

ANNUAL PROPERTY TAX LEVY RATE CERTIFICATION

FINANCE, GOVERNANCE AND
PUBLIC SAFETY COMMITTEE

SEPTEMBER 21, 2022

PROPERTY TAX ASSESSMENT

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

- Ordinance No. 220195 set property tax levy rates in connection with the FY2022-23 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

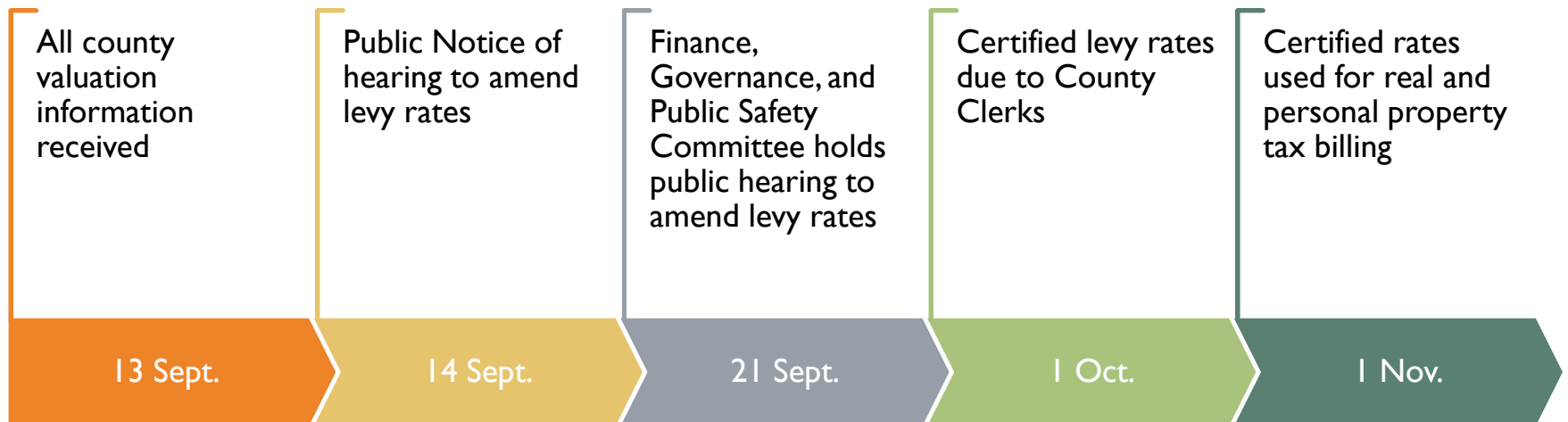
Decreased Levy

If assessed value increases, levy rates must be reduced

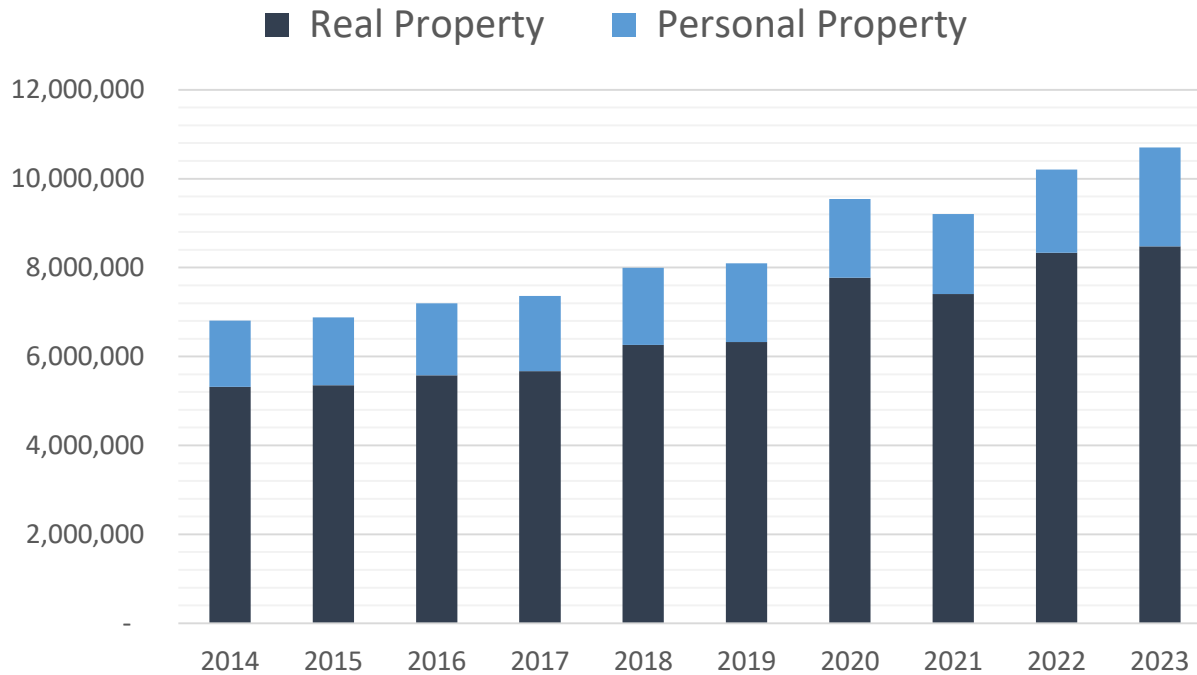
Increased Levy

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

2022 CERTIFICATION TIMELINE



ASSESSED VALUE HISTORY (IN 000'S)



