



**NOTICE OF A SPECIAL COUNCIL MEETING
OF THE CITY COUNCIL OF THE CITY OF
NORTH KANSAS CITY, MISSOURI**

**September 22, 2021
6:00 p.m.**

***NOTICE IS HEREBY GIVEN* that the City Council of the City of North Kansas City, Missouri, will conduct a Special Council Meeting at 6:00 p.m. on Wednesday, September 22, 2021, in the City Council Chamber at 2010 Howell Street, North Kansas City, MO 64116.**

1. Call Meeting to Order

2. Approval of 2021 Tax Levy {Bill No. 7628 (Ordinance No. 9425)} (Public Hearing)

Consideration of an Ordinance fixing the rate of taxation for general municipal purposes and for special purposes and making the levy on taxable property within the limits of the City of North Kansas City, Missouri, for the year 2021.

- a. Open Public Hearing
- b. Staff Report
- c. Public Comments
- d. Close Public Hearing
- e. Motion and Second
- f. City Council Discussion
- g. Vote

3. Adjournment

This Special Council Meeting of the City Council of the City of North Kansas City, Missouri, has been duly called pursuant to the provisions of Section 2.04.030 of the Code of the City of North Kansas City, Missouri, by the undersigned Mayor of the City of North Kansas City, Missouri.

DONE this 20th day of September 2021, at 1:00 p.m.

Bryant DeLong, *Mayor*

Representatives of the news media may obtain copies of this notice by contacting:

Crystal Doss, City Clerk, City Hall
2010 Howell Street
North Kansas City, Missouri 64116
Telephone No. (816) 274-6000

MEMORANDUM



TO: Honorable Mayor DeLong & City Council Members

FROM: Nick Hawkins, Finance Manager

DATE: September 22, 2021

RE: Fixing the rate of taxation for general municipal and for special purposes

State law requires each political subdivision in the state, except counties, to fix their ad valorem property tax rates not later than October 1st for entry in the tax books. Should any political subdivision whose taxes are collected by the county collector of revenue fail to fix its ad valorem property tax rate by October 1st, then no tax rate other than the rate, if any, necessary to pay the interest and principal on any outstanding bonds shall be certified for that year.

The total assessed values for property within the city limits are reviewed in May and June by the County. In “even” years the property is simply reviewed to add growth, i.e. new properties that have come onto the rolls since last year. In “odd” years (such as 2021) the County assesses the properties to account for changes in market value. Consequently, in even years, the total city valuation changes to reflect only growth, while in odd years the total city valuation changes due to both growth and changes in the values of existing properties.

The basic theory of the Hancock Amendment to the Missouri Constitution is that City revenue from property tax should be neutral from year to year for non-growth increases in assessments. Therefore, as non-growth-related property assessments increase, levies typically decrease. Conversely, if non-growth-related property assessments decrease in any given year, Hancock provides that the levies may increase to maintain revenue neutrality. However, all of this is further subject to a formula set by State law to account for changes in inflation and other factors. In some years, changes in inflation and other factors may cause Hancock-established rates to remain the same or increase, even if non-growth-related assessments increase.

The current year’s tax assessments were received from the Clay County Clerk on September 10th. The current assessments increased \$33,631,509 or 10.72% since last year. The table on the next page compares assessed values from last year to the current year:

Assessed Valuation	2020	2021	% Change
Real Estate (Less TIF)	208,990,370	249,960,590	19.60%
Personal Property	87,823,871	83,264,346	-5.19%
Railroad & Utility	<u>16,942,479</u>	<u>14,163,293</u>	-16.40%
	<u><u>313,756,720</u></u>	<u><u>347,388,229</u></u>	10.72%

Computations have been completed by the State Auditor's office, based on the information received from the County, to determine the levies which may be set in each of the funds to meet the requirements of the Hancock Amendment. Based on the results of these computations, levies for 2021 are proposed to increase as follows:

<u>2020</u>		<u>2021</u>
0.3993	General Fund	0.3659
0.1792	Park and Recreation Fund	0.1620
0.2687	Library Fund	0.2430
<u>0.1944</u>	Pension Fund	<u>0.1782</u>
1.0416		0.9491

The table below compares estimated property tax revenues from last year's budget to the current year calculated using the proposed tax levy rates above:

Estimated Property Tax Revenues by Fund			
	2020	2021	% Change
General Fund	\$ 1,252,900	\$ 1,271,100	1.45%
Parks & Recreation Fund	562,300	562,700	0.07%
Library Fund	843,100	844,100	0.12%
Pension Fund	609,000	619,000	1.64%
Totals	<u><u>\$ 3,267,300</u></u>	<u><u>\$ 3,296,900</u></u>	0.91%

NOTICE OF PUBLIC HEARING

A Public Hearing will be held at 6:00 p.m. on September 22, 2021, at City Hall, 2010 Howell, North Kansas City, Missouri, at which time citizens may be heard on the property tax rates proposed to be set by North Kansas City, Missouri, a political subdivision. The tax rates shall be set to produce the revenues that the budget for the fiscal year beginning October 1, 2021, shows to be required from the property tax. Each tax rate is determined by dividing the amount of revenue required by the current assessed valuation. The result is multiplied by 100 so the tax rate will be expressed in cents per \$100 valuation.

