Governmental Body: Winterset City Council (Work Session)

Date of Meeting: June 11, 2026

Time of Meeting: 10:00 AM

Place of Meeting: Winterset Public Library 123 N 2nd St, Winterset, IA 50273

PUBLIC NOTICE IS HEREBY GIVEN that the above-mentioned governmental body will meet at the date, time and manner set out. The tentative agenda for said meeting is as follows:

1) Call to order, roll call, adopt agenda
2) Work Session relative to SF 2472 impacts
3) Adjournment

DATE POSTED: June 10, 2026

Andrew Barden, City Administrator/City Clerk

The City Council of the City of Winterset, Iowa met on June 11, 2026 in accordance with the above Notice and Call of Public meeting. The meeting was called to order at 10:03 A.M. by Mayor Leners.

PRESENT: Michael Cook, Michael Eller, Mike Fletcher

ABSENT: Christopher Fairholm, Mary Ann Orr

The Mayor asked for a motion to adopt the presented agenda. There being no further additions or deletions to the agenda and no further discussion, Council Member Fletcher made a motion, seconded by Council Member Eller on roll call vote, all Council Members present voted Aye.

Whereupon the Mayor declared that the motion carried.

Work Session relative to SF 2472 impacts

Matt Stoffel with PFM presented impactful updates relative to SF 2472. Professional Appendices were included and provided for further council review. Divisions of the property tax legislation were reviewed in detail and noted significant changes. Following the formal presentation, additional discussion relative to the obligation of the city council and staff to provide facilities, amenities, and services; whereas local government is defined by the community it serves, not managed though state legislation.

Council Member Orr arrived at 10:55, Council Member Fairholm arrived at 11:08, both having prior obligations.

The Adjournment

There being no further business, Council Member Fairholm then made a motion to adjourn the meeting. The motion to adjourn was seconded by Council Member Eller. All Council Members voted Aye.

Whereupon the Mayor declared that the motion carried, and the meeting was adjourned at 12:53 p.m.

Thomas J. Leners, Mayor

ATTEST:

Andrew Barden, City Administrator/City Clerk

City of Winterset, Iowa

Senate File 2472 Overview

Matthew Stoffel, CFA
Director

June 11, 2026

PFM Financial Advisors LLC

801 Grand Avenue
Suite 3300
Des Moines, IA

www.pfm.com

Table of Contents

I. SF 2472 Overview

II. Winterset – Supporting Documents

III. Observations and Considerations

IV. Appendices:

A. Iowa League of Cities: SF 2472 – Property Tax bill Highlights
B. Cornerstone/City of Dubuque: SF2472 Impact Table
C. Ahlers & Cooney: Changes to Iowa's Urban Renewal Act and Urban Revitalization Act Under the 2026 Property Tax Bill
D. Moody's Ratings: Limit on property taxes will reduce cities and counties' flexibility to raise revenue

© PFM

I. SF 2472 Overview

Senate File 2472 ("SF 2472")

On May 18, 2026, the Governor signed into law Iowa Senate File 2472, which enacts comprehensive reforms to Iowa's property tax system.

The Act, among other things:

(i) Imposes growth-based caps limiting annual increases in property tax levy rates, generally restricting levy growth to 102% of the prior year's certified property tax dollars exclusive of New Valuation;
(ii) Restricts unassigned general fund reserves of certain local governments to 35% of budgeted general fund expenditures;
(iii) Prohibits the issuance of bonds or other indebtedness payable from ad valorem property taxes to fund general governmental operations;
(iv) Limits new urban renewal revenue division ordinances to a 23-year duration and imposes a 60% cap on tax increment captures from existing unlimited-duration urban renewal areas after 20 years; and
(v) Restructures the homestead credit program, replacing the existing credit with a new exemption of 10% of taxable value per eligible homestead (minimum $5,500, maximum $20,000, indexed for inflation).

The Act takes effect in part immediately upon enactment, with the majority of provisions applicable to fiscal years beginning on or after July 1, 2027.

© PFM

Table of Contents – Divisions of SF 2472

I. Division I – County Property Taxes and Budgets
II. Division II – City Property Taxes and Budgets
III. Division III – Rate-limited Tax Levy Rates
IV. Division IV – FirstHome Iowa Accounts
V. Division V – School Taxes
VI. Division VI – Secure an Advanced Vision for Education (SAVE) Fund – Equity Transfer Percentage – Future Repeal
VII. Division VII – Elderly and Disabled Property Tax Credit and Rent Reimbursement
VIII. Division VIII – Property Classifications and Assessment Limitations
IX. Division IX – Emergency Medical Services Levy
X. Division X – School District Unspent Balances – On-time Funding and Modified Supplemental Amounts
XI. Division XI – General Fund Reserves
XII. Division XII – Property Parcel Information
XIII. Division XIII – Urban Renewal
XIV. Division XIV – Assessment Procedures
XV. Division XV – Valuations – Abnormal Transactions – Real Estate Transfer Tax Forms
XVI. Division XVI – Agricultural Extension Levy
XVII. Division XVII – Chapter 404 – School Taxes
XVIII. Division XVIII – Utility Replacement Tax Task Force
XIX. Division XIX – Payment in Lieu of Property Taxes – Task Force
XX. Division XX – Homestead Credits and Exemptions
XXI. Division XXI – Local Government Budget Statements
XXII. Division XXII – Hospital Property Tax Levies
XXIII. Division XXIII – Transit Taxes
XXIV. Division XXIV – Commercial and Industrial Property Tax Replacement Payments
XXV. Division XXV – Iowa Economic Emergency Fund – Taxpayer Relief Fund
XXVI. Division XXVI – Local Emergency Management Property Taxes

© PFM

Division II – City Property Taxes and Budgets

- Sets a 2.00% growth limit to city general levy until FY 2030.
  - Also includes EMS, Ag land, Aviation Authority, Public Transit
- In FY 2031, the lower of the levy rate determined by the 2.00% levy cap or the levy rate cap set by 2022 HF 718, at $8.10 per thousand.
- The 2.00% levy growth limit continues going forward.
- The levy limit excludes tax revenue generated from new valuation, defined as:
  - New construction, additions or improvements to existing structures that are not normal repairs, and net new boundary adjustments.
  - Abatement and TIF release not included in new construction definition.
- No cap on:
  - Debt Service, City "special" revenue levies (e.g. unified law enforcement, tort/property insurance, employee benefits).

© PFM

Division III – Rate Limited Levies

- Sets a 2.00% growth limit to any statutorily limited local levy.

- Prohibits the use of bonds and indebtedness for the purpose of funding the general operations of a governmental entity.

© PFM

Division V – School Taxes

- Reduces $5.40 school foundation levy to:
  - $5.10 in FY 2028-2029
  - $4.90 in FY 2029-2030

- This will reduce the TIF tax rates by $0.50 between FY 2028 and FY 2030.

© PFM

Division XI – General Fund Reserves

- Limits local reserve funds to no more than 35% of local government's general fund budget.

- Creates an "obligated funds account" for money budgeted/saved for large equipment or infrastructure purchases or projects that is not subject to cap on reserve funds.

