

# United Community School

## *Understanding the Proposed Property Tax Rate*

Recently, community members should have received a **Proposed Property Tax Rate Notice** in the mail. We understand that documents like this can raise questions, so we want to provide some clarity on what the notice means—and just as importantly, what it does *not* mean.

### **What is the proposed property tax rate for FY27?**

The tax rate included in the mailing represents the **maximum possible rate** for the upcoming fiscal year (FY27). State law requires school districts to publish this highest potential rate to ensure transparency and allow for public input before the budget is finalized.

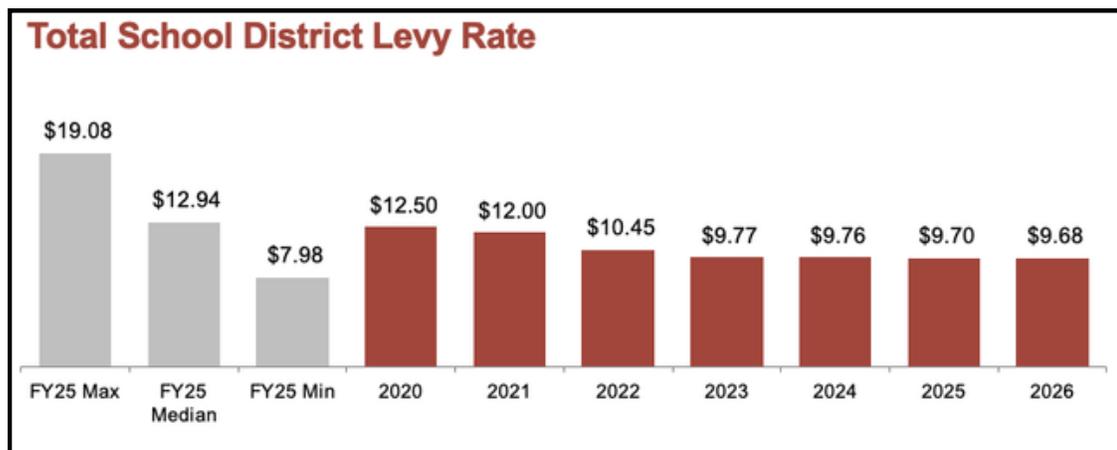
For our district, the proposed maximum rate is **\$9.66386 per \$1,000 of taxable valuation**. This rate is actually **slightly lower than last year's rate** of \$9.67843.

### **How does our tax rate compare to other districts?**

When looking at school district tax rates across Iowa, United Community School District's rate is **low in comparison to many others across the state**. Recent statewide data shows:

- The **state average** school district tax rate is approximately **\$13.23 per \$1,000**
- The **median rate** is approximately **\$12.94 per \$1,000**

At a proposed maximum of **\$9.66**, our district remains **well below both the state average and median**, reflecting a continued commitment to fiscal responsibility while supporting student learning.



While our tax rate remains low compared to many districts across Iowa, it is important to note that the **total amount of property taxes collected is estimated to increase**. This is primarily due to increases in property valuations across the district, as well as ongoing inflationary pressures. For example, school district expenses such as property and casualty insurance premiums and fuel costs have risen significantly. As property values increase, the total taxes generated can also increase—even when the tax rate stays the same or decreases.

## Will this be the final tax rate?

No. This is an important point.

Both the **Iowa Department of Management** and the district will continue refining the budget over the coming weeks. As adjustments are made, the tax rate can only move in one direction—**downward**. The final tax rate will be formally set when the Board adopts the budget in April.

Additionally, **recent state legislation provides funding for the Budget Guarantee** for school districts, helping reduce reliance on local property taxes and **easing the burden on taxpayers**. It is important to note that this state support is **not reflected in the published maximum tax rate** included in the notice. As the budget is finalized, this and other adjustments will be incorporated, which may further reduce the final tax rate.

## What does the tax rate support?

The proposed rate includes several components that fund different aspects of school operations, including:

- General Fund and Instructional Support (daily operations and instruction)
- Management Fund (insurance, early retirement, and other operational costs)
- Physical Plant and Equipment Levies (maintenance, technology, and infrastructure)
- Debt Service (currently **\$0** due to use of sales tax and PPEL revenue)



## Does this notice tell me how much I will pay?

No—this is one of the most common misunderstandings.

The notice **does not show your actual property tax bill**. Individual property taxes depend on several factors that are not included in the mailing, such as:

- Your **property's 2025 assessed valuation**
  - State-determined **rollback percentages** (not yet finalized)
  - Any applicable **property tax credits or exemptions**
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# What does the tax notice show then?

The Proposed Property Tax Rate Notice provides three key pieces of information:

- 1. FY26 Property Tax Amount and Rate** – This shows the amount of property taxes collected last year and the corresponding tax rate.
- 2. FY27 “Maintain” Rate and Amount** – This is the tax rate that would be needed in FY27 to collect the same total dollar amount as in FY26. It helps taxpayers see how changes in property valuations affect the funding needed to maintain the same revenue.
- 3. FY27 Proposed Rate and Amount** – This shows the actual proposed maximum tax rate and total levy for FY27, including any increases to support district operations and programs.

