

Legislation Text

File #: BILL NO. 18-195, **Version:** 1

An Ordinance amending the Schedule of Fees and Charges for the City of Lee's Summit to establish a credit card service fee for property tax payments and fees and charges for tax abatement incentives, administration of tax increment financing plans and special funding districts. (F&BC 11/5/18)

Issue/Request:

An Ordinance amending the Schedule of Fees and Charges for the City of Lee's Summit to establish a credit card service fee for property tax payments and fees and charges for tax abatement incentives, administration of tax increment financing plans and special funding districts.

Key Issues:

The proposed amendment will create two new fees.

Fee 1:

Currently the City of Lee's Summit only accepts cash or check as payment for property tax bills. To better serve the public, beginning in FY19, the treasury counter will begin to accept credit cards for payment. By allowing this form of payment, banks will charge a service fee to process payment. The proposed Schedule of Fees will allow the the City pass on charges from the banks for using credit cards machines to the credit card user. Banks charge an average credit card fees of 2.5% for each transaction.

Fee 2:

This fee schedule will allow the Law Department to seek reimbursement from private developers who seek tax increment financing or other special funding districts.

Proposed City Council Motion:

FIRST MOTION: I move for second reading of An Ordinance amending the Schedule of Fees and Charges for the City of Lee's Summit to establish a credit card service fee for property tax payments and fees and charges for tax abatement incentives, administration of tax increment financing plans and special funding districts.

SECOND MOTION: I move for adoption of An Ordinance amending the Schedule of Fees and Charges for the City of Lee's Summit to establish a credit card service fee for property tax payments and fees and charges for tax abatement incentives, administration of tax increment financing plans and special funding districts.

Background:

This new fee is only being proposed for payment of property taxes. Other fees and charges where credit cards can be used for payment already factor the additional cost as part of the base rate. Because the City does not issue property tax bills, the amount billed cannot be increased to absorb the banks' credit card fees.

Nick Edwards, Assistant City Manager

Recommendation: Staff recommends approval

Committee Recommendation: Motion by Mayor Pro Temp Lopez, seconded by Councilmember Edson, this Ordinance was recommended for approval to the City Council - Regular Session due back on 11/13/2018. The vote was unanimous.