a function of property wealth, life cycle, and preferences.

TABLE 1
CONSOLIDATED PROPERTY TAX RATE AND ESTIMATED TAXES
BY CITY, SCHOOL DISTRICT, AND COUNTY

City	School District	County	Consolidated* Tax Rate FY 2019 (\$1/\$1,000)	Per \$100,000 of Assessed Value Residential**	Per \$100,000 of Assessed Value Commercial**
Adel	ADM	Dallas	38.61341	\$2,199	\$3,475
Altoona	Bondurant-Farrar	Polk	40.81476	\$2,324	\$3,673
Altoona	Southeast Polk	Polk	38.20639	\$2,175	\$3,439
Ankeny	North Polk	Polk	41.53864	\$2,365	\$3,738
Ankeny	Ankeny	Polk	40.41291	\$2,301	\$3,637
Ankeny	Saydel	Polk	35.35212	\$2,013	\$3,182
Bondurant	Bondurant-Farrar	Polk	44.57455	\$2,538	\$4,012
Carlisle	Carlisle	Polk	44.19302	\$2,516	\$3,977
Carlisle	Carlisle	Warren	39.99709	\$2,277	\$3,600
Clive	West Des Moines	Polk	35.12087	\$2,000	\$3,161
Clive	Waukee	Dallas	34.43229	\$1,961	\$3,099
Des Moines	Des Moines	Polk	47.82861	\$2,723	\$4,305
Des Moines	Johnston	Polk	47.57898	\$2,709	\$4,282
Des Moines	Carlisle	Polk	47.08139	\$2,681	\$4,237
Des Moines	Southeast Polk	Polk	45.72845	\$2,604	\$4,116
Des Moines	Norwalk	Warren	44.71610	\$2,546	\$4,024
Des Moines	Indianola	Warren	44.36793	\$2,526	\$3,993
Des Moines	Des Moines	Warren	43.63268	\$2,484	\$3,927
Des Moines	Carlisle	Warren	42.88546	\$2,442	\$3,860
Des Moines	West Des Moines	Polk	42.49787	\$2,420	\$3,825
Des Moines	Saydel	Polk	42.11787	\$2,398	\$3,791
Grimes	Dallas Center-Grimes	Polk	44.55904	\$2,537	\$4,010
Grimes	Johnston	Polk	42.93916	\$2,445	\$3,865
Grimes	Waukee	Dallas	37.15947	\$2,116	\$3,344
Indianola	Indianola	Warren	38.91607	\$2,216	\$3,502
Johnston	Johnston	Polk	41.57590	\$2,367	\$3,742
Norwalk	Des Moines	Polk	45.08026	\$2,567	\$4,057
Norwalk	Norwalk	Warren	42.03525	\$2,393	\$3,783
Pleasant Hill	Des Moines	Polk	41.93286	\$2,388	\$3,774
Pleasant Hill	Southeast Polk	Polk	39.83270	\$2,268	\$3,585
Polk City	North Polk	Polk	40.41475	\$2,301	\$3,637
Polk City	Ankeny	Polk	39.28902	\$2,237	\$3,536
Urbandale	Dallas Center-Grimes	Polk	41.74611	\$2,377	\$3,757
Urbandale	Johnston	Polk	40.12623	\$2,285	\$3,611
Urbandale	Urbandale	Polk	39.83949	\$2,268	\$3,586
Urbandale	Dallas Center-Grimes	Dallas	36.52533	\$2,080	\$3,287
Urbandale	West Des Moines	Polk	35.04512	\$1,995	\$3,154
Urbandale	Waukee	Dallas	34.41092	\$1,959	\$3,097
Waukee	Waukee	Dallas	37.05454	\$2,110	\$3,335
West Des Moines	Des Moines	Polk	42.24686	\$2,405	\$3,802
West Des Moines	Norwalk	Warren	39.13435	\$2,228	\$3,522
West Des Moines	West Des Moines	Polk	36.91612	\$2,102	\$3,322
West Des Moines	Waukee	Dallas	36.21754	\$2,062	\$3,260
Windsor Heights	Des Moines	Polk	47.60660	\$2,711	\$4,285
Windsor Heights	West Des Moines	Polk	41.87400	\$2,384	\$3,769

*The consolidated tax rate includes taxes from all taxing bodies within a geographic area.