» 57.21% increase since 2014

» 4.83% increase since 2022

Fiscal Year

KCMO ASSESSED VALUATION BY PROPERTY TYPE

Property Type	FY 2021-22	FY 2022-23
Real Property	\$7,975,200,432	\$8,111,264,091
Railroad and Utility Real Property	\$361,899,412	\$368,401,439
Personal Property	\$1,723,589,180	\$2,040,628,836
Railroad and Utility Personal Property	<u>\$146,532,081</u>	<u>\$180,394,892</u>
TOTAL	\$10,207,221,105	\$10,700,689,258
Subtract New Construction	<u>\$254,052,331</u>	<u>\$139,857,844</u>
Adjusted Current Year AV	\$9,953,168,774*	\$10,560,831,414**

*Recertified assessed valuation

** Increase of \$607,662,640 compared to previous year.

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

Jackson County 2021 valuation appeals resulted in recoupments in 2022

Levy rate for FY2022-23 can be increased to recoup lost revenues from tax year 2021

- If all appeals had been decided at the time of levy certification in 2021, the City's levy rate would have been higher due to the further decline in assessed value
- Recoupment portion of the levy rate = \$0.0069 per \$100 of assessed valuation
- Value of recoupment = \$745,127

PROPOSED CHANGE IN LEVY RATE

Levy Type	Adopted FY 2022-23 Rate	Allowable Levy Rate Reductions	Allowable Recoupment Rate	New Proposed Rate
General	\$ 0.6105	\$(0.0065)	\$ 0.0034	\$ 0.6074
Health	0.4241	(0.0045)	0.0024	0.4220
Health (Temp)	0.1866	(0.0020)	0.0010	0.1856
Museum	0.0169	(0.0002)	0.0001	0.0168
Debt	<u>0.5000</u>	<u>(0.0400)</u>	<u>0.0000</u>	<u>0.4600</u>
TOTAL	\$ 1.7381	\$ (0.0532)	\$ 0.0069	\$ 1.6918

REVISED FY2021-22 REVENUE ESTIMATE USING RECOUPMENT RATE

Levy Type	Adopted Budget	Revised Estimate*	Increase/ (Decrease)
General	\$60,885,316	\$63,384,086	\$2,498,770
Health	41,582,116	44,037,017	2,454,901
Health (Temp)	18,295,739	19,367,939	1,072,200
Museum	1,688,485	1,753,132	64,647
Debt	<u>48,939,415</u>	<u>48,002,436</u>	<u>(936,979)</u>
TOTAL	\$171,391,071	\$176,544,611	\$5,153,540

*Based on a 92% collection rate

CITY LEVY HISTORY

Levy Type	FY 20	FY 21	FY 22	Adopted	Proposed	Maximum Rate
				FY 23	FY 23	
General	\$0.6094	\$0.6573	\$0.6105	\$0.6105	\$0.6074	\$1.0000
Health	\$0.4234	\$0.4566	\$0.4241	\$0.4241	\$0.4220	\$0.5000
Health (Temp)	\$0.1863	\$0.2008	\$0.1866	\$0.1866	\$0.1856	\$0.2200
Museum	\$0.0169	\$0.0182	\$0.0169	\$0.0169	\$0.0168	\$0.0200
Debt	<u>\$0.3600</u>	<u>\$0.4200</u>	<u>\$0.4600</u>	<u>\$0.5000</u>	<u>\$0.4600</u>	<u>\$1.0217</u>
TOTAL	\$1.5960	\$1.7529	\$1.6981	\$1.7381	\$1.6918	\$2.7617

Debt levy shows no change from FY2021-22 due to accumulated fund balance and growth in assessed value.

RATE

Home Value	Auto Value	Tax Decrease
\$50,000	\$10,000	(\$0.81)
\$100,000	\$15,000	(\$1.51)
\$200,000	\$35,000	(\$3.13)
\$400,000	\$50,000	(\$5.84)

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 220766

- Amends Ordinance No. 220195
- Sets property tax levy rates equal to the maximum allowable rate
- Includes recoupment from 2021
- Accelerated effective date



QUESTIONS