



AGENDA ITEM ANALYSIS

Project/Issue Name: A Public Hearing of the City Council Regarding Setting the 2025 Property Tax Levies for the City of Republic, Missouri.

Submitted By: Bob Ford, Chief Financial Officer

Date: August 26, 2025

Issue Statement

To approve property tax levies for the year 2025 in accordance with the recommendations from the Missouri State Auditor's Office.

Discussion and Analysis

Background

In Missouri, **property tax revenue growth is limited primarily by the Hancock Amendment** (Article X) to the state constitution. Here's how it generally works:

- **Levy Limit:** The Hancock Amendment restricts the growth of property tax levies (the total amount of property tax collected) to the previous year's levy with a growth adjustment.
- **Growth Adjustment:** This adjustment is limited to the lesser of the actual growth rate, inflation, or 5 percent.

The City of Republic maintains three property tax levies:

- General Operating,
- Parks and Recreation, and
- Street Lighting.

The Greene and Christian County Assessors have provided the assessed valuation information to the City and to the State Auditor's Office. The City must now establish its rates in accordance with those approved by the State Auditor.

- The attached Exhibit A illustrates the change in assessed valuation, compared to the 2024 tax year.
- Greene County and Christian County officials assess property value, mail property tax statements, and collect and remit property tax funds to Republic. In return for billing residents for 2025 property taxes on behalf of the City of Republic, Christian County retains 4% of collections to offset their costs while Greene County retains 3%.
- Under state law, the tax levy must be set by September 1, or the City can only collect tax sufficient to pay interest and principal on any outstanding bonds.

Recommended Action

Staff is recommending the passage of the ordinance setting the 2025 property tax levies in accordance with the State Auditor's recommendation of 0.5672 total levy, with associated expected net revenues of \$2,340,391 to be reflected in the City's 2026 Annual Budget and as illustrated on the attached Exhibit A.



Exhibit A - Recommended Property Tax Levies and Estimated Revenues

Tax Levy - Type	2023 Levy	2024 Levy	2025 Levy
General Operating	0.4267	0.4268	0.3985
Parks & Recreation	0.1150	0.1150	0.1074
Streets - Streetlights	0.0657	0.0657	0.0613
	0.6074	0.6075	0.5672

Assessed Valuation	2023	2024	2025
Real Estate, Railroad & Utility	\$326,173,312	\$351,685,972	\$425,431,580

Tax Revenue - Type	2023	2024	2025
General Operating	\$1,391,928	\$1,501,011	\$1,695,393
Parks & Recreation	\$375,167	\$404,531	\$456,829
Streets - Streetlights	<u>214,293</u>	<u>\$31,110</u>	<u>\$260,957</u>
Gross Property Taxes Billed	\$1,981,177	\$2,136,492	\$2,413,188
Less: County Processing Fees	(\$59,678)	(\$64,356)	(\$72,657)
Net Property Taxes	\$1,921,499	\$2,072,136	\$2,340,391