**Tax statements reflect (on average) a credit of \$216 per residence for homeowners and \$1665 per commercial building.

TABLE 2
CONSOLIDATED TAX RATE AND PROPERTY TAXES
BY CITY, SCHOOL DISTRICT AND COUNTY (RANKED HIGHEST TO LOWEST)

Range	City	School District	County	Consolidated Tax Rate FY 2019 (\$/\$1,000)	Per \$100,000 of Assessed Value Residential	Per \$100,000 of Assessed Value Commerical
1st Quintile	Des Moines	Des Moines	Polk	47.82861	\$2,723	\$4,305
	Windsor Heights	Des Moines	Polk	47.60660	\$2,711	\$4,285
	Des Moines	Johnston	Polk	47.57898	\$2,709	\$4,282
	Des Moines	Carlisle	Polk	47.08139	\$2,681	\$4,237
	Des Moines	Southeast Polk	Polk	45.72845	\$2,604	\$4,116
	Norwalk	Des Moines	Polk	45.08026	\$2,567	\$4,057
	Des Moines	Norwalk	Warren	44.71610	\$2,546	\$4,024
	Bondurant	Bondurant-Farrar	Polk	44.57455	\$2,538	\$4,012
	Grimes	Dallas Center-Grimes	Polk	44.55904	\$2,537	\$4,010
2nd Quintile	Des Moines	Indianola	Warren	44.36793	\$2,526	\$3,993
	Carlisle	Carlisle	Polk	44.19302	\$2,516	\$3,977
	Des Moines	Des Moines	Warren	43.63268	\$2,484	\$3,927
	Grimes	Johnston	Polk	42.93916	\$2,445	\$3,865
	Des Moines	Carlisle	Warren	42.88546	\$2,442	\$3,860
	Des Moines	West Des Moines	Polk	42.49787	\$2,420	\$3,825
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	Norwalk	Norwalk	Warren	42.03525	\$2,393	\$3,783
3rd Quintile	Pleasant Hill	Des Moines	Polk	41.93286	\$2,388	\$3,774
	Windsor Heights	West Des Moines	Polk	41.87400	\$2,384	\$3,769
	Urbandale	Dallas Center-Grimes	Polk	41.74611	\$2,377	\$3,757
	Johnston	Johnston	Polk	41.57590	\$2,367	\$3,742
	Ankeny	North Polk	Polk	41.53864	\$2,365	\$3,738
	Altoona	Bondurant-Farrar	Polk	40.81476	\$2,324	\$3,673
	Polk City	North Polk	Polk	40.41475	\$2,301	\$3,637
	Ankeny	Ankeny	Polk	40.41291	\$2,301	\$3,637
	Urbandale	Johnston	Polk	40.12623	\$2,285	\$3,611
4th Quintile	Carlisle	Carlisle	Warren	39.99709	\$2,277	\$3,600
	Urbandale	Urbandale	Polk	39.83949	\$2,268	\$3,586
	Pleasant Hill	Southeast Polk	Polk	39.83270	\$2,268	\$3,585
	Polk City	Ankeny	Polk	39.28902	\$2,237	\$3,536
	West Des Moines	Norwalk	Warren	39.13435	\$2,228	\$3,522
	Indianola	Indianola	Warren	38.91607	\$2,216	\$3,502
	Adel	ADM	Dallas	38.61341	\$2,199	\$3,475
	Altoona	Southeast Polk	Polk	38.20639	\$2,175	\$3,439
	Grimes	Waukee	Dallas	37.15947	\$2,116	\$3,344
5th Quintile	Waukee	Waukee	Dallas	37.05454	\$2,110	\$3,335
	West Des Moines	West Des Moines	Polk	36.91612	\$2,102	\$3,322
	Urbandale	Dallas Center-Grimes	Dallas	36.52533	\$2,080	\$3,287
	West Des Moines	Waukee	Dallas	36.21754	\$2,062	\$3,260
	Ankeny	Saydel	Polk	35.35212	\$2,013	\$3,182
	Clive	West Des Moines	Polk	35.12087	\$2,000	\$3,161
	Urbandale	West Des Moines	Polk	35.04512	\$1,995	\$3,154
	Clive	Waukee	Dallas	34.43229	\$1,961	\$3,099
	Urbandale	Waukee	Dallas	34.41092	\$1,959	\$3,097

TABLE 3
RANK OF CITY CONSOLIDATED PROPERTY TAX RATE

2018 Population	State Rank (of 944)	City	FY 2018	FY 2019
217,521	7	Des Moines	47.50058	47.82861
4,953	9	Windsor Heights	47.93777	47.60660
6,178	31	Bondurant	44.61944	44.57455
12,742	32	Grimes	44.58188	44.55904
10,896	63	Norwalk	42.53396	42.03525
21,562	79	Johnston	41.41368	41.57590
4,646	110	Polk City	38.75467	40.44652
62,416	111	Ankeny	41.87906	40.41291
4,238	120	Carlisle	40.24504	39.99709
43,592	399	Urbandale	39.59420	39.83949
9,873	126	Pleasant Hill	42.81581	39.83270
15,990	164	Indianola	38.97514	38.91607
18,699	197	Altoona	41.18950	38.20639
20,649	248	Waukee	36.82315	37.05454
65,608	253	West Des Moines	37.12480	36.91612
17,172	353	Clive	35.11979	35.12087