By comparing these three columns, community members can see how the proposed rate relates to last year’s funding, what it would take to maintain current funding, and how the proposed levy will support schools while considering state contributions like the Budget Guarantee.

**\$3,864,758 =**

Property taxes collected  
by United CSD for 2025-2026 with  
tax rate of **9.67843**

**\$3,864,758 =**

Taxes collected by United CSD  
for 2026-2027 stay the same  
IF tax rate is set at **8.43282**

**\$4,426,612 =**

Maximum property tax amount  
proposed to be collected with  
tax rate of **9.66386**

NOTICE OF PUBLIC HEARING -PROPOSED PROPERTY TAX LEVY Proposed UNITED Property Tax Levy Fiscal Year July 1, 2026 - June 30, 2027			
Location of Public Hearing: United Community School District Library		Date of Public Hearing: 3/31/2026	
Location of Notice on School Website: <a href="https://www.unitedcomets.org/board/financials/">https://www.unitedcomets.org/board/financials/</a>		Time of Public Hearing: 06:00 PM	
At the public hearing any resident or taxpayer may present oral or written objections to or arguments in favor of the proposed tax levy. After the hearing of the proposed tax levy, the Board will publish notice and hold a hearing on the proposed budget.			
	Current Year Final Property Tax Dollar Levy FY 2026	Budget Year Effective Property Tax Dollar Levy (No change in Property Tax Dollars Levied) FY 2027	Budget Year Proposed Property Tax Dollar Levy FY 2027
General Fund Levy	1 2,533,371	2,533,371	3,218,179
Instructional Support Levy	2 225,096	225,096	229,169
Management	3 394,380	394,380	186,734
Amana Library	4 0	0	0
Voted Physical Plant and Equipment	5 571,234	571,234	635,922
Regular Physical Plant and Equipment	6 140,677	140,677	156,608
Reorganization Equalization	7 0	0	0
Public Education/Recreation (Playground)	8 0	0	0
Debt Service	9 0	0	0
<b>Grand Total</b>	<b>10 3,864,758</b>	<b>3,864,758</b>	<b>4,426,612</b>
	Current Year Final Property Tax Rate FY 2026	Budget Year Effective Property Tax Rate (No change in Property Tax Dollars Levied) FY 2027	Budget Year Proposed Property Tax Rate FY 2027
<b>Grand Total Levy Rate</b>	<b>9.67843</b>	<b>8.43282</b>	<b>9.66386</b>
Property Tax Comparison	Current Year Property Taxes	Proposed Property Taxes	Percent Change
Residential property with an Actual/Assessed Value of \$100,000/\$110,000	459	473	3.05
Commercial property with an Actual/Assessed Value of \$300,000/\$330,000	1,996	2,212	10.82

Note: Actual/Assessed Valuation is multiplied by a Rollback Percentage to get to the Taxable Valuation to calculate Property Taxes. Residential and Commercial properties have the same Rollback Percentage at \$150,000 Actual/Assessed Valuation. The Proposed Property taxes assume a 10% increase in property values for the year as a comparison to the current year.

Reasons for tax increase if proposed exceeds the current:  
Management Fund costs have increased due to unemployment benefits; early retirement benefits; insurance agreements; liability insurance to protect the school districts from tort liability, loss of property, and environmental hazards; and judgments or settlements relating to such liability.

The Proposed Property Tax Rate Notice reflects that **United Community School District proposes levying an additional \$561,854 in property taxes** for FY27. It's important to understand that this figure **includes \$382,255 funded by the State of Iowa for the Budget Guarantee**. This means that the actual additional burden on local taxpayers will be significantly lower, as a large portion of the increase is covered by state support.

## How do I find out how much property tax I will owe?

To provide a general frame of reference, a home with a taxable valuation of \$100,000 at the proposed maximum rate of \$9.66 would generate approximately \$966 in school district property taxes. However, actual taxes **may be lower once final rates, rollbacks, and credits** are applied. **To estimate your actual tax impact, you would need to factor in all of the above elements.** The basic formula is shown below.

### **Step 1: Find Your Property's Assessed Value**

This is listed on your 2025 property tax assessment notice or on the assessor's website.

**Example:** \$200,000

### **Step 2: Apply State Rollback**

Iowa applies a rollback percentage to residential properties to reduce taxable value. The exact percentage for 2025 hasn't been finalized yet, but you can estimate around 55–60% for planning purposes.

$$\text{Taxable Value} = \text{Assessed Value} \times \text{Rollback Percentage}$$

**Example:**

$$\$200,000 \times 0.55 = \$110,000 \text{ taxable value}$$

### **Step 3: Multiply by the Proposed Tax Rate**

The proposed FY27 school district rate is \$9.66386 per \$1,000 of taxable valuation.

$$\text{School Tax} = \text{Taxable Value} \div 1000 \times \text{Tax Rate}$$

**Example:**

$$\$110,000 \div 1,000 \times \$9.66386 \approx \$1,062$$

## Our commitment to transparency

We are committed to keeping our community informed throughout the budget process. The proposed tax rate notice is one step in a larger, transparent process designed to ensure accountability and provide opportunities for public understanding and input.

Our district remains committed to balancing **high-quality educational opportunities for students with responsible stewardship of taxpayer dollars.**

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