

Des Moines will vote on sales tax increase in March

Austin Cannon | The Des Moines Register | 1:54 pm CST December 14, 2018



The 1 percent sales tax is applied only where a majority of voters have approved it.
Kim Norvell/Des Moines Register



Signs and balloons remind shoppers of the sales tax holiday.
Register file photo

Des Moines voters will be asked again whether the city should increase the local sales tax by a penny in March.

This time, they don't need support from the suburbs for it to pass.

The City Council will vote Monday on a spending plan for the estimated \$37 million the 1-cent tax could generate in its first year. The money would be split evenly between property tax relief and a handful of quality-of-life initiatives.

The city will set a March 5 referendum date early next year.

This is not the first time Des Moines residents have been asked to consider a sales tax increase.

[View | 10 Photos](#)

10 photos: Black Friday shopping around Des Moines

Last March, a majority of the city's voters (54 percent) approved a 1-cent increase, but the measure failed after a majority of suburban voters rejected it.

But that's not an issue this time around.

In May, the Iowa Legislature nixed the state rule that required cities with contiguous borders vote together on local option sales tax issues.

Leaders from several suburban cities told the Register they too will consider putting the sales tax issue before voters in 2019.

► **PREVIOUS:** [Des Moines, West Des Moines eye March for another local option sales tax vote](#)

However, West Des Moines is the only city that's committed to holding the vote in March.

If approved by voters, the sales tax would increase from 6 cents to 7 cents.

Where will the money go?

The spending proposal that Des Moines officials will consider Monday is similar to one approved before the vote last March.

Roughly \$18.5 million — half the revenue the sales tax is expected to generate in the first year — would go toward property tax relief.

That would allow Des Moines to cut its property tax rate by 60 cents to \$16.64 per \$1,000 of a property's assessed value, according to the city.

The owner of a \$200,000 home would save around \$65 per year in property taxes.

Des Moines planned to lower the property tax rate last March if the sales tax passed. It didn't and two days later the city raised the levy rate by 20 cents.

A similar property tax increase could be in store if the sales tax fails to pass this spring.

Des Moines officials say the city would need to raise the property tax rate by \$1.50 over several years to maintain acceptable levels of services if the sale tax increase doesn't happen.



A portion of the \$37 million the Des Moines could get from a 1-cent sales tax increase would go toward removing blighted homes like this one in the River Bend neighborhood.

Rodney White/The Register

The remaining \$18.5 million would be split among several community betterment programs, including:

- Street improvement projects, including work on Fleur Drive, Pennsylvania Avenue and East Court Avenue
- Stormwater improvements to reduce the impact of flooding
- Neighborhood blight, including the demolition of blighted properties
- Rental housing enforcement
- Extending hours of operation for Des Moines Public Library branches
- Fire station upgrades and paying for 13 firefighter positions currently covered by a federal program set to expire this month
- Supporting Broadlawns Medical Center's mobile crisis unit so it can respond to more incidents involving youths

A Mid-Iowa Organizing Strategy (AMOS), an advocacy group comprised mostly of local churches, and others have petitioned the city for several of the items included in the spending plan, including the money for blighted neighborhoods.

“I think our community members kind of stepped up and saw this as a priority and really wanted to have their voice in the process as we moved forward,” said Jen Schulte, Des Moines’ director of government relations.

Des Moines officials said the sales tax revenue would allow the city to demolish around 150 blighted homes a year. The city currently removes seven to 15 homes a year. It would also improve sidewalks near bus stops and schools.

Sue Woody, executive director of the Des Moines Public Library, said she was “thrilled” to hear that additional library hours were added to the proposal.

“The library is for everyone and potentially does affect everyone in the city,” she said.

► **RELATED:** [Group pushes Des Moines to use sales tax money to extend library hours](#)

Flood prevention

One item that was not on last year's list: Money for stormwater improvements.

City Manager Scott Sanders said the June 30 downpour that flooded hundreds of Des Moines homes pushed flood mitigation efforts to the top of the city's priority list.

“We have to respond to citizen concerns and needs,” Mayor Frank Cownie said.

Money from the sales tax would speed up stormwater improvement projects designed to lessen the impact of flooding near Four Mile, Closes and Yeader creeks along with other areas susceptible to flooding.

[View | 12 Photos](#)

Photos: Des Moines to buy flood damaged homes

It would add to existing efforts to improve the city's stormwater management.

In August, [the city increased stormwater fees](#) that will raise \$25 million for neighborhood flood mitigation efforts. The city has put another \$120 million toward accelerating projects [in four areas with inadequate storm sewers](#).

Gloria Hoffman said including flood mitigation as a priority for the sales tax revenue is “an excellent idea.” The basement of her Beaverville home flooded this summer and she now serves on a residents’ committee focused on infrastructure repairs.

“It takes money to do these things,” she said.

► **RELATED:** [Iowa's largest property tax cut in history fails to deliver, Register investigation finds](#)

Around the metro

Des Moines likely won't be the only metro city to vote on a sales tax increase next year.

The West Des Moines City Council is expected to discuss the sales tax Monday night and set a March 5 referendum date early next year, Mayor Steve Gaer said.

Fifty-two percent of the city's voters supported the sales tax increase in March.

A 1-cent sales tax would generate about \$7 million per year for West Des Moines.

Dallas County voters approved a 1-cent increase in November 2017 and, because a portion of West Des Moines sits in Dallas County, it gets a piece of the pie.

West Des Moines used that money to trim its property tax levy by 21 cents citywide this year. It used another \$1 million for quality-of-life projects.

Clive and Urbandale are also split between the two counties. Neither city will pursue a March sales tax vote, but they could seek a vote later in 2019, officials said.

A Pleasant Hill spokeswoman said last week the city hadn't yet made a decision on whether to put the sales tax on the ballot in March.

Ankeny and Johnston officials said neither city will vote in March. Altoona and Windsor Heights didn't respond to requests for comment.

Link to article: <https://amp.desmoinesregister.com/amp/2302691002>