Individual Cities

Table 4 shows property tax rates for individual cities. Often, a property tax rate that is constant from year to year, or even over many years, is touted as an accomplishment on behalf of taxpayers. It is not necessarily the case. Property taxes are a function of the rate times the taxable value. In times when property valuations are growing, even a constant rate will generate an increase in taxes.

For this budget and tax year (FY 2019), taxable valuations are based on assessments that occurred in 2017. Every other year in odd years (such as 2017), existing property is revalued during the assessment process. This means valuation growth (for use in budgets in the next odd year) includes the effects of revaluation and new construction, and therefore valuation growth can be especially high in odd years. Such is the case this budget year, when even constant rates will generate a 10 percent increase in revenue county-wide. Do Polk County, Broadlawns Medical Center, DART, and DMACC and really need that much more revenue?

Some individual cities' revenue will grow by far more than ten percent. For example, Table 4 shows that Altoona, Urbandale, and Pleasant Hill held their rates constant, but collected 28 percent, 11.2 percent, and 6.4 percent, respectively, more revenue. Local officials should be prepared to justify extraordinary increases when most of the growth comes from revaluation, as is the case in Urbandale and Pleasant Hill.

It's important to focus on property tax *revenue*, not the property tax rate.

TABLE 4
INDIVIDUAL CITY PROPERTY TAX RATE,
CHANGE IN TAX RATE AND CHANGE IN PROPERTY TAX REVENUE

2019 Metro Rank	City	FY 2018	FY 2019	Change In Tax Rate, Rounded	Percent Change in Property Tax Revenue	Percent Change in Population 2017 vs 2016
1	Des Moines	17.04000	17.20000	0.16000	9.1%	0.3%
3	Windsor Heights	16.96522	16.58088	-0.38434	6.8%	0.3%
2	Norwalk	15.42340	15.40640	-0.01700	7.5%	0.3%
4	Carlisle	14.89323	14.89110	-0.00213	5.9%	1.9%
5	Bondurant	13.83440	13.78948	-0.04492	16.1%	7.3%
6	Waukee	13.50000	13.40000	-0.10000	11.2%	10.9%
7	Grimes	12.91035	12.91293	0.00258	20.5%	5.4%
8	Indianola	12.70001	12.70289	0.00288	6.0%	1.6%
9	West Des Moines	12.00000	11.79000	-0.21000	5.5%	1.7%
10	Ankeny	11.65000	10.75000	-0.90000	5.7%	4.5%
11	Pleasant Hill	11.65000	11.65000	0.00000	6.4%	2.1%
12	Johnston	11.38698	11.52167	0.13469	9.6%	7.2%
13	Clive	10.14499	10.14475	-0.00024	6.3%	0.9%
14	Urbandale	10.02000	10.02000	0.00000	6.1%	0.9%
15	Altoona	9.94369	9.94369	0.00000	28.0%	0.9%
16	Polk City*	7.90000	9.91371	2.01371	43.2%	0.9%

School Districts

School districts receive a combination of state and local funds through a formula that both controls property taxes and somewhat equalizes school funding across the state on a per pupil basis. As a result, there is less variation in property tax rates among districts than exists among cities. Table 5 shows all districts being within about \$3 per \$1,000 of each other, with the exception of property-rich West Des Moines and Saydel districts.

For the same reason, when there's a huge valuation increase, it is likely there will be a decrease in the property tax rate in the school district. For example, this year The City of Altoona and the Southeast Polk school district received a windfall in property valuation from new commercial construction. The state aid formula automatically reduced the Southeast Polk levy (which fell by a total of \$3 per \$1,000 of taxable value).

Table 6 shows the impact of the school funding formula on equalization. The General Levy is the portion of the tax that is mandated by the State through the school funding formula. Even though there is huge variation in property wealth, there is little difference in this basic rate. Discretionary decisions make up the difference between the General Levy shown in Table 6 and the Total Levy shown in Table 5.

