



# THE WATCHDOG

*Keeping a watchful eye on taxation*

A Publication of the Dickinson County Taxpayers Association

A 501 (C) (3) non-profit organization

March, 2016 VOLUME 14 ISSUE 1

## Mark Your Calander

### Annual Meeting

June 10, 2016

### Monthly Meetings

Second Thursdays

8 AM

April through

December

At Arnolds Park

City Hall

*Public Invited!*

## Officers

### President

Phil Petersen

### Vice-President

Darrell Mergen

### Treasurer

Jack Holzhauer

### Executive Director

Lissa Potter

## Board of Directors

Dan Block

Bill Carmichael

Jack Holzhauer

Darrell Mergan

Phil Petersen

Owen Primavera

John Shanafelt

Robert Zylstra

*P.O. Box 598*

*Spirit Lake, IA 51360*

*www.dctaxpayers.org*

## The Local Budgeting Process

Every year each local taxing authority in the State of Iowa (counties, cities, school districts, etc.) must submit their budgets to their County Auditor. The city and county budgets must be adopted by resolution and taxes certified by March 15th. The County Auditor computes the levy rate by matching the requested budgets to the available taxable property valuation along with other sources of revenue. To arrive at the coming Fiscal Year (FY) 2017 budget each taxing authority - during January and February - has been having meetings to discuss how much money they will request for fiscal year FY17 that begins July 1, 2016.

Very few taxpayers attend these meetings where tax revenue and spending are being discussed. Maybe the lack of interest is due to the perceived dull nature of the discussions or the feeling that there is little an individual can do to affect the outcome. Of course, another factor is that summer residents have escaped to warmer climates and are not here to attend. Hence one of the important roles of the Taxpayer Association comes into play.

The budgeting process begins with an estimate of how much will be spent in the current FY16 fiscal year for each budget category. Then using current spending as a base line a forecast of spending for FY17 is made. For most entities the cost of salaries and health care benefits drives their budgets. For FY17 non-union Dickinson County employees will receive a 2.3% wage increase. Computerization is increasing efficiency, but brings with it the cost of the computers and operating software.

Dickinson County is the smallest county in the state with respect to geographic size, but has very high assessed valuation due to our lake-shore real estate. This results in Dickinson County schools receiving less state aid meaning the Dickinson County taxpayer shoulders more of our local school costs.

As costs go higher – labor, insurance, requests for more services - it is very easy for costs to escalate to a point where the levy rates must increase. To counteract this trend most taxing authorities exert considerable effort to keep the levy rate from increasing because they are taxpayers themselves and the inevitable complaints from taxpayers and the potentially negative results of future elections. Dickinson County and our schools have some the lowest levy rates in the state.

Your property taxes are determined by three primary values:

1. Assessed Value of your property
2. State rollback rate (Residential, Commercial, Agricultural, etc.)
3. Combined levy rate of all taxing jurisdictions that can assess your property

In odd years (2015) property is reappraised and a new value assigned that could be higher, lower, or unchanged. The value of Dickinson County real estate – including new construction - went up seven percent with the 2015 re-appraisal. You received a notice by mail in March of 2015 of your new appraised value. In most cases taxing jurisdictions were able to lower or retain last year's levy rate helped by the seven percent increase in property values.

The half-year taxes that were paid in September 2015 and March 2016 are based on your 2014 assessed value, 2014 rollback rate, and the FY16 levy rates.

The property tax bill you will receive in August 2016 for payment in September 2016 and March 2017 will use your 2015 assessed value, 2015 rollback rates and the FY17 levy rates.

The highest levy rates are usually the K-12 schools followed by the city (if you live in one), County, Sanitary Sewer, and lower taxing entities with less than one percent of your levy. Your specific tax details are on your property tax bill received each August. A detailed report on the County budget can be found at <http://dickinsoncountyiowa.org/wp-content/uploads/2013/03/1-FY2017-budget-presentation.pdf>

## Computing Your Property Tax

If your residential property (land & dwelling) had a value of \$100,000 here is how property tax would be computed. To adjust for your property value change the appropriate Assessed Property Value.

|  |                  |   |
|--|------------------|---|
| Assessed Property Value                | \$100,000        |   |
| X Residential Rollback (FY16)          | <u>55.62590%</u> |   |
| Gross Taxable Value                    | \$55,625         |   |
| X Tax Levy (dollars/ \$1,000 of value) | <u>\$20</u>      | (The combined tax levy rate of all taxing jurisdictions where your property is located) |
| <b>Gross Taxes Due (Annually)</b>      | <b>\$1,112</b>   |   |

The rollback rate for agricultural property is 46.1068% and commercial property is 90 percent. Iowa property taxes can be paid annually or bi-annually (March & September).