© PFM

Division XIII – Urban Renewal

- Limitations on duration of TIF under new TIF ordinances adopted within an urban renewal area
- Limitations on the amount of tax revenue collected through TIF under existing TIF ordinances that were not previous subject to a "TIF sunset" time limit.
- Recognition of workforce housing as "economic development" as an appropriate objective for urban renewal projects and defining low- and moderate-income housing as including workforce housing.
- Removal of Iowa Code Section 403.22, which imposed unique limitations for market-rate residential projects.
- Exclusion of school foundation tax levies from TIF under some circumstances.
- Exclusion of school district tax levies from TIF with respect to residential projects that are receiving a tax exemption under the Urban Revitalization Act.

Source: Ahlers & Cooney, P.C.
Changes to Iowa's Urban Renewal Act and Urban Revitalization Act Under the 2026 Property Tax Bill | Client Alerts | Ahlers & Cooney, P.C.

© PFM

Division XIII – Urban Renewal (continued)

- TIF Ordinances Adopted after Effective Date – New 23-year TIF Sunset
  - All new TIF ordinances regardless of the designation of the underlying urban renewal area (slum area, blighted area, or economic development area), will be limited to 23 years from the calendar year following the calendar year in which the municipality first certifies indebtedness to the county auditor to be paid from the division of revenue. The TIF ordinance shall automatically terminate following the 23-year period.
  - All urban renewal areas established after the Effective Date as an "economic development area", including areas established for the development of market-rate housing, will be subject to the 23-year TIF sunset.

Source: Ahlers & Cooney, P.C.
Changes to Iowa's Urban Renewal Act and Urban Revitalization Act Under the 2026 Property Tax Bill | Client Alerts | Ahlers & Cooney, P.C.

© PFM

Division XIII – Urban Renewal (continued)

- Existing TIF Ordinances Not Previously Subject to a TIF Sunset Limit – 60% TIF Collection Limitation
  - Under SF 2472, existing urban renewal areas with adopted TIF ordinances that were not previously subject to a TIF sunset (referred to as "Extended TIF Ordinances") are guaranteed 20 year "status quo" period, during which no changes are made to the use of TIF.
  - The 20-year "status quo" period will end on the later of:
    i. 20 years from the Effective Date
    ii. 20 years from the calendar year following the calendar year in which the municipality first certified debt to be financed using TIF to the County Auditor for the particular urban renewal area.
  - Following the end of the 20-year "status quo" period, the municipality will be limited to collecting 60% of the tax increment revenues otherwise available under the Extended TIF Ordinance.
  - Once the 60% TIF collection limitation is imposed, the municipality will no longer be able to collect school foundation tax levies through TIF under the Extended TIF Ordinance. A municipality may exceed the 60% TIF collection limitation to the extent necessary to pay off existing indebtedness incurred before the Effective Date, but the municipality cannot incur new indebtedness while the 60% cap is being exceeded.

Source: Ahlers & Cooney, P.C.
Changes to Iowa's Urban Renewal Act and Urban Revitalization Act Under the 2026 Property Tax Bill | Client Alerts | Ahlers & Cooney, P.C.

© PFM

Division XIII – Urban Renewal (continued)

- Affordable Housing Provisions – Workforce Housing and Removal of Section 403.22
  - For the first time, the Urban Renewal Act will include a definition of "low and moderate income family housing," which includes housing that meets the requirements of Workforce Housing under Iowa Code Section 15.353.
  - The provision of workforce housing is expressly recognized as "economic development" under Iowa Code Chapter 15A, allowing a municipality to support the development of workforce housing with public funds.
  - Iowa Code Section 403.22 is repealed. Section 403.22 applied shortened TIF sunsets to market-rate residential development projects and required these projects to fund assistance for LMI housing (often through "LMI set-aside").
  - Existing TIF ordinances in market-rate residential urban renewal areas that previously had a shortened TIF sunset under Section 403.22 will now be treated the same as existing TIF ordinances in other "economic development" designated urban renewal areas and will be subject to a 20-fiscal-year time limit on TIF collections.
  - TIF ordinances adopted after the Effective Date in market-rate residential urban renewal areas will be subject to the 23-fiscal-year time limit.

Source: Ahlers & Cooney, P.C.
Changes to Iowa's Urban Renewal Act and Urban Revitalization Act Under the 2026 Property Tax Bill | Client Alerts | Ahlers & Cooney, P.C.

© PFM

Division XIII – Urban Renewal (continued)

- Exclusion of School District Foundation Tax Levies from TIF
  - The school foundation tax levy will be excluded from TIF under the following circumstances:
    - New Ordinances Adopted January 1, 2027 or Later in Incorporated Areas. However, for fiscal years beginning on or after July 1, 2027, a municipality may request that the impacted school contribute its foundation levy if the levy is not otherwise available for TIF. The School Board can, by resolution, make the contribution to the TIF fund for one or more fiscal years.
    - Existing Ordinances that become subject to the 60% TIF Collection Limitation.
  - For TIF ordinances that are not impacted by one of the above-described exclusions of the school foundation tax levy, the property tax bill's changes to the school foundation tax levy rate are expected to reduce the amount of funds available through TIF in future fiscal years, as the school foundation tax levy rate will be reduced from the current $5.40 to $5.10 in FY 2029 and to $4.90 in FY 2030.

Source: Ahlers & Cooney, P.C.
Changes to Iowa's Urban Renewal Act and Urban Revitalization Act Under the 2026 Property Tax Bill | Client Alerts | Ahlers & Cooney, P.C.

© PFM

Division XIII – Urban Renewal (continued)

- Exclusion of School District Tax Levy from TIF – Residential Projects Receiving Urban Revitalization Tax Exemption
  - School district tax levies were recently excluded from tax exemptions applied to residential property under the Urban Revitalization Act. For fiscal years beginning on or after July 1, 2027, when a residential property is receiving and urban revitalization tax exemption and is also located within an urban renewal area, the school district taxes generated by that residential property are excluded from TIF.

- Exclusion of EMS Levies from TIF
  - A separate act (Senate File 2496) that was signed into law on May 2, 2026 excludes emergency medical services tax levies from all urban renewal areas, starting in fiscal year 2027. Similar to other exclusions of certain tax levies from the division of tax revenues under Iowa Code Section 403.19 through the TIF process, this is expected to reduce the amount of funds available through TIF.

Source: Ahlers & Cooney, P.C.
Changes to Iowa's Urban Renewal Act and Urban Revitalization Act Under the 2026 Property Tax Bill | Client Alerts | Ahlers & Cooney, P.C.

© PFM

Division XX – Homestead Credits and Exemptions

- Converts homestead credit to exemption (currently equates to $4,850 exemption)
  - State funding of credit phased out over three years
  - Year 1 and beyond exemption of 10% with a minimum of $5,500 and maximum of $20,000
  - Exemption maximum will increase with CPI according to a "Cumulative Adjustment Factor".
- Current Military Exemption ($4,000) and Senior Exemption ($6,500) remain in place.

