



Department Source: Finance

To: City Council

From: City Manager & Staff

Council Meeting Date: August 6, 2018

Re: Resolution Setting the Public Hearing for 2018 Property Tax Rates

Executive Summary

This Resolution will set the public hearing on August 20, 2018 for the 2018 Property Tax Rate for the City of Columbia at the maximum rate allowed by law, which at this time is estimated to be \$0.4329 (per \$100 assessed valuation) contingent upon Council's authorization to reverse any voluntary reductions in prior even numbered years.

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. These property taxes comprise approximately 11% of the total General Fund revenue.

The FY2019 budget submitted to Council includes an increase from the FY2018 budget from \$0.4100 to \$0.4329 (per \$100 assessed valuation) in anticipation of the reversal of any voluntary reductions taken in prior even number years for the purpose of increasing revenues for public safety.

This rate of \$0.4329 (per \$100 assessed valuation) is equal to the maximum rate as permitted by Article X, Section 22 and Section 137.073 RSMo, if no voluntary reduction was taken. The City has not received the certification for 2018, but intends to set the rate at the maximum allowed by law.

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 FY19. For FY19, these additional revenues are budgeted in capital projects fund and anticipated to be used to help pay for the construction of an additional fire station.

Long-Term Impact: The amount of increased revenue is expected to grow 3% each year and will be accumulated into a future fire station project with planned construction in FY2024. In years beyond FY2024, these funds will be used to pay for the additional fire station personnel necessary to operate the new station.



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

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

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.

Suggested Council Action

Adoption of the Resolution to set the public hearing for August 20, 2018.