# Dickinson County FY 2017 Tax Levies

| March 16, 2016                                   |                        |           |                     |         |
|--|------------------------|-----------|---------------------|---------|
| Levy rate for each \$1,000 of assessed valuation |                        |           |                     |         |
| CITIES   | CURRENT LEVY<br>(FY16) | FY17 LEVY | FY17 LEVY<br>CHANGE | PERCENT |
| Arnolds Park                                     | 5.25000                | 5.25000   | no change           |         |
| Lake Park  | 14.29044               | 13.49172  | -0.79872            | -6%     |
| Milford  | 12.31172               | 12.54552  | 0.23380             | 2%      |
| Okoboji  | 4.50408                | 4.50000   | -                   |         |
| Orleans  | 3.75000                | 3.50000   | -0.25000            | -7%     |
| Spirit Lake                                      | 10.54400               | 10.54400  | no change           |         |
| Superior   | 8.10000                | 8.10000   | no change           |         |
| Terril   | 9.81258                | 9.53973   | -0.27285            | -3%     |
| Wahpeton   | 3.00000                | 3.00065   | -                   |         |
| West Okoboji                                     | 2.00772                | 2.00772   | no change           |         |
| <b>SCHOOLS</b>                                   |                        |           |                     |         |
| Harris-Lake Park                                 | 10.30583               | April 15* |                     |         |
| Okoboji  | 7.48864                | April 15* |                     |         |
| Spirit Lake                                      | 7.85225                | April 15* |                     |         |
| <b>COUNTY</b>                                    |                        |           |                     |         |
| General  | 2.45135                | 2.35135   | -0.10000            | -4%     |
| Rural  | 1.84000                | 1.84000   | no change           |         |
| Mental Health                                    | 0.18178                | 0.16873   | -0.01305            | -7%     |
| Debt Service                                     | 0.54341                | 0.46199   | -0.08142            | -15%    |

\* School budgets to be finalized by April 15, 2016    "-" represents a very small number

Source: Dickinson County Auditor

## Are Bike Trails A Free Ride?

A few years ago when Dickinson County was receiving grant money to build bike trails it seemed like a win-win with no downside. Of course, there is no free ride. Building of our existing trails has been paid largely by grant money. The County was to maintain them. When the trails are new, they don't require much maintenance. But as our trails grow older they require more maintenance. Cracks in some of the trails are developing. In FY15 Dickinson County budgeted \$125,000 to maintain our trails. For FY16 and FY17 trails maintenance moves up to \$170,000 per year. The Dickinson County Trails Board realizes that trails maintenance is becoming an ever higher cost. To their credit the Trails Board is looking for ways to raise money privately to help pay for trails maintenance.

Now Dickinson County has more than 60 miles of bike trails. (The exact number remains elusive.) The users of the bike trails feel very passionately our trails and their maintenance are a good public investment. The non-trail users ask "when is enough – enough?" The DC Recreational Trails map shows multiple new trails under develop-

PRESORT STANDARD  
U.S. POSTAGE  
**PAID**  
PERMIT #8  
SPIRIT LAKE, IA  
51360

  
**THE WATCHDOG**  
DICKINSON COUNTY  
TAXPAYERS ASSOCIATION  
*The Watchdog*  
Dickinson County Taxpayers Association  
P.O. Box 598  
Spirit Lake, IA 51360  
**ADDRESS SERVICE REQUESTED**

## Are Bike Trails A Free Ride?.....cont.

ment. Most new bike trails require twenty percent local funding, so even new trail building has a local cost.

Then there is a question of who uses the bike trails? What percentage of the trail users are County residents that pay taxes here or are they people visiting who don't pay property taxes or spend very much money here? Should the taxpayers or the trails users pay for the new trails and maintenance on existing trails? It would be nice to have hard data to make that point one way or the other. Not to be forgotten is that bike trails provide the public a way to exercise that benefits the public health. To learn more about Dickinson County Trails check the 2016 Vacation Okoboji magazine article beginning on page 56 or the Trails website at [www.dickinsoncountytails.com](http://www.dickinsoncountytails.com)

newsletter is a benefit of membership in DCTA. To learn more about supporting DCTA, visit: [www.Dctaxpayers.org](http://www.Dctaxpayers.org)

**DCTA WATCHDOG**

**Dickinson County.**

**The Dickinson  
County Taxpayers  
Association  
(DCTA) is a  
non-partisan  
coalition of  
taxpayers  
individuals and  
businesses in  
Dickinson County.**

**JOIN DCTA**