Source: Iowa League of Cities SF 2472 Property Bill Tax Highlights

© PFM

II. Winterset – Supporting Documents

2025-2026 Budget

3/12/26, 4:20 PM Local Government Property Valuation System

FISCAL YEAR JULY 1, 2025 - JUNE 30, 2026
ADOPTION OF BUDGET AND CERTIFICATION OF CITY TAXES
The City of : WINTERSET County Name: MADISON COUNTY
Adopted On: 4/21/2025 Resolution: 2025-21

The below-signed certifies that the City Council, on the date stated above, lawfully approved the named resolution adopting a budget for next fiscal year, as summarized on this and the supporting pages.

Attached is Long Term Debt Schedule Form 703 which lists any and all of the debt service obligations of the City.

		With Gas & Electric		Without Gas & Electric	City Number: 61-583
Regular	2a	246,662,253	2b	245,880,988	Last Official Census: 5,353
DEBT SERVICE	3a	281,350,670	3b	280,569,405	
Ag Land	4a	777,090			

Consolidated General Fund Levy Calculation

	CGFL Rate	CGFL Dollars	Non-TIF Taxable w/ G&E	Taxable Growth %
FY 2025 Budget Data	8.12621	1,825,986	224,703,216	9.77
	Limitation Percentage			
	3			
	CGFL Max Rate	**CGFL Max Dollars**	**Revenue Growth %**	
Max Allowed CGFL for FY 2026	7.88953	1,946,049	6.58	

TAXES LEVIED

Code Sec.	Dollar Limit	Purpose	ENTER FIRE DISTRICT RATE BELOW			(A) Request with Utility Replacement	(B) Property Taxes Levied		(C) Rate
384.1	7.88953	Consolidated General Fund			5	1,946,049	1,939,885	43	7.88953
		Non-Voted Other Permissible Levies							
384.12(1)	0.95000	Opr & Maint publicly owned Transit			7	0	0	45	0.00000
384.12(2)	0.27000	Aviation Authority (under sec.330A.15)			11	66,599	66,388	49	0.27000
384.12(3)	Amt Nec	Liability, property & self insurance costs			14	234,775	234,032	52	0.95181
384.12(5)	Amt Nec	Support of a Local Emerg.Mgmt.Comm.			462	0	0	465	0.00000
		Voted Other Permissible Levies							
28E.22	1.50000	Unified Law Enforcement			24	0	0	62	0.00000
		Total General Fund Regular Levies (5 thru 24)			25	2,247,423	2,240,305		
384.1	3.00375	Ag Land			26	2,335	2,335	63	3.00375
		Total General Fund Tax Levies (25 + 26)			27	2,249,758	2,242,640		**Do Not Add**
		Special Revenue Levies							
384.6	Amt Nec	Police & Fire Retirement			29	0	0		0.00000
	Amt Nec	FICA & IPERS (if general fund at levy limit)			30	370,000	368,829		1.50003
Rules	Amt Nec	Other Employee Benefits			31	708,000	705,757		2.87032
		Subtotal Employee Benefit Levy (29,30,31)			32	1,078,000	1,074,586	65	4.37035
386	**As Req**	**With Gas & Elec**		**Without Gas & Elec**					
	SSMID 1 (A)	0	(B)	0	34		0	66	0.00000
	SSMID 2 (A)	0	(B)	0	35		0	67	0.00000
	SSMID 3 (A)	0	(B)	0	36		0	68	0.00000
	SSMID 4 (A)	0	(B)	0	37		0	69	0.00000
	SSMID 5 (A)	0	(B)	0	555		0	565	0.00000
	SSMID 6 (A)	0	(B)	0	556		0	566	0.00000
	SSMID 7 (A)	0	(B)	0	1177		0	1179	0.00000
	SSMID 8 (A)	0	(B)	0	1185		0	1187	0.00000
		Total Special Revenue Levies			39	1,078,000	1,074,586		
384.4	Amt Nec	**Debt Service Levy 76.10(6)**			40	823,601	821,314	70	2.92731
384.7	0.67500	**Capital Projects (Capital Improv. Reserve)**			41		0	71	0.00000
		Total Property Taxes (27+39+40+41)			42	4,151,359	4,138,540	72	16.40900

COUNTY AUDITOR - I certify the budget is in compliance with ALL the following:
Budgets that DO NOT meet ALL the criteria below are not statutorily compliant & must be returned to the city for correction.

© PFM

2026-2027 Budget (Valuations & HF 718 Max Rate)

FISCAL YEAR JULY 1, 2026 - JUNE 30, 2027
ADOPTION OF BUDGET AND CERTIFICATION OF CITY TAXES
The City of : WINTERSET County Name: MADISON COUNTY
Adopted On: 4/20/2026 Resolution: 2026-21

The below-signed certifies that the City Council, on the date stated above, lawfully approved the named resolution adopting a budget for next fiscal year, as summarized on this and the supporting pages.

Attached is Long Term Debt Schedule Form 703 which lists any and all of the debt service obligations of the City.

		With Gas & Electric		Without Gas & Electric	
Regular	2a	253,539,011	2b	252,684,347	City Number: 61-583
DEBT SERVICE	3a	297,894,585	3b	297,039,921	Last Official Census: 5,353
Ag Land	4a	828,061			

Consolidated General Fund Levy Calculation

	CGFL Rate	CGFL Dollars	Non-TIF Taxable w/ G&E	Taxable Growth %
FY 2026 Budget Data	7.88953	1,946,049	246,662,253	2.79

Limitation Percentage

1

	CGFL Max Rate	CGFL Max Dollars	Revenue Growth %
Max Allowed CGFL for FY 2027	7.81141	1,980,497	1.77

© PFM

2026-2027 Budget (Revenues & Levies)

TAXES LEVIED

Code Sec.	Dollar Limit	Purpose	ENTER FIRE DISTRICT RATE BELOW		(A) Request with Utility Replacement	(B) Property Taxes Levied		(C) Rate
384.1	7.81141	Consolidated General Fund		5	1,980,497	1,973,821	43	7.81141
		Non-Voted Other Permissible Levies						
384.12(1)	0.95000	Opr & Maint publicly owned Transit		7	0	0	45	0.00000
384.12(2)	0.27000	Aviation Authority (under sec.330A.15)		11	68,456	68,225	49	0.27000
384.12(3)	Amt Nec	Liability, property & self insurance costs		14	215,050	214,324	52	0.84819
384.12(5)	Amt Nec	Support of a Local Emerg.Mgmt.Comm.		462	0	0	465	0.00000
		Voted Other Permissible Levies						
28E.22	1.50000	Unified Law Enforcement		24	0	0	62	0.00000
		Total General Fund Regular Levies (5 thru 24)		25	2,264,003	2,256,370		
384.1	3.00375	Ag Land		26	2,488	2,488	63	3.00375
		Total General Fund Tax Levies (25 + 26)		27	2,266,491	2,258,858		**Do Not Add**
		Special Revenue Levies						
384.6	Amt Nec	Police & Fire Retirement		29	0	0		0.00000
	Amt Nec	FICA & IPERS (if general fund at levy limit)		30	375,000	373,735		1.47906
Rules	Amt Nec	Other Employee Benefits		31	745,000	742,488		2.93840
		Subtotal Employee Benefit Levy (29,30,31)		32	1,120,000	1,116,223	65	4.41746
		Total Special Revenue Levies		39	1,120,000	1,116,223		
384.4	Amt Nec	**Debt Service Levy 76.10(6)**		40	833,830	831,439	70	2.79908
384.7	0.67500	**Capital Projects (Capital Improv. Reserve)**		41		0	71	0.00000
		Total Property Taxes (27+39+40+41)		42	4,220,321	4,206,520	72	16.14614