TABLE 5
TOTAL PROPERTY TAX RATE BY INDIVIDUAL SCHOOL DISTRICT

Metro Rank	FY 2017-2018 Certified Enrollment	District	FY 2018	FY 2019
1	2,831	Norwalk	20.15731	19.68416
2	3,421	Indianola	19.37589	19.33599
3	2,821	Dallas Center-Grimes	19.25111	19.29561
4	1,989	Bondurant-Farrar	19.10895	19.10895
5	1,684	North Polk	19.16659	19.07652
6	33,057	Des Moines	18.56349	18.60074
7	1,730	Adel-DeSoto-Minburn (ADM)	17.92920	18.55000
8	7,074	Johnston	18.32361	18.35111
9	3,406	Urbandale	17.75055	17.99999
10	11,549	Ankeny	18.51697	17.95079
11	10,600	Waukee	17.85545	17.85658
12	1,948	Carlisle	17.85506	17.85352
13	6,843	Southeast Polk	19.48372	16.50058
14	8,918	West Des Moines	13.26871	13.27000
15	987	Saydel	12.89000	12.89000

TABLE 6
INDIVIDUAL SCHOOL DISTRICT
GENERAL LEVY AND TAXABLE VALUATION

Metro Rank	FY 2018-2019 Certified Enrollment	District	FY 2019 General Levy	Taxable Valuation Per Student
1	987	Saydel	8.60518	\$756,661
2	8,918	West Des Moines	8.56378	\$558,853
3	10,600	Waukee	10.72985	\$417,160
4	3,406	Urbandale	10.22278	\$378,793
5	7,074	Johnston	9.91916	\$356,011
6	2,821	Dallas Center-Grimes	11.05687	\$350,842
7	11,549	Ankeny	11.02756	\$325,939
8	6,843	Southeast Polk	10.20081	\$296,473
9	3,421	Indianola	11.38546	\$266,870
10	1,730	Adel-DeSoto-Minburn (ADM)	11.49761	\$264,071
11	1,684	North Polk	10.19712	\$253,154
12	33,057	Des Moines	14.24196	\$245,094
13	2,831	Norwalk	11.15977	\$221,883
14	1,989	Bondurant-Farrar	11.74146	\$211,550
15	1,948	Carlisle	10.13966	\$177,614

Rollback

The tables on page 9 show some history for the “rollback” and an explanation of how the rollback and homestead credit work.

The rollback is a factor determined by the Iowa Department of Revenue each year. It has the effect of limiting increases in taxable valuation in any given year to three percent, statewide. This does not mean that individual jurisdictions are limited to three percent, but it does have the effect of smoothing and moderating total growth.

Rollback History

Percent of Assessed Value that is Taxed

Fiscal Year	Residential Percentage	Commercial Percentage
1997	59.3180	97.28240
1998	58.8284	100.00000
1999	54.9090	97.36060
2000	56.4789	100.00000
2001	54.8525	98.77000
2002	56.2600	100.00000
2003	51.6600	97.70100
2004	51.3900	100.00000
2005	48.4600	99.25700
2006	47.9642	100.00000
2007	45.9960	99.15090
2008	45.5600	100.00000
2009	44.0800	99.73000
2010	45.5900	100.00000
2011	46.9100	100.00000
2012	48.5300	100.00000
2013	50.7518	100.00000
2014	52.8166	100.00000
2015	54.4002	95.00000
2016	55.7335	90.00000
2017	55.6259	90.00000
2018	56.9391	90.00000

Residential Calculation Example

Assessed Value	\$ 150,000	
Rollback Percentage	0.569391	2018/2019
Taxable Value	\$ 85,409	
Homestead Credit	\$ (4,850)	
Net Taxable Value	\$ 80,559	
Tax Rate*	0.04041291	
Property Tax	\$ 3,256	

Commercial Example

Assessed Value	\$ 300,000	
Rollback Percentage	0.900000	2018/2019
Taxable Value	\$ 270,000	
Tax Rate*	0.04041291	
	\$ 10,911	
Est. Tax Credit**	\$ (1,665)	
Property Tax	\$ 9,246	
Total Estimated Savings from Property Tax Reform	\$ 2,877	

*Assumes Ankeny City and Schools

**Assumes \$125 million statewide spread over 70,075 units, with this example being one unit.

Assessed Value x Rollback = Taxable Value
Taxable Value x Rate = Tax

Rollback Projections*

Percent of Assessed Value that is Taxed

Fiscal Year	Residential	Commercial	Multi-Res
2019	55.7304	90.0000	71.2500
2020	57.0600	90.0000	67.5000
2021	55.7079	90.0000	63.7500
2022	57.0369	90.0000	57.0369

*Source: Unofficial projections from Iowa Legislative Fiscal Services 2018