

Woodbury County Board of Supervisors

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March 2, 2023

Mr. Matt Everson
Director
NFIB Iowa
200 E. Grand Ave., Suite 390
Des Moines, IA 50309

Dear Mr. Everson,

This letter is in regard to SF 356. This bill is attempting to limit tax rate and valuation increases for future fiscal years. The Woodbury County Board of Supervisors agrees that there is a need for restructuring the property tax system. In doing so, we would like to make some suggestions that would help assist not only Woodbury County but the other 98 counties in Iowa.

Woodbury County has either held the effective county-wide tax rate at the same level or reduced it for the last nine fiscal years with a Board of Supervisors that prides itself on 5 conservatives who ran on a platform of fiscal conservatism. For example, we closed a \$6.3 million gap this FY 24 to be able to slightly reduce the levy. In doing so, we made tough budget decisions that often did not make us popular but which we were elected to do in governing at the local level when putting property taxpayers first.

At the same time, we have doggedly sought sources of funding *other* than property taxpayers. For example, we have programmed \$1 out of every \$2 of future CF Industries Revenue to tax reduction (naming it the "Taxpayers First Act"), ARPA funding, the \$3.2 million sale of the county's century-old county home/farm in 2021, and gaming revenues. We have eliminated "reserves within reserves," questioned department heads, and pushed back against any and all excesses we have found.

At the same time, we have sought to meet the following increases with creative solutions and other sources of revenue. We give you these details to describe some of the pressures and challenges we face:

- **The replacement of a failing county jail (preceding our governance) poorly designed in 1987 for 90 inmates when we have today a population of 234. (Voters approved a bond issue in 2020**

for a new \$50 million Law Enforcement we plan to retire through federal prisoner revenue though some of day-to-day costs such as medical, food, and correctional officers will increase).

- A county gravel road system of 960 miles for rural residents, first responders, and school busses. Between 1986 and 2020, gravel has increased in price from \$3.70 per ton to \$11.00 per ton. Spending for gravel has increased from \$517,000 to over \$1,500,000 annually to purchase only 40-50% of the 1980s quantity. Over that time, less gravel purchased has resulted in a 5-6 inch gravel base degrading to less than an inch. (We have used tax increment financing from future CF Industries revenue in a plan to rebuild this base rather than increase property taxes).
- Nearly 400 employees arranged in 6 unions as well as management/wage plan employees consistently asking us to keep up with inflation by increasing wages. We seek to strike a balance between fairness to the taxpayer and our valued employees. Note that even at half the inflationary value we would increase wages at 3.8% and \$33.5 million of our \$77.4 million budget, 43%, is wages.

The Board applauds the amendment that moved the effective dates from July 1, 2023 to July 1, 2024 as we have already set our FY 24 budget. This will give us as supervisors an additional year to react, to find new resources and/or reduce expenses. We are also pleased with the phase-down to the \$3.50 cap being over a period of fiscal years. There are, however, several issues that we hope you will consider as amendments to SF 356 or considerations to any other property-tax related bills:

1. Amend the bill that involves section 331.426, Subsection 1 "additions to basic levies" to include unusual staffing problems, unusual problems related to major new functions required by law, unusual need for additional moneys to permit continuance of a program which provides benefit to county residents, and lastly, unusual need for a program which will provide substantial benefit to county residents if the county establishes the need and the amount of necessary increased costs.
2. In regards to the tax-based increase from fiscal year to fiscal year, we hope that any legislation would allow *new construction* parcels to be exempt from the tax base increase of 3.25%.

With most new construction, there is a need for additional county services. For example, when the state's largest historic economic development at the time of nearly \$2 billion, CF Industries, chose Woodbury County to expand its fertilization plant, additional deputies monitored traffic, county law enforcement supported a large influx of temporary working residents, and our road department supported additional necessary road maintenance due to heavy traffic. If a county added 10 new roads, 50 new homes, and 200 new residents, it would seem short-sighted to limit the services that come from new growth, especially when increasing the tax base in a way that does not burden present taxpayers as a "rising tide lifts all ships."

3. Amend SF 356 to leave the section in Iowa Code determining the thresholds to be the same as is present codified. While the threshold, if anything, may be considered to be increased due to inflationary pressures on counties, it certainly should not be decreased.

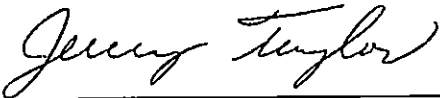
Generally speaking, the County Supervisors were elected to run county government, and we are each individually elected and responsible to the electorate with the services that citizens expect and as are required by law.


In closing, the Board of Supervisors appreciates the services you are providing as a Senator or Representative. It is a tough job, sometimes a thankless one, and one that we understand is an act of service often taking you away from your families during session. Hopefully, you will consider the amendments we are presenting. We wish to continue the good communication and be in dialogue to help you gain our perspective and hear yours as well.

Respectfully,

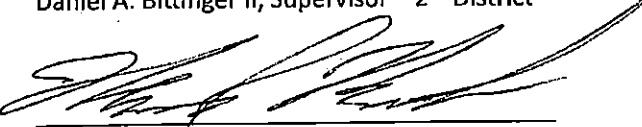
The Woodbury County Board of Supervisors


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