© PFM

Winterset Historical Tax Rates

TAX RATES

The City levied the following taxes for collection during the fiscal years indicated:

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
General	8.10000	8.10000	8.10000	8.12621	7.88953
Outside	1.17123	1.22858	1.01232	1.08489	1.22181
Emergency	0.27000	0.27000	0.27000	0.00000	0.00000
Debt	2.96571	2.60626	1.85139	1.16155	2.92731
Employee Benefits	4.01804	4.31746	4.74319	4.60608	4.37035
CIP	0.00000	0.00000	0.00000	0.00000	0.00000
Total:	16.52498	16.52230	15.97690	14.97873	16.40900

HISTORIC TAX RATES

	FY 2021-22 $/$1,000	FY 2022-23 $/$1,000	FY 2023-24 $/$1,000	FY 2024-25 $/$1,000	FY 2025-26 $/$1,000
Madison County	5.91940	4.86478	5.59664	5.36794	5.02582
City of Winterset	16.52498	16.52230	15.97690	14.97873	16.40900
Winterset Community School District	17.22000	16.97003	16.14001	15.90000	15.65000
Madison County Hospital	2.50000	2.64064	2.76404	2.76404	2.76404
DSM CC	0.67789	0.69448	0.74410	0.75916	0.78046
County Assessor	0.37936	0.32819	0.31682	0.31635	0.40690
County Ag. Extension	0.26361	0.25146	0.25309	0.23895	0.24318
State of Iowa	0.00260	0.00240	0.00180	0.00180	0.00000
Total Tax Rate:	43.48784	42.27428	41.79340	40.32697	41.27940

© PFM

City TIF Tax Rates – FY 2025-2026

Winterset TIF Tax Rates FY 2025-26

County Rates	Countywide	<D/S>	Total Rate
Madison County	5.02582	(0.23063)	4.79519

City Rate	Total City	<D/S>	Total Rate
Winterset Iowa	16.40900	(2.92731)	13.48169

School District Rates	Total School	<D/S>	<PPEL Voted>	<PPEL Reg>	<ISL>	Total Rate
Winterset CSD	15.65000	(3.29577)	(1.34000)	(0.33000)	(0.61137)	10.07286

Comm. College Rates	Total CC	<D/S>	Total Rate
DMACC	0.78046	0.00000	0.78046

Other Tax Rates	
State of Iowa	0.00000
Ag Ext	0.24318
Assessor	0.40690
Hospital	2.76404
Misc	0.00000
Total	3.41412

Madison County	
County	4.79519
City	13.48169
School	10.07286
CC	0.78046
Other	3.41412
Total	**$32.54432**

Madison County	
Consolidated Tax Rate	
Cons. Levy	41.27940
Cnty D/S	(0.23063)
City D/S	(2.92731)
CSD D/S	(3.29577)
CC D/S	0.00000
PPEL Total	(1.67000)
ISL	(0.61137)
Net	**$32.54432**

© PFM

Assessment Limitations – FY 2026-2027

IT IS HEREBY ORDERED by the Department of Revenue of the State of Iowa that each county auditor shall apply the following percentages to the 2025 actual value of the following properties:

1. 59.4401% to the value of agricultural realty outside and within incorporated cities and towns in the county, excluding dwellings located on agricultural realty.

2. 44.5345% to the value of residential realty outside and within incorporated cities and towns in the county, including dwellings located on agricultural realty.

3. To the value of each property unit of commercial realty outside and within incorporated cities and towns:

   A. 44.5345% to the value of each property unit that exceeds zero dollars ($0), but does not exceed one hundred fifty thousand dollars ($150,000).

   B. 90.0000% to the value of each property unit that exceeds one hundred fifty thousand dollars ($150,000).

4. To the value of each property unit of industrial realty outside and within incorporated cities and towns:

   A. 44.5345% to the value of each property unit that exceeds zero dollars ($0), but does not exceed one hundred fifty thousand dollars ($150,000).

   B. 90.0000% to the value of each property unit that exceeds one hundred fifty thousand dollars ($150,000).

5. To the value of each property unit of railroad realty outside and within incorporated cities and towns:

   A. 44.5345% to the value of each property unit that exceeds zero dollars ($0), but does not exceed one hundred fifty thousand dollars ($150,000).

   B. 90.0000% to the value of each property unit that exceeds one hundred fifty thousand dollars ($150,000).

6. 94.2059% to the value of utility property valued by the Department pursuant to chapter 437 outside and within incorporated cities and towns.

7. 98.0000% to the value of utility property valued by the Department pursuant to chapters 428 and 438

IT IS FURTHER ORDERED that the values determined by application of the percentages ordered herein shall be the taxable value of such properties upon which property taxes will be levied in 2025 and payable in the fiscal year commencing July 1, 2026 and ending June 30, 2027.

Issued at Des Moines, Iowa the 1st day of November 2025.

IOWA DEPARTMENT OF REVENUE

BY Joy Kanne

Administrator
Local Government Services

© PFM

Assessment Limitations – Historical

Assessment Yea	Agricultural	Residential	Multi-Residenti	Commercial	Industrial	Utilities	Railroads	Water	Pipeline	Steam	Amended
2015	46.1068%	55.6259%	86.2500%	90%	90%	100%	90%				☐
2016	47.4996%	56.9391%	82.5000%	90%	90%	100%	90%				☐
2017	54.4480%	55.6209%	78.7500%	90%	90%	100%	90%				☐
2018	56.1324%	56.9180%	75%	90%	90%	100%	90%				☐
2019	81.4832%	55.0743%	71.2500%	90%	90%	100%	90%				☐
2020	84.0305%	56.4094%	67.5000%	90%	90%	98.5489%	90%				☐
2021	89.0412%	54.1302%	63.7500%	90%	90%	100%	90%				☐
2022	91.6430%	56.4919%		90%	90%	100%	90%				☐
2022	91.6430%	54.6501%		90%	90%	100%	90%				☑
2023	71.8370%	46.3428%		90%	90%	100%	90%				☐
2024	73.8575%	47.4316%		90%	90%	100%	90%				☐
2025	59.4401%	44.5345%		90%	90%	94.2059%	90%	98%	98%	98%	☐

© PFM

Winterset Property Class Mix (Taxable Valuation)