Assessed Valuation (By Categories)	Current Tax Year <u>2021</u>	Prior Tax Year <u>2020</u>
Real Estate (including TIF)	\$272,514,160	\$229,292,680
Personal Property	83,264,346	87,823,871
Railroad & Utilities	<u>14,163,293</u>	<u>16,942,479</u>
TOTAL	<u>\$369,941,799</u>	<u>\$334,059,030</u>

Fund	Amount of Property Tax Revenues <u>Budgeted for 2021</u>	Proposed Tax Rates for 2021 <u>(Per \$100)</u>
General Fund	\$1,271,100	.3659
Parks and Recreation Fund	562,700	.1620
Library Fund	844,100	.2430
Pension Fund	<u>619,000</u>	<u>.1782</u>
TOTAL	<u>\$3,296,900</u>	<u>0.9491</u>

AN ORDINANCE FIXING THE RATE OF TAXATION FOR GENERAL MUNICIPAL PURPOSES AND FOR SPECIAL PURPOSES AND SETTING THE TAX LEVY ON TAXABLE PROPERTY WITHIN THE LIMITS OF THE CITY OF NORTH KANSAS CITY, MISSOURI, FOR THE YEAR 2021.

WHEREAS, the City of North Kansas City, Missouri (the “City”) is a body corporate, a third class city and political subdivision of the State of Missouri, duly created, organized and validly existing under and by virtue of the Constitution and laws of the State of Missouri; and

WHEREAS, it is necessary for the City to establish and levy a tax upon all real, personal, and other property subject to taxation in the City to produce the level of revenue projected for the Fiscal Year 2021/2022; and

WHEREAS, a public hearing was held on September 22, 2021, to present the proposed tax rates and allow for public comment on the proposed 2021 property tax levies for General Municipal Purposes and for the identified Special Purposes; and

WHEREAS, the tax rates referenced herein have been calculated and reviewed in accordance with Chapter 137 of the Missouri Revised Statutes; and

WHEREAS, the City, through its City Council, has determined that the tax rate for 2021, as hereinafter set forth, is required to produce substantially the revenues required in the FY 2021-2022 budget, to be derived from the property tax rate and, therefore, the City Council desires to fix the rate of taxation for general municipal purposes and for the identified special purposes and to establish the levy on taxable property within the City limits.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTH KANSAS CITY, MISSOURI, AS FOLLOWS:

Section 1. There is hereby levied on all real, personal, and other property subject to taxation in the City of North Kansas City, Missouri, for general purposes for the Fiscal Year 2021/2022, a tax rate as follows on each one hundred dollars (\$100) of assessed valuation of such property, as shown by the assessment books of Clay County, as may be properly corrected or amended according to law. The rate of taxation for general purposes on all real, personal, and other property subject to taxation in the City of North Kansas City, Missouri, for the Fiscal Year 2021/2022 shall be as follows:

Thirty-six cents & fifty-nine hundredths of a cent (.3659) on the one hundred dollar (\$100) assessed valuation for General Fund.

Section 2. There is hereby levied on all real, personal, and other property subject to taxation in the City of North Kansas City, Missouri, for the identified special purposes set forth

below for the Fiscal Year 2021/2022, a tax rate as follows on each one hundred dollars (\$100) of assessed valuation of such property, as shown by the assessment books of Clay County, as may be properly corrected or amended according to law. The rate of taxation for the following special purposes on all real, personal, and other property subject to taxation in the City of North Kansas City, Missouri, for the Fiscal Year 2021/2022 shall be as follows:

Sixteen cents & twenty hundredths of a cent (.1620) on the one hundred dollar (\$100) assessed valuation for Park and Recreation purposes.

Twenty-four cents & thirty hundredths of a cent (.2430) on the one hundred dollar (\$100) assessed valuation as a special tax to pay for maintenance and support of the Free Public Library.

Seventeen cents & eighty-two hundredths of a cent (.1782) on the one hundred dollar (\$100) assessed valuation for the maintenance and support of the Police/Fire Pension Fund.

Section 3. The aforesaid rates are hereby levied and assessed against all the taxable property of the City of North Kansas City, Missouri, and are to be collected by the County Collector for the taxable year 2021.

Section 4. Providing for Repeal of Conflicting Ordinances. All ordinances or parts of ordinances in conflict with the provisions of this ordinance are hereby repealed. Where appropriate, ordinances previously adopted are hereby amended to conform to the provisions of this Ordinance.

Section 5. Further Authority. The City shall, and the mayor, city clerk, city officials and employees of the City are hereby authorized and directed to take such further action, and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

Section 6. Severability. The sections, paragraphs, sentences, clauses and phrases of this Ordinance shall be severable. In the event that any such section, paragraph, sentence, clause or phrase of this Ordinance is found by a court of competent jurisdiction to be invalid, the remaining portions of this Ordinance are valid, unless the court finds the valid portions of this Ordinance are so essential to and inseparably connected with and dependent upon the void portion that it cannot be presumed that the City has enacted the valid portions without the void ones, or unless the court finds that the valid portions, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

Section 7. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Missouri.

Section 8. Effective Date. This Ordinance shall be in full force and effect from and after its passage by the City Council and approval by the Mayor.

PASSED this 22nd day of September 2021

Bryant DeLong, *Mayor*

ATTEST:

Crystal Doss, *City Clerk*

APPROVED this 22nd day of September 2021

Bryant DeLong, *Mayor*

APPROVED AS TO FORM:

Anthony W. Bologna, *City Attorney*

Thomas E. Barzee, Jr., *City Counselor*