
FINANCE,
GOVERNANCE
AND PUBLIC
SAFETY
COMMITTEE
SEPTEMBER 16,
2020

ANNUAL PROPERTY TAX LEVY RATE CERTIFICATION

PROPERTY TAX ASSESSMENT

Property tax levy rates are set at time of budget adoption the fourth week of March

- Ordinance No. 200166 set property tax levy rates in connection with the FY2020-21 Adopted Budget

Every summer, County assessors provide assessed valuation for real and personal property

- Revised data is used to recalculate estimated property tax revenue and associated levy rates

GOALS FOR PROPERTY TAX LEVY CERTIFICATION

Hancock Amendment

- Ensure jurisdictions maintain revenue levels despite changes in assessed values
- No revenue windfall or shortfall

Controlled Growth

- Provide the lesser of inflationary or actual assessed value growth

New Construction

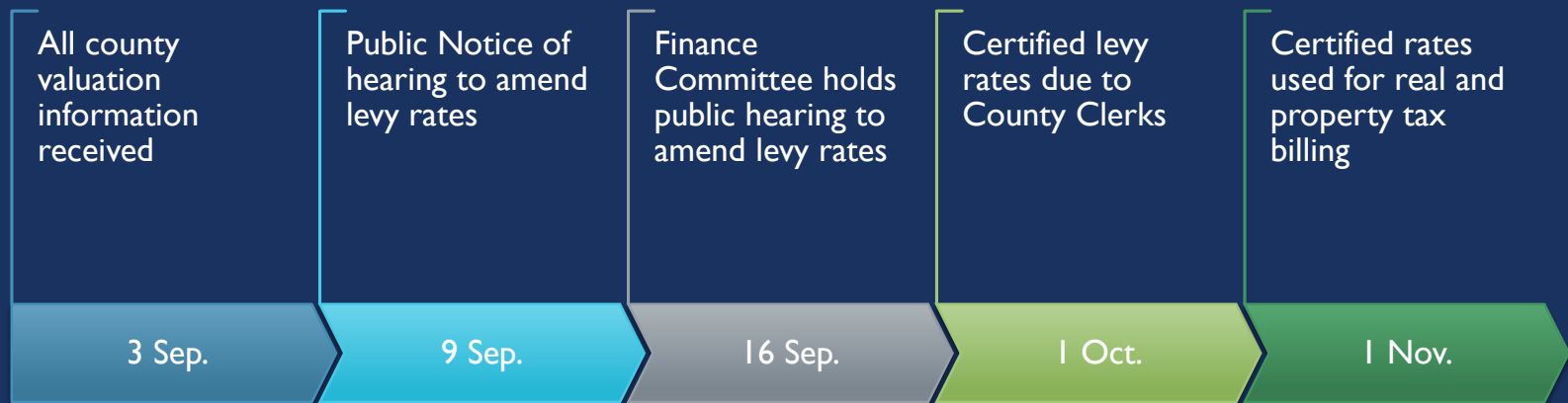
- Allow additional credit for new construction

Decreased Levy

- If assessed value increases, levy rates must be reduced

Increased Levy

- If assessed value decreases, levy rates may be increased (subject to statutory and voted maximums and recoupments)



2020 CERTIFICATION TIMELINE

ASSESSED VALUE HISTORY (IN 000'S)



KCMO ASSESSED VALUATION BY PROPERTY TYPE

Property Type	FY 2019-20	FY 2020-21
Real Property	\$7,430,289,340	\$7,154,496,474
Railroad and Utility Real Property	\$339,159,278	\$343,031,955
Personal Property	\$1,630,245,768	\$1,634,010,064
Railroad and Utility Personal Property	<u>\$146,977,441</u>	<u>\$145,438,100</u>
TOTAL	\$9,546,671,827	\$9,276,976,593
Subtract New Construction	<u>\$166,597,623</u>	<u>\$80,738,936*</u>
Adjusted Current Year AV	\$9,380,074,204	\$9,196,237,657**

* Jackson County new construction is not completely reflected in the certified values due to issues at the county caused by COVID and an extended BOE hearing schedule.

** Decrease of \$183,836,547 compared to previous year

JACKSON COUNTY 2019 APPEALS



ALLOWABLE RECOUPMENT

- RSMo 137.073 provides:
 - For any political subdivision which experiences a reduction in...assessed valuation relating to a prior year...may revise the tax rate ceiling for each purpose it levies
- Levy rate for FY2020-21 can be increased to recoup lost revenues from prior year
 - If all appeals had been decided at the time of levy certification in 2019, the City's levy rate would have been higher due to the further decline in assessed value
 - Recoupment portion of the levy rate = \$0.0575 per \$100 of assessed valuation
 - Recoupment increase can be spread over three years
- Additional increase in levy rate allowed for 2020 due to decline in assessed value = \$0.0673 per \$100 of assessed valuation

PROPOSED CHANGE IN LEVY RATE

Levy Type	Adopted FY 2020-21 Rate	Allowable Levy Rate Increase	Allowable Recoupment Rate	New Proposed Rate
General	\$ 0.6094	\$ 0.0234	\$ 0.0284	\$ 0.6612
Health	0.4234	0.0162	0.0197	0.4593
Health (Temp)	0.1863	0.0071	0.0086	0.2020
Museum	0.0169	0.0006	0.0008	0.0183
Debt	<u>0.4000</u>	<u>0.0200</u>	<u>0.0000</u>	<u>0.4200</u>
TOTAL	\$ 1.6360	\$ 0.0673	\$ 0.0575	\$ 1.7608

REVISED FY2020-21 REVENUE ESTIMATE USING RECOUPMENT RATE

Levy Type	Adopted Budget	Revised Estimate*	Increase/ Decrease
General	\$58,093,954	\$59,818,153	\$1,724,199
Health	40,362,620	41,552,446	1,189,827
Health (Temp)	17,759,935	18,274,753	514,818
Museum	1,611,073	1,655,584	44,511
Debt	<u>38,131,903</u>	<u>37,997,012</u>	<u>(134,892)</u>
TOTAL	\$155,959,485	\$159,297,949	\$3,338,464

*Based on a 92% collection rate

CITY LEVY HISTORY

Levy Type	FY 18	FY 19	FY 20	Adopted FY 21	Proposed FY 21	Maximum Rate
General	\$ 0.6834	\$ 0.6923	\$ 0.6094	\$ 0.6094	\$ 0.6612	\$ 1.0000
Health	0.4748	0.4810	0.4234	0.4234	0.4593	0.5000
Health (Temp)	0.2089	0.2116	0.1863	0.1863	0.2020	0.2200
Museum	0.0190	0.0192	0.0169	0.0169	0.0183	0.0200
Debt	<u>0.2145</u>	<u>0.2742</u>	<u>0.3600</u>	<u>0.4000</u>	<u>0.4200</u>	<u>1.0959</u>
TOTAL	\$ 1.6006	\$ 1.6783	\$ 1.5960	\$ 1.6360	\$ 1.7608	\$ 2.8359

EFFECT OF COMBINED LEVY CHANGE ON PROPERTY OWNER USING RECOUPMENT RATE

Home Value	Auto Value	Tax Increase
\$50,000	\$10,000	\$21.15
\$100,000	\$15,000	\$39.55
\$200,000	\$35,000	\$81.85

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 200726

- Amends Ordinance No. 200166
- Sets property tax levy rates equal to the maximum allowable rate
- Includes recoupment from prior year
- Accelerated effective date