	Non TIF $	Non TIF %	TIF $	TIF %	Total Taxable $	Total Taxable %
Residential	$ 199,661,168	78.5%	$ 19,951,913	45.0%	$ 219,613,081	73.5%
Ag Land	$ 817,897	0.3%	$ -	0.0%	$ 817,897	0.3%
Ag Buildings	$ 10,164	0.0%	$ -	0.0%	$ 10,164	0.0%
Commerical	$ 54,342,798	21.4%	$ 23,214,856	52.3%	$ 77,557,654	26.0%
Industrial	$ 2,176,881	0.9%	$ 1,199,305	2.7%	$ 3,376,186	1.1%
Military Exemption	$ (760,000)	(0.3%)	$ (4,000)	(0.0%)	$ (764,000)	(0.3%)
Homestead Exemption	$ (2,736,500)	(1.1%)	$ (6,500)	(0.0%)	$ (2,743,000)	(0.9%)
Valuations W/O G&E Utilities	$ 253,512,408	99.7%	$ 44,355,574	100.0%	$ 297,867,982	99.7%
Gas & Electric Utilities	$ 854,664	0.3%	$ -	0.0%	$ 854,664	0.3%
Valuation with G&E Utilities	$ 254,367,072	100.0%	$ 44,355,574	100.0%	$ 298,722,646	100.0%

© PFM

Winterset Non-TIF vs TIF Valuations

Taxable Valuations - Total

Fiscal Year	Non- TIF	TIF	Total
2026	247,439,343	34,688,417	282,127,760
2027	254,367,072	44,355,574	298,722,646
% Change	2.80%	27.87%	5.88%

Fiscal Year	Non- TIF	TIF
2026	87.7%	12.3%
2027	85.2%	14.8%

Taxable Valuations - New Construction

Fiscal Year	Non- TIF	TIF	Total
2026	2,589,402	192,192	2,781,594
2027	2,543,787	1,343,573	3,887,360
2027 Growth	1.03%	3.87%	1.38%

Taxable Valuations - Existing Property

Fiscal Year	Non- TIF	TIF	Total
2026	244,849,941	34,496,225	279,346,166
2027	251,823,285	43,012,001	294,835,286
% Change	2.85%	24.69%	5.54%

© PFM

Winterset Exemptions

$	764,000	FY 2027 Military Exemptions ($)
	191	Military Exemptions (Count)
$	2,743,000	FY 2027 Senior Exemptions ($)
	422	Homestead Exemptions (65+) (Count)
	1,168	Homestead Credit to Exemption (Estimate)
$	20,000	Max per Homestead
$	23,360,000	Max Reduction
$	599,340,306	Assessed Valuation
	3.9%	% of Assessed Value
$	298,722,646	Taxable Valuation
	7.8%	% of Taxable Value

© PFM

III. Observations and Considerations

Observations and Considerations

- 2.00% General Fund Levy Limit
  - Consolidated General Fund
  - Aviation Authority
  - Trade-off between new construction revenues in General Fund and TIF will be a key consideration for future growth and how the City structures TIF obligations.
  - New Valuation Definition
- Financial Flexibility of other Levies
  - Liability, property & self insurance costs
  - Special Levies (FICA&IPERS and Other Employee Benefits)
- Impact of Homestead Credit to Exemption
- 35% General Fund Reserve Limitations
- No debt for general operations
- Multi-residential added back as property class with new rollback
- TIF Changes:
  - School Foundation Levy changes
  - 60% cap on TIF Districts without sunset after 20 years of status quo
  - 23-year maximum for new TIF Districts including market rate housing
  - Repeal of 403.22 and LMI Requirement

© PFM

IV. Appendices

A. Iowa League of Cities:
SF 2472 – Property Tax Highlights

500 SW 7th Street, Suite 101
Des Moines, IA 50309-4506
www.iowaleague.org

SF 2472 - Property Tax bill Highlights

This outline is not intended to be exhaustive. A full analysis of the bill will be shared as soon as it is completed.

Revenue Limitation

- 2% cap with no inflation adjustment on CGFL ← League Policy Solution (CGFL-only limitation)
    - Also includes EMS, Ag land, Aviation Authority, Public Transit
    - New Construction counted outside of the cap
        - Abatement and TIF not included in definition
- 3% cap on DART & EMAs
    - No new growth counted for these levies
- 4% cap on county hospitals
- No cap on:
    - Debt Service
    - School Funding
    - City "special" revenue levies (e.g. unified law enforcement, tort/property insurance, employee benefits)
    - Most of county supplemental (e.g. elections, employee benefits, tort/property insurance)
- $8.10 levy limitation maintained but deadline to reach it is extended two years to FY31

School Funding

- SAVE transfer as from projected 7.1% in FY27 to:
    - FY26-27 - 12.5%
    - FY27-28 - 15%
    - FY28-29 - 17.5%
    - FY29-30 - 22.5%
    - FY30-31 and thereafter - 25%
- 20-year extension on SAVE
- School Board Review Committee:
    - Adds unspent balance limit to 35 percent unless authorized by SBRC
    - Allows SBRC to deny one-time funding request
    - Requires districts to set up a policy relating to defining a target range and maximum amount of unspent balance

IOWA LEAGUE of CITIES

500 SW 7th Street, Suite 101
Des Moines, IA 50309-4506
www.iowaleague.org

Residential Property Tax Provisions

- Converts homestead credit to exemption (currently equates to a $4,850 exemption)
  - State funding of credit phased out over three years
  - Year 1 and beyond exemption 10% with a minimum of $5,500 and max of $20,000
  - Exemption maximum will rise with CPI according to the "Cumulative Adjustment Factor"
- Leaves in place current military and senior exemptions
- Funds homestead credit goes to buying buying down the the $5.40 levy to $4.90–phased in over 3 years
- Maintains current rollback calculation
  - Floating multi-res rollback rate that is phased in over 3 years
    - Year 1 - Multi-res equal to residential rollback
    - Year 2 - Multi-res equal to residential rollback plus 3%
    - Year 3 and beyond - Multi-res equal to residential rollback plus 6%
- Increase elderly and disabled rental credit from $1,000 to $1,500

Assessment & Valuation

- Shifts burden of proof to assessors if assessment increases more than 10% over two years
- Adds definition of abnormal transaction
- Updates DOR forms
- Keeps current Business Property Tax Credit at $150,000
  - Eliminates state backfill and transfers funds to taxpayer relief fund instead

Transparency & Data

- Requires county auditor to deliver parcel-level reporting to DOM annually
- Requires DOM to adopts League Taxpayer notice form ← 2026 League Priority
  - Allows online posting of taxpayer notice forms
- Revises Real estate transfer reporting

Bonding & Debt

- Restricts use of debt service for general operations
  - Bonding for direct and indirect capital expenditures for large expenses/infrastructure projects exempted from restrictions ←League policy solution
- Caps general fund reserve balances at 35%
  - Creates an "obligated funds account" for money budgeted/saved for large equipment or infrastructure purchases or projects that is not subject to the cap on reserve funds

IOWA LEAGUE of CITIES

500 SW 7th Street, Suite 101
Des Moines, IA 50309-4506
www.iowaleague.org

TIF

- 23-year sunset on all future TIF districts
- Perpetual TIFs:
    - Increment usage capped at 60% after 20 years
        - Any increment above 60% must be released back to other taxing entities
        - This 60% cap can be exceeded but only to cover pre-existing bond obligations
            - If exceeding the 60% threshold is necessary, a city cannot issue any new bonds or capture school foundation taxes during the time the threshold is exceeded
    - School foundation levy ($5.40)
        - Eliminated in perpetual TIFs after 20 years
        - Eliminated in future TIF projects
            - School district may choose to opt-in all or a portion of their foundation levy if they adopt a resolution
    - Repeals 403.22 (LMI)
    - Perpetual TIF changes effective January 1, 2027

