

Legislation Details (With Text)

File #:	BILL NO. 18-152	Name:	
Type:	Ordinance - Committee	Status:	Agenda Ready
File created:	7/25/2018	In control:	City Council - Regular Session
On agenda:	9/20/2018	Final action:	
Title:	An Ordinance setting the Tax Levy for the Year 2018 for the City of Lee's Summit, Jackson and Cass Counties, Missouri (F&BC 8-6-18)		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. Ordinance, 2. Tax Calculation		

Date	Ver.	Action By	Action	Result
9/20/2018	1	City Council - Regular Session	advanced to second reading	Pass
9/20/2018	1	City Council - Regular Session	adopted	Pass
8/6/2018	1	Finance and Budget Committee	recommended for approval	Pass

An Ordinance setting the Tax Levy for the Year 2018 for the City of Lee's Summit, Jackson and Cass Counties, Missouri (F&BC 8-6-18)

Issue/Request

An Ordinance setting the Tax Levy for the Year 2018 for the City of Lee's Summit, Jackson and Cass Counties, Missouri

Key Issues:

Consideration and setting of the tax levies for the General Fund; Parks and Recreation Fund; and, the Debt Service Fund for the City of Lee's Summit, for the 2018 Calendar Year (Fiscal Year 2019).

The City experienced a net increase in Assessed Valuation for property that was assessed in both 2017 and 2018 of approximately (\$34,767,164 or 1.77%), with new growth Assessed Valuation of \$36,786,895 (1.87%) being added in 2018. The increase in Total Assessed Valuation in 2018 was \$71,554,059 over the Total Assessed Valuation in 2017. The increase in Assessed Valuation for previously assessed property was below the CPI increase allowed by the Missouri Tax Commission, so the tax levy rates for the General Fund and Parks and Recreation Fund may be set at the same rate as 2017.

Proposed City Council Motion:

FIRST MOTION: I move for a second reading of An Ordinance setting the Tax Levy for the Year 2018 for the City of Lee's Summit, Jackson and Cass Counties, Missouri.

SECOND MOTION: I move for adoption of An Ordinance setting the Tax Levy for the Year 2018 for the City of

Lee's Summit, Jackson and Cass Counties, Missouri

Background:

Each year, the City Council must set the tax levies to be applied to property within the City limits for the General Fund, the Parks and Recreation Fund, and the Debt Service Fund. The Cass County Assessor and the Jackson County Assessor provide the assessed values for all the property located within the City limits, and, state statutes require the City Council to set the tax levies by October 1 of each year. Once the tax levies are set, the levies are forwarded to the State Auditor's Office for review and certification by the Auditor. After certification by the State Auditor, the tax levies are forwarded to the County Clerks of Cass and Jackson Counties, who certify the levies. Once the tax levies are certified by the respective County Clerk, the levy rate is applied to the properties within the City limits, and the resulting amounts are forwarded by the respective County Clerk to the County Collector's Office of Cass and Jackson County, for the collection of the taxes from the property owners.

Impact/Analysis:

The valuation provided by the Cass and Jackson County Assessor's Offices reflect the most current assessed valuations available through July 25, 2018. The 2018 Assessed Valuation of previously assessed property increased by \$34,767,164 or 1.77%. State Statutes require the rollback of a tax levy if the increase in previously assessed property exceeds the Consumer Price Index set by the State Tax Commission for the calendar year, which for 2018 is 2.1%. The amount of Assessed Valuation attributed to "new growth" does not affect the required calculation. Thus, the City may impose the same tax levies for the General Fund and Parks and Recreation Fund as were imposed in 2017. The Debt Service Levy is separately calculated based on the debt service requirements, and, available resources to pay those requirements, in the next two calendar years (2019 and 2020).

The tax levy for the General Fund can be set at a maximum of \$0.8886 per \$100 assessed valuation; the Parks and Recreation tax levy can be set at a maximum of \$0.1571 per \$100 of assessed valuation; and, the Debt Service Levy can be set at a maximum of \$0.4711 per \$100 of assessed valuation, however, the City has reduced the Debt Service Levy to \$0.4697 each year.

The combined maximum 2018 City Tax Levy would be \$1.5154 per \$100 of assessed valuation if all the tax levies are set at their maximum levels.

Conrad E. Lamb, Finance Director

Recommendation: Staff recommends passage of An Ordinance setting the Tax Levy for the Year 2018 for the City of Lee's Summit, Jackson and Cass Counties, Missouri.

Committee Recommendation: Motion by Councilmember Carlyle, seconded by Councilmember Lopez, this Ordinance was recommended for approval to the City Council - Regular Session due back on 9/20/2018. The vote was unanimous.

