

Legislation Text

File #: SUBSTITUTE BILL NO. 17-205, **Version:** 1

AN ORDINANCE SETTING THE TAX LEVY FOR THE YEAR 2017 FOR THE CITY OF LEE'S SUMMIT, CASS AND JACKSON COUNTIES, MISSOURI; AND, CONTAINING AN EMERGENCY CLAUSE.

Issue/Request:

AN ORDINANCE SETTING THE TAX LEVY FOR THE YEAR 2017 FOR THE CITY OF LEE'S SUMMIT, CASS AND JACKSON COUNTIES, MISSOURI

Key Issues:

Consideration 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 2017 Calendar Year (Fiscal Year 2018).

The City experienced a net increase in Assessed Valuation for property that was assessed in both 2016 and 2017 of approximately \$115,449,668 (+6.23%), with new growth in Assessed Valuation in 2017 of \$29,733,278 (1.61%), resulting in a net increase in Assessed Valuation from 2016 to 2017 of \$85,716,390 on previously assessed property. The increase in previously Assessed Valuation from 2016 to 2017, will require the levies for the General Fund, and, Parks and Recreation Fund to be decreased to compensate for the increase in assessed valuation of previously assessed property, over the statutorily allowed increase for the CPI adjustment of 2.1%.

Proposed City Council Motion:

FIRST MOTION: I move for Second Reading of AN ORDINANCE SETTING THE TAX LEVY FOR THE YEAR 2017 FOR THE CITY OF LEE'S SUMMIT, CASS AND JACKSON COUNTIES, MISSOURI; AND, CONTAINING AN EMERGENCY CLAUSE.

SECOND MOTION: I move for adoption of AN ORDINANCE SETTING THE TAX LEVY FOR THE YEAR 2017 FOR THE CITY OF LEE'S SUMMIT, CASS AND JACKSON COUNTIES, MISSOURI; AND, CONTAINING AN EMERGENCY CLAUSE.

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 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 forward them to the State Auditor's Office for final certification. Once the tax levy rates are certified by the State Auditor's Office, the tax levy rate is applied to the properties within the City limits, and the resulting tax amounts are forwarded by the respective County Clerk to the County's Collector's Office of Cass and Jackson County, respectively, for collection from the property owners.

Impact/Analysis:

The valuation provided by the Cass County and Jackson County Assessor's Offices reflected the most current assessed valuations received by the City through September 15, 2017. The 2017 total Assessed Valuation is an increase of \$115,449,668 over the total assessed valuation computed in 2016. The value of property assessed for the first time in 2017 was \$29,733,278 (new growth) and is not included for computing the tax levy rate on previously assessed properties, and, setting the tax levies to be applied under the "Hancock Amendment". The "Hancock Amendment" limits the increase in revenues to be generated by the property tax levy to the CPI increase for the year, in 2017 it is 2.1%. Since the Assessed Value of the city's previously assessed property increased by 4.63%, or 2.53% above the CPI, the "Hancock Amendment" requires the city's tax levies for the General Fund and Parks and Recreation Fund to be "rolled back" to provide the revenue increase which is allowed.

The tax levy for the General Fund can be set at a maximum of \$0.8873 per \$100 of assessed valuation; the Parks and Recreation tax levy can be set at a maximum of \$0.1569 per \$100 of assessed valuation; and the Debt Service tax levy can be set at a maximum of \$.5219 per \$100 of assessed valuation. The City has not typically increased the Debt Service Levy above \$0.4697 per \$100 of assessed valuation due to the "no tax increase" elections.

The combined maximum 2017 City Tax Levy would be \$1.5661 if all the tax levies were set at their maximum levels, and \$1.5139 per \$100 assessed valuation if the Debt Service Levy is set at \$0.4697 per \$100 of assessed valuation.

Timeline:

Start: ____

Finish: ____

Other Information/Unique Characteristics:

[Enter text here]

Presenter: [Enter Presenter Here]

Recommendation: Staff recommends passage of an Ordinance setting the Tax Levy for the Year 2017 for the City of Lee's Summit, Cass and Jackson Counties, Missouri.

Committee Recommendation: [Enter Committee Recommendation text Here]