Miscellaneous

- Establishes the First Home Iowa Accounts program
- Increases EMS levy max from $0.75 to $1.50 with new vote

B. Cornerstone/City of Dubuque: SF 2472 Impact Table

SF2472 Impact Table

Change	Description	Effective Date
General Fund 102% Levy Limit (no other levies are touched except three rate-restricted levies	City may receive no more than *102% of prior-year property-tax dollars* excluding new valuation Transit- 3% Hospital- 4%	7/1/2027
New valuation definition	Only new construction, improvements beyond normal repair, and boundary changes count toward levy growth	7/1/2027
Levy cap interaction	After FY 2030, levy cannot exceed $8.10 or formula amount, whichever is lower	FY 2031
Homestead exemption replaces credit	Value-based exemption applied before taxes. 10% of taxable value, min $5,500, max $20,000. Rollback is applied after exempting part of residential value: Assessed value, less homestead exemption, apply rollback, equals taxable value.	AY 2026 (affects FY 2028)
65+ Exemption	Applied after regular homestead exemption and after rollback applied	7/1/28
State backfill reduction – Tier 1 Rollback – Residential Rollback on Comm & Ind	2/3 in FY28; 1/3 in FY29; eliminated in FY30.	FY 2028–2030
TIF Changes		
23-year maximum for new TIF districts	All new TIF districts limited to 23 years from first certification	Upon enactment
60% revenue cap for existing perpetual TIFs	Older TIFs limited to capturing 60% of increment after 20 years (after reduction of Foundation levy)	20 years after enactment or after first certification (whichever is later)
Repeal of §403.22	LMI set-aside statute removed	Upon enactment
No new TIF debt in capped districts	Once 60% rule applies, the City cannot issue new TIF debt in that district	Upon 60%-cap activation
School foundation levy removed from TIF	Foundation levy excluded from TIF increment $5.40 reduction unless School district opts in. No state backfill	FY 2029 (taxes payable July 1, 2028+)

Debt Changes		
No debt for general operations	Cities restricted from issuing property-tax-backed debt for operating expenses	July 1, 2026
35% reserve cap	City must justify general-fund reserves above 35%	FY 2027
Mult residential		
New Classification	6% increase over 3 years. Note, assessment takes effects are two year delayed 2028-0% 2029-3% 2030-6%	
Taskforce		
	Payments in Lieu of Property Taxes	Report 1/10/27

C. Ahlers & Cooney: Changes to Iowa's Urban Renewal Act and Urban Revitalization Act under the 2026 Property Tax Bill

AHLERS COONEY
ATTORNEYS

Changes to Iowa's Urban Renewal Act and Urban Revitalization Act Under the 2026 Property Tax Bill

May 26, 2026

By attorneys Nathan Overberg and Jenna Sabroske

On May 18, 2026, Governor Reynolds signed Senate File 2472, the Iowa Legislature's property tax bill passed during the 2026 legislative session. The bill includes multiple changes for Iowa's Urban Renewal Act (Iowa Code Chapter 403) and Iowa's Urban Revitalization Act (Iowa Code Chapter 404), most of which took effect as of the bill's signing on May 18, 2026 (the "Effective Date").

CHANGES TO URBAN RENEWAL AND TAX INCREMENT FINANCING

The changes made by Senate File 2472 to the Urban Renewal Act and the use of Tax Increment Financing ("TIF") under Iowa Code Section 403.19 include:

1. Limitations on the duration of TIF under new TIF ordinances adopted within an urban renewal area
2. Limitations on the amount of tax revenues collected through TIF under existing TIF ordinances that were not previously subject to a "TIF sunset" time limit
3. Recognition of workforce housing as "economic development" and as an appropriate objective for urban renewal projects, and defining low and moderate income housing as including workforce housing
4. Removal of Iowa Code Section 403.22, which imposed unique limitations for market-rate residential projects

5. Exclusion of school foundation tax levies from TIF under some circumstances
6. Exclusion of school district tax levies from TIF with respect to residential projects that are receiving a tax exemption under the Urban Revitalization Act.

These changes to the Urban Renewal Act and the use of TIF are described further below.

TIF Ordinances Adopted After Effective Date – New 23-Year TIF Sunset

All new TIF ordinances adopted after the Effective Date, regardless of the designation of the underlying urban renewal area (slum area, blighted area, or economic development area), will be limited to twenty-three (23) years from the calendar year following the calendar year in which the municipality first certifies indebtedness to the county auditor to be paid from the division of revenue. The TIF ordinance shall automatically terminate following the 23-year period.

Notably, all urban renewal areas established after the Effective Date as an "economic development area," including areas established for the development of market-rate housing, will be subject to the 23-year TIF sunset.

Existing TIF Ordinances Not Previously Subject to a TIF Sunset Limit – 60% TIF Collection Limitation

Under the new law, existing urban renewal areas with adopted TIF ordinances that were not previously subject to a TIF sunset (referred to herein as "Extended TIF Ordinances") are granted a twenty (20) year "status quo" period, during which no changes are made to the use TIF. The 20-year "status quo" period will end on the later of: (i) 20 years from the Effective Date, or (ii) 20 years from the calendar year following the calendar year in which the municipality first certified debt to be financed using TIF to the County Auditor for the particular urban renewal area.

Following the end of the 20-year "status quo" period, the municipality will be limited to collecting 60% of the tax increment revenues otherwise available under the Extended TIF Ordinance. Once the 60% TIF collection limitation is imposed, the municipality will no longer be able to collect school foundation tax levies through TIF under the Extended TIF Ordinance. A municipality may exceed the 60% TIF collection limitation to the extent necessary to pay off existing

indebtedness incurred before the Effective Date, but the municipality cannot incur new indebtedness while the 60% cap is being exceeded.

Affordable Housing Provisions – Workforce Housing and Removal of Section 403.22

For the first time, the Urban Renewal Act will include a definition of "low and moderate income family housing," which expressly includes housing that meets the requirements of Workforce Housing under Iowa Code Section 15.353. Relatedly, the provision of workforce housing is expressly recognized as "economic development" under Iowa Code Chapter 15A, expressly allowing a municipality to support the development of workforce housing with public funds.

Additionally, Iowa Code Section 403.22 is repealed. Section 403.22 applied shortened TIF sunsets to market-rate residential development projects and required these projects to fund assistance for LMI housing (often funded through "LMI set-aside"). Existing TIF ordinances in market-rate residential urban renewal areas that previously had a shortened TIF sunset under Section 403.22 will now be treated the same as existing TIF ordinances in other "economic development" designated urban renewal areas, and will be subject to a 20-fiscal-year time limit on TIF collections. TIF ordinances adopted after the Effective Date in market-rate residential urban renewal areas will be subject to the 23- fiscal-year time limit on TIF discussed above.

