

March 3, 2025

City of Dubuque Explains Upcoming Taxpayer Statement Mailer

The City of Dubuque is informing residents and property owners that a taxpayer statement regarding next year's City of Dubuque property taxes will be delivered in the coming weeks.

Dubuque property owners will soon receive notifications, **which are required and prepared by the State of Iowa**, showing a more than 14% increase in the City portion of residential property taxes next year when the proposed increase is actually 3.90% to residential property. The taxpayer statement will also indicate a 15.57% increase in the City portion of taxes for commercial property, when the proposed increase is actually 1.9% for commercial property.

The Dubuque City Council has set a public hearing date for March 25, 2025, on a maximum proposed property tax rate for fiscal year (FY) 2026 (July 1, 2025 – June 30, 2026) of \$10.0637 per thousand dollars of assessed value. This proposed rate would represent:

- a 3.9% increase in city taxes for residential property,
- a 1.9% increase in city taxes for commercial property, and
- a 1.73% increase in city taxes for industrial property.

The mailing is required by state legislation passed in 2023. The document, which must be mailed in March, is created by the Iowa Department of Management.

The calculation used in the taxpayer statement by the Iowa Department of Management assumes a 10% increase in the valuation of both residential and commercial properties from 2025 to 2026. City of Dubuque properties were not assessed for revaluations last year so there is no basis for a 10% increase in valuations. Generally, only property owners who took out building permits to make property improvements might have increased assessments.

The 3.9% increase to the average Dubuque residential property owner includes a 2.35% increase in Iowa's property tax rollback rate, which makes more of a property's value subject to property taxes.

For information on Dubuque property tax rates and other City fees, property owners, residents, and stakeholders are encouraged to stay informed throughout the City's budget adoption process throughout March and April.

The Dubuque City Council's March 25 public hearing to set the maximum property tax rate will be held at 6:30 p.m. At that meeting, the city council will set the maximum property tax rate for FY2026. The new rate will not be finalized until the city council votes to adopt the new rate on April 28. The council may choose to reduce the final rate, but it cannot be higher than the maximum rate set on March 25.

Dubuque City Manager Mike Van Milligen will present the recommended FY2026 budget to the city council at the March 31 meeting. City departments will then give budget presentations at seven subsequent public meetings at 6:30 p.m. on April 2, 3, 8, 9, 10, 22, and 24.

All meetings will air live on CityChannel Dubuque (Mediacom cable channels 8 and 117.2 and ImOn channel 5). They will be streamed and archived on the City's website at www.cityofdubuque.org/media, and streamed on the City's Facebook page at www.facebook.com/cityofdubuque. The public is invited to provide input in person at the meeting or virtually through the GoToMeeting platform. Instructions can be found within the meeting agenda at www.cityofdubuque.org/agendas.

Public input on the FY2026 budget may also be submitted online at any time through the budget public comments form at www.cityofdubuque.org/FY2026budget. Residents may also contact City Council members at www.cityofdubuque.org/councilcontacts.

For the proposed FY2026 budget, Dubuque would have the lowest city property tax rate as compared to the 11 largest cities in the state of Iowa with a population greater than 50,000 population.

In July 2023, Moody's Investor Service upgraded the City's outstanding general obligation bonds from Aa3 to Aa2, the third-highest available. In January, 2025, Moody's Investor Services affirmed the Aa2 credit rating on general obligation bonds. The higher credit rating means the City can borrow money at lower costs and is outside affirmation of the fiscally responsible decision making of the Mayor and City Council.

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