



## Township Government in Iowa

by Amy K. Frantz

The average county in Iowa has about 20 townships today, covering all areas outside of a municipal boundary.<sup>1</sup> Township officers now consist of three Township Trustees and a Township Clerk. The main areas of responsibility for townships are fire protection and cemeteries.<sup>2</sup> "Township Government in Iowa," a new *Policy Study* from Public Interest Institute, looks at the amount of property tax revenue being held in reserve by townships, and whether some type of limit on those reserves might be necessary.

The Iowa Code requires Township Trustees to prepare and adopt a budget for the following fiscal year, which must be transmitted to the County Auditor for posting. This budget must include the estimated Beginning Fund balance for the beginning of the fiscal year, the estimated amount to be raised by taxation, the estimated amount of income from sources other than property taxation, estimated expenditures for the fiscal year, and the estimated Ending Fund balance at the end of the fiscal year.

Many townships carry large Ending Fund balances in reserve when compared to their estimated expenditures for the fiscal year. This is not unique to townships; the state's budget has, at times, ended the fiscal year with funds in reserve for future emergencies. The Iowa Code makes provisions for an economic emergency fund, or rainy day fund, for the state budget. When the state budget runs a surplus, the surplus must be placed in the rainy day fund. However, the economic emergency fund may not exceed 10% of the amount spent in the state's General Fund.

The reserves some townships are estimated to have in their Ending Fund balance at the end of the current fiscal year (June 30, 2004) is more than ten times their estimated expenditures for this fiscal year. While it might be fiscally prudent to keep some portion of the budget in reserve, some townships' reserves seem excessive. Twelve townships in Iowa have an estimated Ending Fund balance of more than 1,000% of the township's estimated expenses.<sup>3</sup>

The amount of money held in reserve by townships is small when compared to the state's annual General Fund budget of over \$4 billion. The total amount of funds held in reserve by all townships in the state is just under \$20 million. However, the total amount of estimated expenditures for the fiscal year by all townships in the state is \$22.2 million.<sup>4</sup> Iowa's townships as a whole are holding enough in reserve to fund nearly an entire year's worth of township expenses. And many townships are raising amounts through taxation that are higher than the amount of estimated expenditures for the fiscal year. Iowa's Legislators should consider placing limits on the amount that a township may hold in reserve, such as limiting the Ending Fund balance to 10% of the amount spent by the township for the fiscal year. Looking at the townships by county, there is not one county whose townships will not hold more than 10% of their estimated expenditures in reserve at the end of this fiscal year.

Township government existed in Iowa even before Iowa became a state. The officers of the early townships were responsible for most of the local government duties, and had a great deal more to do than today's township officers. Today, townships are mainly responsible for fire protection services and the provision of cemeteries. In budgeting and raising taxes for those services, many Township Trustees have

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**Percent of estimated expenditures for Fiscal Year 2004  
held in Ending Fund of Township Governments, by County**

Adair	63.75%	Jefferson	81.16%
Adams	72.79%	Johnson	99.36%
Allamakee	42.77%	Jones	82.81%
Appanoose	107.29%	Keokuk	132.67%
Audubon	62.57%	Kossuth	119.14%
Benton	70.10%	Lee	42.85%
Black Hawk	50.07%	Linn	151.91%
Boone	54.89%	Louisa	81.33%
Bremer	116.22%	Lucas	20.28%
Buchanan	238.43%	Lyon	40.36%
Buena Vista	89.84%	Madison	85.21%
Butler	75.00%	Mahaska	82.45%
Calhoun	277.97%	Marion	64.69%
Carroll	132.05%	Marshall	156.90%
Cass	31.70%	Mills	1284.86%
Cedar	17.48%	Mitchell	108.73%
Cerro Gordo	122.39%	Monona	122.15%
Cherokee	135.68%	Monroe	42.36%
Chickasaw	119.92%	Montgomery	32.39%
Clarke	99.84%	Muscatine	74.88%
Clay	269.60%	O'Brien	267.16%
Clayton	88.65%	Osceola	117.17%
Clinton	18.77%	Page	78.77%
Crawford	75.91%	Palo Alto	118.42%
Dallas	79.36%	Plymouth	48.45%
Davis	143.54%	Pocahontas	331.64%
Decatur	54.15%	Polk	74.19%
Delaware	15.89%	Pottawattamie	113.53%
Des Moines	64.86%	Poweshiek	378.73%
Dickinson	59.74%	Ringgold	51.07%
Dubuque	14.31%	Sac	121.60%
Emmet	310.53%	Scott	43.76%
Fayette	36.81%	Shelby	43.99%
Floyd	135.92%	Sioux	117.20%
Franklin	90.14%	Story	139.50%
Fremont	225.22%	Tama	98.17%
Greene	227.78%	Taylor	45.92%
Grundy	29.82%	Union	17.85%
Guthrie	99.00%	Van Buren	24.04%
Hamilton	72.70%	Wapello	99.65%
Hancock	81.20%	Warren	29.54%
Hardin	101.65%	Washington	32.99%
Harrison	N/A	Wayne	87.58%
Henry	52.78%	Webster	105.34%
Howard	277.42%	Winnebago	83.93%
Humboldt	138.25%	Winneshiek	80.93%
Ida	72.94%	Woodbury	107.77%
Iowa	42.62%	Worth	28.46%
Jackson	32.46%	Wright	89.75%
Jasper	66.59%		
		<b>Total - All Counties</b>	<b>89.85%</b>

become excessive about protecting their township from a “rainy day” by holding in reserve an amount close to that needed to fund the annual expenditures of every township in Iowa. The Legislature should consider placing limits on the amount of funds townships may hold in reserve.

Many of the tasks of the original township governments, such as building and maintaining roads, the actual assessing and collecting of taxes, and law enforcement duties, have been transferred to other government entities. Perhaps Legislators should also consider whether township government is still necessary in Iowa.

**ENDNOTES:**

<sup>1</sup>Norm Riggs, “Know Your Township Government,” *Acreage Answers* newsletter, Iowa State University Cooperative Extension, Vol. 1, Issue 4, October-November 2000, p. 2.

<sup>2</sup>Township Trustee duties and levy authority can be found in State Code of Iowa 2001, Chapter 359, pp. 3422-30, and Chapter 359A, pp. 3430-4.

<sup>3</sup>Amy K. Frantz, “Township Government in Iowa,” *Policy Study* No. 04-1, January 2004, <<http://www.limitedgovernment.org/publications/pubs/studies/ps-04-1.pdf>>, p. 6.

<sup>4</sup>Ibid, p. 10.

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Source: Adopted Budget and Certificate of Taxes for each Township in Iowa, Fiscal Year July 1, 2003 - June 30, 2004, from the Iowa Department of Management. Percents calculated by author.

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