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CITY OF MUSCATINE PRESS RELEASE

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PUBLIC HEARING ON FY 2020-2021 CITY BUDGET IS MARCH 19

Second of two public hearings to be held before City Council approval of budget

MUSCATINE, Iowa – The second of two public hearings on the proposed City of Muscatine Fiscal Year 2020-2021 budget will take place during the March 19 City Council meeting. The first public hearing on the maximum property tax dollars for certain levies was held during the March 5 City Council meeting.

The two public hearings are a new requirement for municipalities passed by the state legislature in 2019.

Once the Council approves the resolution approving the maximum property tax dollars for certain tax levies, the Council will vote on the resolution setting the second public hearing on the adoption of the budget and the certification of taxes for the FY 2020-2021 budget. That public hearing is tentatively scheduled for 7 p.m. on Thursday, March 19, 2020, in the City Council Chambers at Muscatine City Hall.

The proposed tax levy rate for the 2020/2021 budget is \$15.67209 per \$1,000 of valuation, which is the same total tax rate as the last eight years. With the relatively small (0.85 percent) increase to taxable valuations, total property tax revenue for the City will increase by \$113,213, which is a 0.80 percent increase in property tax dollars.

Information on the second public hearing can be found on the City of Muscatine web site. [BUDGET HEARING](#). The amounts in the public hearing notice reflect the budget amounts approved by City Council during their budget review sessions, in the format required by the State of Iowa.

Prior to the FY 2020-2021 budget hearing, a Public Hearing on Amendment #1 to the FY 2019-2020 City Budget will be held. Amendment #1 will amend the 2019/2020 budget to the revised estimate amounts considered by City Council during their 2020/2021 budget review process including both revenues and expenditures to the currently estimated amounts. The amendment also reflected updated capital project construction schedules. [AMENDMENT #1](#).

Why two hearings?

Senate File 634 was passed in 2019 and requires all cities to pass a resolution establishing the maximum property tax dollars for certain levies prior to the adoption and certification of the final budget. The City of Muscatine tax levies that were required to be included in the Public Hearing held Thursday (March 5) are the General, Transit, Tort Liability/Insurance, and Employee Benefits levies. Two levies are not required to be included (Debt Service and Ag Land).

The tax dollars from those levies in the proposed 2020/2021 budget total \$11,991,593 compared to \$11,657,803 for those levies in the 2019/2020 budget. The difference is a 2.86 percent (\$333,790) increase in tax dollars when considering only those levies required to be included in the Public Hearing. However, when combined with the Debt Service and Ag Land tax levy revenues, the overall increase falls to \$113,213 (0.80 percent increase) in tax dollars for the overall City tax levy.