

Commission votes to exceed revenue neutral tax rate

(KNZA)--The Hiawatha City Commission Monday evening approved a resolution stating their intent to exceed the state-imposed revenue neutral tax rate as work continues on the proposed 2024 city budget.

The action was taken on a 4-1 vote, with Commissioner Brian Shefferd casting the lone dissenting vote.

The city must notify the county clerk by July 20 if they intend to exceed the revenue neutral rate.

The revenue neutral rate, (RNR), is the mill levy rate needed to generate the exact same amount of property tax revenue as the year before, using the current tax year's total assessed valuation.

City Administrator Becky Berger said the city's assessed valuation increased about \$3.5 million, making the revenue neutral rate 36.475 mills.

She proposed three property tax rate options for 2024. The commission opted to go with the highest rate option at 53.012 mills. Berger explained the number is not locked in and can be lowered, but not increased, before the budget is finalized.

Mayor Becky Shamburg said it gives the city wiggle room as they continue to look for ways cut the budget.

Commissioner Shefferd said he's not in favor of increasing taxes.

A public hearing is set for September 11 at City Hall on the city's intent to exceed the RNR.

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