

## **BILL NO. 18-81**

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AN ORDINANCE AMENDING SECTION 28-179 OF THE CODE OF ORDINANCES OF THE CITY OF LEE'S SUMMIT BY REVISING THE TAX RATES BY LAND USE CATEGORY FOR CALCULATION OF THE LICENSE TAX ON BUILDING CONTRACTORS.

WHEREAS, Section 28-179 of the City's Code contains the methodology of the calculation of the license tax imposed by the City of Lee's Summit, Missouri ("City") upon building contractors; and,

WHEREAS, the License Tax Review Committee met November 13, 2017 and prepared recommendations regarding the license tax imposed on building contractors (the "License Tax")

WHEREAS, The License Tax Review Committee recommended the following recommendations: (1) increase License Tax fees by 10% starting in FY2019 for development work categorized as commercial, manufacturing or industrial, (2) manage the license tax fund on a cash-flow basis and not use the fund for debt financing and (3) that transportation projects eligible for License Tax funding should be limited to projects identified in the City's Thoroughfare Master Plan; and,

WHEREAS, the City Council supports the License Tax Review Committee's recommendations; and,

WHEREAS, City wishes to amend section 28-179 to provide for the 10% increase for commercial, manufacturing and industrial developments as recommended by the License Tax Review Committee; and,

WHEREAS, the City also wishes to amend section 28-179 to provide for ordinance as the method of amendment of the License Tax rates as opposed to amendment by resolution.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LEE'S SUMMIT, MISSOURI, as follows:

SECTION 1. That the City Council of the City of Lee's Summit hereby declares its support of the recommendations of the License Tax Review Committee set forth herein.

SECTION 2. That Section 28-179, entitled "Calculation of the license tax" of the Code of Ordinances of the City of Lee's Summit shall be amended to read as follows:

Sec. 28-179. - Calculation of the license tax.

A. The City shall calculate the license tax as follows:

1. The Council shall by ordinance establish the license tax imposed upon a building contractor that shall be calculated by multiplying the trip generation rate by the license tax rate.
2. Trip generation rate. The trip generation rate is a measurement of the number of trips to and from a building for which a building permit application is submitted.
  - a. The License Tax Administrator shall determine the trip generation rate for residential property by multiplying the number of dwelling units by the trip generation rate specified for the specific type of land use category.

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b. The License Tax Administrator shall determine the trip generation rate for non-residential property by dividing the total floor area of the building, measured in square feet, by one thousand (1,000), and then multiplying that number by the trip generation rate specified for the specific type of land use category.

3. License tax rate. The license tax rate is a measurement of the rate of tax to be paid by building contractors according to land use classifications.

**B. Tax rates by land use category.**

Land Use Category	Tax Rate
Residential	\$ 1,088.00 per new trip
Manufacturing/industrial	\$ 1,000.00 per new trip
Commercial	\$ 750.00 per new trip

SECTION 3. That this Ordinance shall be in full force and effect from and after the date of its passage and adoption, and approval by the Mayor.

PASSED by the City Council of the City of Lee's Summit, Missouri, this \_\_\_\_ day of \_\_\_\_\_, 2018.

ATTEST:

\_\_\_\_\_  
Mayor *William A. Baird*

\_\_\_\_\_  
City Clerk *Trisha Fowler Arcuri*

APPROVED by the Mayor of said city this \_\_\_\_ day of \_\_\_\_\_, 2018.

ATTEST:

\_\_\_\_\_  
Mayor *William A. Baird*

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City Clerk *Trisha Fowler Arcuri*

APPROVED AS TO FORM:

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Chief of Planning and Infrastructure *Nancy K. Yendes*