Legislation Details (With Text)

File #:	2020-3741	**Name:**	
Type:	Discussion Item	**Status:**	Agenda Ready
File created:	10/7/2020	**In control:**	Finance and Budget Committee
On agenda:	12/1/2020	**Final action:**	
Title:	Property Tax Levy Redistribution		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. Property Tax Rates-Historical Detail		

Date	Ver.	Action By	Action	Result
10/12/2020	1	Finance and Budget Committee	received and filed	

Property Tax Levy Redistribution

Issue/Request:
Over many years, the City of Lee's Summit has benefited from strong financial management and wise long-term planning. The City's residents have shown a steadfast support of City government through positive outcomes with ballot issues that have been placed before them. As the City has grown and the cost of operations has grown, there is an increasing imbalance between the funding needed for general operating expenses and the funding needed for infrastructure development. With each new structure built with capital funding, there is a corresponding need for long-term operational support.

The City is now at a tipping point where it is ideal to ask our voters to approve a no-tax-increase redistribution of our annual property tax levy. Our annual levy is comprised of three components with the recently approved rates set at $0.8384 for General Fund Operations, $0.1482 for Parks Operations, and $0.4697 for General Obligation Debt Service, totaling $1.4563 per $100 assessed valuation. At current levels of assessment valuations, for each $0.01 shift of property tax levy from the debt service component to the general operating component, the change would shift approximately $230,000 from debt service to operations. A shift of $0.10 would move approximately $2.3 million annually from debt service to operations. Since all property tax levies require voter approval, this proposal would require that a ballot issue be presented to our residents.

Proposed City Council Motion:

This is a discussion item only.

Bette Wordelman, Finance Director