



FY27 Proposed Property Tax Memo

To: Mayor Morgan and City Council
From: Sarah Tritle, City Clerk/Finance Director
RE: FY27 Proposed Property Tax Memo
Date: January 27, 2026

The following information is regarding the FY2027 proposed property tax public hearing. House file 718 (HF 718) passed in 2023, with multiple areas of impact on city governments. Division 10 of the file requires new statements to be mailed to each property owner. It also changed the budget timeline, forms, hearing, and processes.

Division 10

Division 10 requires that county offices mail each property taxpayer an annual statement. All political subdivisions including cities must file a report annually by **March 5** with the Iowa Department of Management (DOM) containing the information specified in HR 718 to be included in the mailings. Then by **March 20**, annually, the county auditor must send to each property owner or taxpayer by regular mail and individual statement containing the required information. This division moves the city's budget certification deadline to **April 30**, annually, which began with the FY25 budget.

Attached is the Public Hearing Notice for FY27 and this is what will be on taxpayer statements that will be set out by the Linn County Auditor. This hearing is in addition to the public hearing that is required to approve the budget and must be separate from any other meeting of the City of Center Point.

Understanding the Proposed Property Tax Levy

The City's public hearing notice is divided into three columns. The first column, "**Current Year Certified Property Tax (FY 2026)**", reflects the budget currently in effect and the levy amounts approved for each category.

The second column, "**Budget Year Effective Property Tax (FY 2027)**", illustrates what the tax rate would be *if the City collected the same total dollar amount of property taxes next year as it does this year*. This is a hypothetical comparison only. In this example, the overall levy rate decreases from **13.41115 to 12.70035**. While the Debt Service levy appears to increase, this column does not account for annual changes in actual debt payments. For FY 2027, the City's true Debt Service levy is **2.47985**.

The third column, "**Budget Year Proposed Property Tax (FY 2027)**", shows the levy the City is proposing to adopt. The proposed levy rate decreases from the current year's **13.41163 to 13.18726**. This reduction is driven by the State's levy growth cap, despite increases in Debt Service, Tort Liability insurance, and FICA and IPERS costs.