

Legislation Text

File #: 2017-1504, **Version:** 1

Public Hearing for the Proposed 2017 Property Tax Levy for the City of Lee's Summit, Cass and Jackson Counties, Missouri, for the Calendar Year 2017.

Issue/Request:

Public Hearing - Tax Levy for the City of Lee's Summit, Cass and Jackson Counties, Missouri, for the Calendar Year 2017.

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 2017 (Fiscal Year 2018).

The Assessed Valuations received from Cass County and Jackson County for Calendar Year 2017 show a net increase in assessed valuations of previously assessed property for Calendar Year 2017 compared to Calendar Year 2016 of approximately \$108,010,475 or 5.84 per cent. The Reassessment Net Growth exceeded the increase in the Consumer Price Index set by the State Tax Commission (2.1%), which requires the tax levies to be lowered to compensate for the additional increase in assessed valuations of previously assessed property.

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 2017 has not yet been received.

Proposed City Council Motion:

I move to direct staff to draft an Ordinance establishing the tax levies of
\$0.8860 for the General Fund per \$100 of assessed valuation,
\$0.1567 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 2017 for a combined total of \$1.5124 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, 2017. The 2017 Assessed Valuation is \$108,010,475 above the Assessed Valuation for 2016, with a 5.84% 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 2017.

The total tax levy for 2016 was \$1.5398 per \$100 of assessed valuation, consisting of a tax rate of \$0.9093 per \$100 of assessed valuation for the General Fund; \$0.1608 per \$100 of assessed valuation for the Parks and Recreation Fund; and, \$0.4697 per \$100 of assessed valuation for the Debt Service Fund. Due to the increase in the previously assessed property valuations, the tax levies must be reduced under State Statutes to compensate for the amount of increase exceeding the Consumer Price Index.

Under the Assessed Valuations received as of September 12, 2017, the 2017 tax levy for the General Fund can be set at a maximum of \$0.8860 per \$100 of assessed valuation; the Parks and Recreation tax can be set at a maximum of \$0.1567 per \$100 of assessed valuation; and the Debt Service Fund tax levy can be set at a maximum of \$0.5182 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.

Timeline:

Start: ____

Finish: ____

Other Information/Unique Characteristics:

[Enter text here]

Presenter: Conrad E. Lamb

Recommendation: Staff recommends approval 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: