City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #: 260850
Submitted Department/Preparer: Finance
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

To amend Ordinance No. 260207 which set the levy rates on tangible real and personal property located in the city to generate revenue for the General Fund, Health Fund, Museum Special Revenue Fund and General Debt and Interest Fund in connection with the FY2026-27 Adopted Budget.

Discussion

Ordinance No. 260207 set the levy rates on tangible real and personal property located in the City with the FY2026-27 adopted budget. The estimated levy rates used for budget formulation were based on prior year assessed values from the four counties in which the City is located.

During the summer each county provides revised certified assessed valuations. These revised values are used to complete the state levy certification process. The purpose of the levy certification process is to ensure that no jurisdiction receives a windfall or experience a shortfall due to changes in assessed valuation in accordance with the Hancock Amendment to the Missouri Constitution. The levy certification forms must be delivered to the County Clerks no later than October 1 each year. The calculated levies for FY26-27 are described below.

Taxes for Fiscal year 2026-27, commencing on first day of May 2026, in the total amount of $1.5073 per $100, shall be levied upon all property with the City subject to taxation on January 1, 2026, under the Constitution and laws of the State of Missouri for both real and tangible property.

A general tax of $0.5312 cents on each $100 for the assessed valuation of all such taxable property is levied and imposed for municipal operating purposes to be credited to the General Fund.

A general tax of $0.5314 cents on each $100 of the assessed valuation of all such taxable property is levied and imposed for municipal operating expenses for hospitals and public health to be credited to the Health Levy fund.

A tax of $0.4300 cents on each $100 of the assessed valuation of all such taxable property is imposed for purposes of paying debt service on outstanding general obligation bonds of the City.

A general tax of $0.0147 cents on each $100 of the assessed valuation of all such taxable property for municipal museum purposes, to be credited to the Museum Special Revenue Fund.

Fiscal Impact

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

2. What is the funding source?
   Collecting Revenues for the General fund 1000 12000 45XXXX (various), Health fund 2330 120000 45XXXX (various), General Debt & Interest fund 5010 120000 45XXXX (various), Museum fund 2020 120000 45XXXX (various)

3. How does the legislation affect the current fiscal year?
   Increases estimates for property tax collections by $6,732,787.

4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.
   No, the estimate does not impact future fiscal years.

5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?
   Yes, the legislation generates property tax revenue for the current year

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)
This legislation is for the purpose of levying taxes to support revenue generation in the General Fund, Health Fund, General Debt and Interest Fund, and Museum Fund.

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

250793

Service Level Impacts

Property tax collections significantly impact the City's ability to provide services. The general levy revenue is used to support basic services provided by the City such as public safety, road repair and emergency response. Revenues generated from the debt levy are used to meet the City's general debt obligations. Revenues generated from the health levy are dedicated to the health fund which supports care for the indigent. Revenues generated from the museum levy are used to support the Kansas City Museum.

Other Impacts

1. What will be the potential health impacts to any affected groups?
   Property taxes collected from the health levy are dedicated to the health fund and used to pay expenditures related to healthcare for the indigent and support Health Department programs.

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

The City's budget office holds annual budget meeting with the community to gain insight about citizen's priorities. The revenue generated from property taxes will support the City's adopted budget. In addition, the Finance, Governance and Public Safety Committee hearing will serve as the public hearing on the setting of property tax rates and provide an opportunity for comment by interested parties

3. How does this legislation contribute to a sustainable Kansas City?
   The revenue generated from this legislation allows the City to meet its debt obligations as well as provide funding for the basic services provided by the City. This legislation also generates funds to provide healthcare services for the indigent.

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)

   Click or tap here to enter text.

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)