

## Legislation Text

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**File #:** 2018-2301, **Version:** 1

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Public Hearing for the Proposed 2018 Property Tax Levy for the City of Lee's Summit, Cass and Jackson Counties, Missouri, for the Calendar Year 2018.

Issue/Request:

Public Hearing - Tax Levy for the City of Lee's Summit, Cass and Jackson Counties, Missouri, for the Calendar Year 2018.

Key Issues:

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

The Assessed Valuations received from Cass County and Jackson County for Calendar Year 2018 show a net increase in assessed valuations of previously assessed property for Calendar Year 2018 compared to Calendar Year 2017 of approximately \$34,767,169 or 1.77 per cent. The Reassessment Net Growth is below the increase in the Consumer Price Index set by the State Tax Commission (2.1%), so the tax levies for the General Fund, Parks and Recreation Fund may be set at the same rates as for calendar year 2017. The Debt Service Levy is set based on the debt service required in calendar years 2019 and 2020.

Jackson County usually provides a revision to the Assessed Valuations in mid-September, and, as of the date of the creation of this packet form a revised amount for 2018 has not yet been received.

Proposed City Council Motion:

I move to direct staff to present an Ordinance establishing the tax levies of  
\$0.8886 for the General Fund per \$100 of assessed valuation,  
\$0.1571 for the Parks and Recreation Fund per \$100 of assessed valuation, and  
\$0.4697 for the Debt Service Fund per \$100 of assessed valuation, for Calendar Year 2018 for a combined total of \$1.5154 per \$100 of assessed valuation.

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 Jackson County Assessor provide the assessed values for all 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 County Clerks of Cass and Jackson Counties who certify the levies, and ultimately the State Auditor's Office provides final certification of the tax levy rates. Once the tax levy rates are granted final certification, the tax levy rate is applied to the properties within the City limits, and, the resulting tax amounts are forwarded by the respective County Clerks to the County Collector's Office of Cass and Jackson Counties, respectively.

Impact/Analysis:

The valuation provided by the Cass County and Jackson County Assessor's Offices reflect the most current valuations available through September 12, 2018. The 2018 Assessed Valuation is \$34,767,169 above the Assessed Valuation for 2017, with a 1.77% increase in the assessed valuation of previously assessed property. The Tax Commission has certified the increase in the Consumer Price Index for computation of the tax levies was 2.1% for 2018.

The total tax levy for 2017 was \$1.5154 per \$100 of assessed valuation, consisting of a tax rate of \$0.8886 per \$100 of assessed valuation for the General Fund; \$0.1571 per \$100 of assessed valuation for the Parks and Recreation Fund; and, \$0.4697 per \$100 of assessed valuation for the Debt Service Fund. Since the increase in the previously assessed property valuations have not exceeded the allowed CPI increase set by the Tax Commission, the tax rate levies may be set at the same rates as 2017.

Under the Assessed Valuations received as of September 12, 2018, the 2018 tax levy for the General Fund can be set at a maximum of \$0.8886 per \$100 of assessed valuation; the Parks and Recreation tax can be set at a maximum of \$0.1571 per \$100 of assessed valuation; and the Debt Service Fund tax levy can be set at a maximum of \$0.5495 per \$100 of assessed valuation. The City has not typically set the Debt Service Fund levy above \$0.4697 per \$100 of assessed valuation due to the "no tax increase" elections.

Conrad E. Lamb, Finance Director

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