City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #: 251029
Submitted Department/Preparer: City Clerk's Office
Revised 6/10/24

Docket memos are required on all ordinances initiated by a Department Director. More information can be found in Administrative Regulation (AR) 4-1.

Executive Summary

Calling for submission to the voters of Kansas City, at an election to be held on the general municipal election day of April 7, 2026, a question of whether to continue Kansas City's current one-percent earnings tax for five years; directing the City Clerk to provide notice of the election; and recognizing an accelerated effective date.

Discussion

Tthe earnings tax has been part of the City's financial structure since Kansas City voters passed a Charter amendment in 1963 authorizing the City to enact a tax of one-half percent. In 1970, Kansas City voters approved a Charter amendment to increase the earnings tax to one percent. Section 92.115 of the Revised Statutes of Missouri requires Kansas City voters to approve the continuation of the earnings tax at "the next general municipal election date immediately following November 2, 2010 and once every five years thereafter."

Kansas City voters most recently approved renewal of the earnings tax in the general municipal election held on April 6, 2021. The next general municipal election day is April 7, 2026. Section 92.125 of the Revised Statutes of Missouri provides that if the City fails to place the issue on the April 2026 ballot, the earnings tax will be automatically phased out over ten years.

Fiscal Impact

1. Is this legislation included in the adopted budget? ☒ Yes ☐ No

2. What is the funding source?
   This ordinance has no direct fiscal impact.

3. How does the legislation affect the current fiscal year?
   This ordinance has no direct fiscal impact.

4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.
   Failure to renew the Earnings Tax would result in a phasing out of Earnings Tax collections over a period of 10 years which would materially decrease General Fund revenue.

5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?
   Yes, this ordinance authorizes the ballot measure to renew the Earnings Tax.

Office of Management and Budget Review
(OMB Staff will complete this section.)

1. This legislation is supported by the general fund. ☒ Yes ☐ No

2. This fund has a structural imbalance. ☒ Yes ☐ No

3. Account string has been verified/confirmed. ☐ Yes ☒ No

Additional Discussion (if needed)
Appropriations associated with municipal elections and election boards are included in the Adopted FY 2025-26 Budget.

Citywide Business Plan (CWBP) Impact

1. View the Adopted 2025-2029 Citywide Business Plan

2. Which CWBP goal is most impacted by this legislation?
   Finance and Governance (Press tab after selecting.)

3. Which objectives are impacted by this legislation (select all that apply):

   ☒ Ensure the resiliency of a responsive, representative, engaged, and transparent City government.
   ☐ Engage in workforce planning including employee recruitment, development, retention, and engagement.
   ☐ Foster a solutions-oriented, welcoming culture for employees and City Partners.
   ☐
   ☐
   ☐

Prior Legislation

Ordinance No. 200854

Service Level Impacts

Failure to renew the Earnings Tax would impact the City's ability to provide services supported by the General Fund such as public safety and solid waste.

Other Impacts

1. What will be the potential health impacts to any affected groups?
   N/A

2. How have those groups been engaged and involved in the development of this ordinance?
   N/A

3. How does this legislation contribute to a sustainable Kansas City?
   This ordinance ensures the sustainability of revenue to support critical services.

4. Does this legislation create or preserve new housing units?
   No (Press tab after selecting)

   Click or tap here to enter text.
   Click or tap here to enter text.

5. Department staff certifies the submission of any application Affirmative Action Plans or Certificates of Compliance, Contractor Utilization Plans (CUPs), and Letters of Intent to Subcontract (LOIs) to CREO prior to, or simultaneously with, the legislation entry request in Legistar.

   No - CREO's review is not applicable (Press tab after selecting)
   Please provide reasoning why not:
   This ordinance does not authorize an agreement that requires CREO review.

6. Does this legislation seek to approve a contract resulting from an Invitation for Bid?

No(Press tab after selecting)

Click or tap here to enter text.

7. Does this legislation seek to approve a contract resulting from a Request for Proposal/Qualification (RFP/Q)?
   No(Press tab after selecting)