Exclusion of School District Foundation Tax Levies from TIF

The school foundation tax levy will be excluded from TIF under the following circumstances.

> New Ordinances Adopted January 1, 2027 or Later in Incorporated Areas
> For new TIF ordinances approved on or after January 1, 2027, with respect to property located in an incorporated area (i.e., within a city), the school foundation tax levy will be excluded from TIF. However, for fiscal years beginning on or after July 1, 2027, a municipality may request that the impacted school contribute its foundation levy if the levy is not otherwise available for TIF. The School Board can, by resolution, make the contribution to the TIF fund for one or more fiscal years.

Existing Ordinances That Become Subject to 60% TIF Collection Limitation

For an Extended TIF Ordinance (as defined above), the school foundation tax levy will be excluded from TIF once the Extended TIF Ordinance becomes subject to the 60% TIF collection limitation described above.

For TIF ordinances that are not impacted by one of the above-described exclusions of the school foundation tax levy, the property tax bill's changes to the school foundation tax levy rate are expected to reduce the amount of funds available through TIF in future fiscal years, as the school foundation tax levy rate will be reduced from the current $5.40 to $5.10 in FY 29, and to $4.90 in FY 30.

Exclusion of School District Tax Levies from TIF – Residential Projects Receiving Urban Revitalization Tax Exemption

School district tax levies were recently excluded from tax exemptions applied to residential property under the Urban Revitalization Act. For fiscal years beginning on or after July 1, 2027, when a residential property is receiving an urban revitalization tax exemption and is also located within an urban renewal area, the school district taxes generated by that residential property are excluded from TIF.

Exclusion of EMS Levies from TIF

Relatedly, a separate act (Senate File 2496) that was signed into law on May 2, 2026 excludes emergency medical services tax levies from TIF for all urban renewal areas, starting in fiscal year 2027. Similar to the other exclusions of certain tax levies from the division of tax revenues under Iowa Code Section 403.19 through the TIF process, this is expected to reduce the amount of funds available through TIF.

CHANGES TO URBAN REVITALIZATION

Senate File 2472 re-establishes the "multiresidential" assessment category (which had been removed, by legislation adopted in 2021, from Iowa's property assessment classification framework for assessments beginning January 1, 2022). Accordingly, references to the multiresidential assessment category will be added back into Iowa Code Chapter 404 as of January 1, 2027.

Additionally, the new limitation excluding school district tax levies from TIF with respect to residential projects that are receiving a tax exemption under the Urban Revitalization Act—discussed above—has been added to Iowa Code Section 404.3D in the Urban Revitalization Act.

This article is only a summary of the changes implemented by the property tax bill SF 2472. We encourage you to consult with legal counsel if you have specific questions about the impact of the bill.

About Ahlers & Cooney's Client Alerts

Our Client Alerts are intended to provide occasional general comments on new developments in Federal and State law and regulations which we believe might be of interest to our clients. The Client Alerts should not be considered opinions of Ahlers & Cooney, P.C., and are not intended to provide legal advice. Readers should not under any circumstance act upon the information in this publication without seeking specific professional counsel. Please note that AI tools may not accurately interpret or apply the legal information contained in this alert; reliance on such tools is not a substitute for professional legal advice. Ahlers & Cooney will be pleased to provide additional details regarding any article upon request. Additional copies of this Client Alert may be obtained by contacting any attorney in the Firm or by visiting the Firm's website at www.ahlerslaw.com.

©2026 Ahlers & Cooney, P.C. All Rights Reserved.
NOTICE TO THE PUBLIC The determination of the need for legal services and the choice of a lawyer are extremely important decisions and should not be based solely upon advertisements or self-proclaimed expertise. This disclosure is required by rule of the Supreme Court of Iowa. Memberships and offices in legal fraternities and legal societies, technical and professional licenses, and memberships in scientific, technical and professional associations and societies of law or field of practice does not mean that a lawyer is a specialist or expert in a field of law, nor does it mean that such lawyer is necessarily any more expert or competent than any other lawyer. All potential clients are urged to make their own independent investigation and evaluation of any lawyer being considered. This notice is required by rule of the Supreme Court of Iowa.

Overberg, Nathan

Shareholder

Phone:
515-246-0329

Email:
noverberg@ahlerslaw.com

Sabroske, Jenna

Shareholder

Phone:
515-246-0328

Email:
jsabroske@ahlerslaw.com

« Back

© 2026 Ahlers & Cooney, P.C. All Rights Reserved.

D. Moody's Ratings:
Limit on property taxes will reduce cities and counties flexibility to raise revenue

SECTOR COMMENT
8 May 2026

Send Your Feedback

Contacts

Isabella Romano +1.312.706.9960
Associate Lead Analyst
isabella.romano@moodys.com

Bevin Erickson +1.980.435.5501
AVP-Analyst
bevin.erickson@moodys.com

Gera M. McGuire +1.312.706.9977
Associate Managing Director
gera.mcguire@moodys.com

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Local Government – Iowa

Limit on property taxes will reduce cities and counties' flexibility to raise revenue

On 3 May, the Iowa (Aaa stable) state legislature passed a new law (Senate File 2472) that will cap annual increases in property tax revenue for cities, counties, community colleges and most other special districts at 2%, net of new valuation. The governor is expected to sign the bill into law, which would then take effect on 1 July 2027.

The cap is credit negative for these units of local government because it limits their revenue-raising flexibility. However, we expect the majority to weather the change without a significant decline in credit quality because of healthy reserves, the ability to raise alternative revenue and growing tax bases. In contrast, we estimate just under 10% of Iowa cities and counties we rate are highly exposed to the new caps and could be financially strained within the next three years.

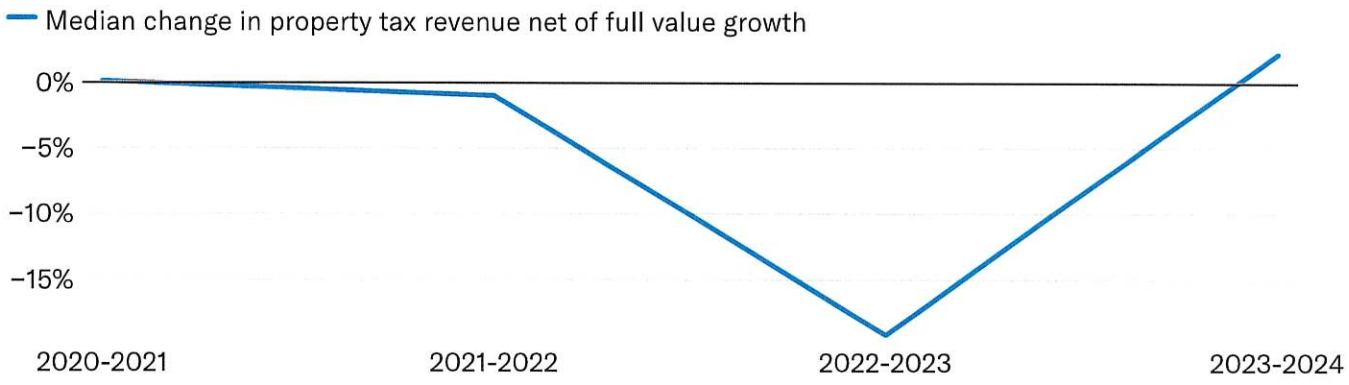
The new cap will not apply to revenue generated from new construction, additions on existing buildings or boundary adjustments, and will not apply to debt service levies or school district funding.

