

GENERAL

Ordinance Fact Sheet

150531

Ordinance Number

Brief Title**Approval Deadline**

Amending various provisions in the Code
of Ordinances relating to taxes and assessments

Reason

To establish a mechanism for write off of out of statute
special assessments and property taxes

Details**Reason for Legislation**

Amending Chapter 2, Article XI, Division 5, of the Code of Ordinances entitled Payment of Special Assessments, to add a new Section 2-1726, and amending Chapter 68, Articles I through V, of the Code of Ordinances, entitled Taxation, by repealing certain sections and amending certain sections by enacting new sections in lieu thereof on the subject of assessment, levy, and collection of real and personal property taxes.

Discussion (explain all financial aspects of the proposed legislation, including future implications, any direct/indirect costs, specific account numbers, ordinance references, and budget page numbers.)

The City Council, via Ordinance No. 130937, passed December 19, 2013, made revisions to multiple sections of the Code of Ordinances to simplify and standardize the special assessment levy and collection process. This was done in connection with the implementation of RevKC, the City's tax billing and collection software.

City Charter Section 815 specifies that liens on real property created by special assessments and property taxes are perpetual. Voters approved a change to Section 818 of the City Charter in 2014 to allow for the reduction or removal of a lien by ordinance.

This ordinance adds a provision to both the special assessment code (Section 2-1726) and revises a portion of the property tax code (Section 68-2) to allow for the write off of assessments and property taxes which have become uncollectible because they have passed the statute of limitations to file suit to enforce the lien.

The first year write off for special assessments is expected to be about \$1.4 million. For property taxes, the write off will exceed \$500,000. These amounts have been included in the City's allowance for doubtful accounts for years so there is no financial impact as a result of the write off as these amounts are no longer enforceable.

This ordinance will allow future write offs to occur administratively. With improved collection efforts which have been undertaken in recent years, the amount to be written off each year is expected to decline considerably over time.

Positions/Recommendations

Sponsor	Finance Department
Programs, Departments, or Groups Affected	Finance
Applicants / Proponents	Applicant City Department Finance Department Other
Opponents	Groups or Individuals None Known Basis of opposition
Staff Recommendation	☒ For ☐ Against Reason Against
Board or Commission Recommendation	By ☐ For ☐ Against ☐ No action taken ☐ For, with revisions or conditions (see details column for conditions)
Council Committee Actions	☐ Do pass ☐ Do pass (as amended) ☐ Committee Sub. ☐ Without Recommendation ☐ Hold ☐ Do not pass

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Details

In addition, the ordinance modifies much of the property tax code (found in Chapter 68) to reflect updated billing practices made possible with the evolution of county collection of real and personal property taxes.

Is it good for the children?

Yes, this ordinance provides a mechanism to remove uncollectible amounts from the City's billing system.

How will this contribute to a sustainable Kansas City?

The ordinance allows the City to remove uncollectible amounts from the City's billing system which should reduce the amount of paper needed to conduct delinquent billing efforts.

Policy/Program Impact

Policy or Program Change	☒ No ☐ Yes
Operational Impact Assessment	

Finances

Cost & Revenue Projections -- Including Indirect Costs	
Financial Impact	
Fund Source (s) and Appropriation Account Codes	

(Use this space for further discussion, if necessary)

Applicable Dates:**Fact Sheet Prepared by:**

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City Treasurer

6/22/2015

Reviewed by:

Randall J. Landes
Director of Finance

6/22/2015

Reference Numbers