



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Department Source: Finance

To: City Council

From: City Manager & Staff

Council Meeting Date: August 6, 2018

Re: Setting the 2018 Property Tax Rate

Executive Summary

This ordinance sets the 2018 Property Tax Rate for the City of Columbia at \$0.4329 (per \$100 assessed valuation). This rate is contingent upon Council's authorization to reverse any voluntary reductions in prior even numbered years and any adjustments based upon the final assessed valuations furnished by Boone County.

Discussion

The City of Columbia levies property taxes to support operations of basic services in the General Fund. The 2018 property tax supports the City's FY2019 budget. Property taxes will comprise approximately 11% of the total General Fund revenue in the FY2019 budget.

The FY2019 budget submitted to Council includes an increase from the FY2018 budget from \$0.4100 to \$0.4329 (per \$100 assessed valuation). Based upon a reversal of any voluntary reductions taken in prior even number years, this rate of \$0.4329 (per \$100 assessed valuation) is equal to the maximum rate for 2017 as permitted by Article X, Section 22 and Section 137.073 RSMo if no voluntary reduction was taken. This amount is subject to adjustment once the final assessed valuations are furnished by Boone County. The City has not received the certification letter from the Missouri State Auditor for 2018.

Fiscal Impact

Short-Term Impact: The City collected approximately \$8.2 million in property taxes in FY2018 allowing the City to provide critical services to citizens. The tax rate increase is estimated to generate \$469,772 for FY2019. For FY2019, these additional revenues are budgeted in capital projects fund and anticipated to be used to help pay for public safety.

Long-Term Impact: The amount of increased revenue is expected to grow 3% each year.

Strategic & Comprehensive Plan Impact

[Strategic Plan Impacts:](#)

Primary Impact: Operational Excellence, Secondary Impact: Public Safety, Tertiary Impact: Not Applicable



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[Comprehensive Plan Impacts:](#)

Primary Impact: Not Applicable, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

Legislative History

Date	Action
N/A	Section 137.073(6) requires the State Auditor to certify the tax rate ceiling and the debt service levy, if applicable, to the taxing authority. Council shall set the rate of taxation for the City of Columbia within the limits prescribed by state law, per section 152 of the City Charter.
08-06-2018	Public hearing on reversing voluntary reduction taken in prior even numbered years.
08-06-2018	Policy Resolution to reverse voluntary reduction taken in prior even numbered years.
08-06-2018	Resolution to set the public hearing for the 2018 property tax rate.
08-20-2018	Public hearing held on setting the 2018 property tax rate.

Suggested Council Action

Passage of the attached ordinance.