The Iowa Legislative Services Agency estimates the changes to property tax revenue limitations could reduce local government revenue roughly $110 million in fiscal 2028 (ending June 30), compared with the base year of fiscal 2024, rising to over $430 million by fiscal 2033.

While any reduction in financial flexibility is credit negative, most cities and counties will be able to adapt to the new law without notably lowering credit quality. However, the limitation could significantly affect the handful of cities and counties that have historically relied on larger increases to property taxes, have less financial flexibility or hold more narrow reserves.

Most cities and counties we rate increased property tax revenue at a slower rate than full value growth between fiscal 2020 and fiscal 2024 (see Exhibit 1). While full value growth is not a direct proxy for net new construction, this trend suggests most cities and counties will not need to materially curb the rate at which they have increased property tax revenue. In contrast, we estimate about 7% of Iowa cities and counties we rate increased property taxes faster than full value growth over the same period, indicating they may need to reduce the rate of growth under the new law, though many of these entities had additional revenue raising flexibility or strong liquidity to offset the effect of lower property tax revenue growth.

Exhibit 1
Median full value growth generally matched or exceeded property tax growth between fiscal 2020 and fiscal 2024

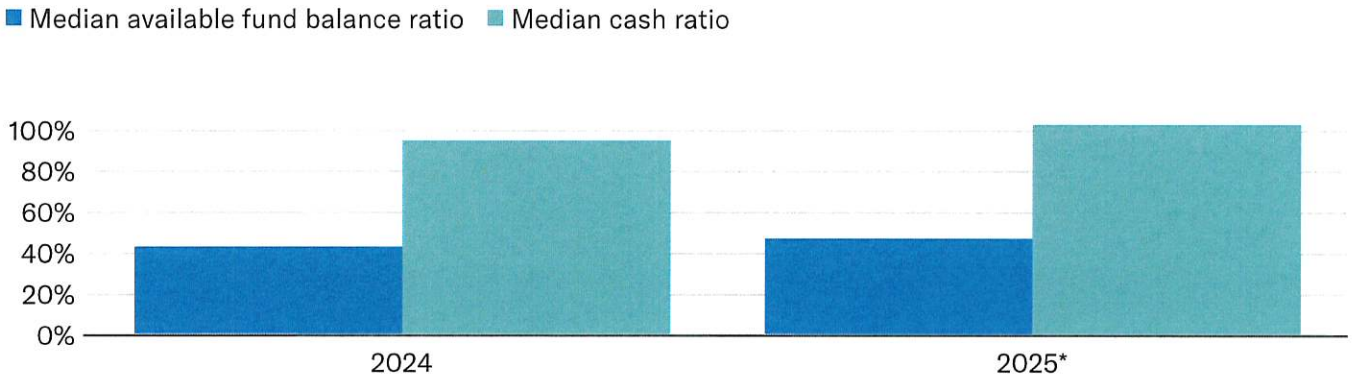


Source: Moody's Ratings

The median city or county relied on property taxes for about 50% of operating revenue in fiscal 2024, but most have alternative sources of revenue left to tap. Cities and counties can levy local option sales taxes (up to 1%) and lodging taxes (up to 7%), which are subject to voter approval. Cities can additionally implement utility franchise fees up to 5%. We estimate about three quarters of cities and counties we rate had substantial room to increase these rates. Meanwhile, roughly 6% rely on property taxes for more than 50% of operating revenue and have limited ability to increase these alternative revenue sources, which will reduce flexibility to absorb the change in law.

Cities and counties also generally carry strong reserves, which can provide buffers to absorb slowing revenue growth. The median entity had nearly 100% of annual operating revenue in cash in fiscal 2024 (see Exhibit 2). Only about 3% of the cities and counties we rate carried less than 30% of annual operating revenue in cash.

Exhibit 2
Iowa cities and counties hold very strong reserves



* Data reflects receipt of roughly 60% of fiscal 2025 audits; results may change once all audits have been received.
Source: Moody's Ratings

Our ongoing monitoring of cities and counties with narrow liquidity, limited room to raise alternative revenue, a history of relying on larger increases in property tax revenue or some combination thereof will consider any plans to adjust expenditures in fiscal 2028 and beyond.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on https://ratings.moodys.com for the most updated credit rating action information and rating history.

The strain on community colleges will likely be minimal because they are less reliant on property taxes, hold strong reserves and have a broad ability to adjust tuition and fees when needed. The median Iowa community college relied on property tax revenue for just 5% of the annual operating budget and carried over 50% of annual general fund revenue in cash reserves. All the community colleges we rate grew property tax revenue at a slower rate than full value growth between fiscal 2020 and fiscal 2024.

It is common for states to limit annual property tax growth, often to provide property tax relief for homeowners. States with similar limitations include Colorado (Aa1 stable), Michigan (Aa1 stable), Massachusetts (Aa1 stable), North Dakota (Aa1 stable), Oregon (Aa1 stable), New York (Aa1 stable), Texas (Aaa stable) and Wisconsin (Aa1 stable).

© 2026 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.
CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE LEGAL, COMPLIANCE, INVESTMENT, FINANCIAL OR OTHER PROFESSIONAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES OR OTHERWISE MAKES AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.
MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.
ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL.
MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.
All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating or assessment is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating or assessment process or in preparing its Materials.
To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating or assessment assigned by MOODY'S.
To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.
NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.
Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and all MCO entities that issue ratings under the "Moody's Ratings" brand name ("Moody's Ratings"), also maintain policies and procedures to address the independence of Moody's Ratings' credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at ir.moodys.com under the heading "Investor Relations — Corporate Governance — Charter and Governance Documents - Director and Shareholder Affiliation Policy."
Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo S.A., Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local MX S.A. de C.V, I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., Moody's Local PA Calificadora de Riesgo S.A., Moody's Local CR Calificadora de Riesgo S.A., Moody's Local ES S.A. de CV Clasificadora de Riesgo, Moody's Local RD Sociedad Calificadora de Riesgo S.R.L. and Moody's Local GT S.A.(collectively, the "Moody's Non-NRSRO CRAs") are all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of the Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.
Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.
Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.
Additional terms with respect to Second Party Opinions and Net Zero Assessments (as defined in Moody's Ratings Rating Symbols and Definitions): Please note that neither a Second Party Opinion ("SPO") nor a Net Zero Assessment ("NZA") is a "credit rating". The issuance of SPOs and NZAs is not a regulated activity in many jurisdictions, including Singapore. EU: In the European Union, each of Moody's Deutschland GmbH and Moody's France SAS provide services as an external reviewer in accordance with the applicable requirements of the EU Green Bond Regulation. JAPAN: In Japan, development and provision of SPOs and NZAs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used

within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.

REPORT NUMBER 1483550

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454



pfm