



TO: The Honorable Mayor and City Council Members

FROM: Michael C. Van Milligen, City Manager

SUBJECT: Public Hearing for Resolution Establishing Maximum Property Tax Dollars for Fiscal Year 2024

DATE: February 15, 2023

Chief Financial Officer Jennifer Larson is recommending City Council adopt a resolution approving the Fiscal Year 2024 Maximum Property Tax Dollars as required by Section 384.15A of the Code of Iowa.

At this public hearing, the only options available to City Council are to approve the amount of maximum property tax dollars as is or decrease it. A simple majority vote will be required to approve the maximum property tax dollars resolution.

In FY2023, the City levied for \$26,205,437 in property tax revenue to support the general fund and in FY 2024 the budget guidelines would levy for \$26,623,475 in property tax revenue to support the general fund. The FY2024 budget guidelines call for a 1.96% increase in the property tax rate, which increases the property tax rate from \$9.7169 in FY23 to \$9.9075 in FY 24, which would be a 3.00% or \$23.75 tax increase for the average Dubuque homeowner, increase in property tax for commercial (8.84%, \$270.61) and a increase for industrial (6.62%, \$299.27).

	% Change	\$ Change
Property Tax Rate	1.96%	\$0.19
Property Tax Asking	1.60%	\$418.038
Average Residential Payment	3.00%	\$23.75
Average Commercial Payment	8.84%	\$270.61
Average Industrial Property	6.62%	\$299.27

Since 1989, the average homeowner has averaged an annual increase in costs in the City portion of their property taxes of 1.31%, or about \$7.98 a year. If the State had been fully funding the Homestead Tax Credit, the increase would have averaged about +\$5.16 a year.

There will be seven City Council special meetings prior to the adoption of the FY 2024 budget before the state mandated deadline of March 31, 2023, which is expected to be amended by the State Legislature to be April 30, 2023.

The revised recommended resolution for maximum property tax dollars in FY2024 is \$26,546,601(increased by City Council from the staff recommendation of \$26,321,601). The maximum property tax dollars excludes the debt service levy of \$304,673. The maximum property tax dollars recommendation is an 1.57% increase as compared to the FY2023 property tax dollars. Since the “total maximum property tax dollars” amount is less than 102% of the current year’s property taxes (1.57% excluding the debt service levy), the resolution must pass by a simple majority vote of the City Council.

I concur with the recommendation and respectfully recommend Mayor and City Council approval.


Michael C. Van Milligen

MCVM:sv

Attachment

cc: Crenna Brumwell, City Attorney
Cori Burbach, Assistant City Manager
Jennifer Larson, Chief Financial Officer