



AGENDA ITEM ANALYSIS

Project/Issue Name: A Public Hearing of the City Council Setting the 2022 Property Tax Levies for the City of Republic, Missouri.

Submitted By: Meghin Cook, Finance Director

Date: August 16, 2022

Issue Statement

To approve property tax levies for the year 2022 in accordance with the recommendations from the Missouri State Auditor's Office.

Discussion and/or Analysis

The City of Republic maintains three property tax levies: General, 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 establish its rates in accordance with those approved by the State Auditor.

The attached worksheet and supporting documents illustrate the change in assessed valuation, compared to the 2021 tax year.

Per Section 137.073.2, RSMo, when there are changes in assessed valuation, the tax rate ceiling may be revised to produce substantially the same amount of tax revenues as the existing tax rate ceiling would have produced in the prior year. Essentially, the City is not allowed to benefit from revenue resulting from new construction or newly added territory so to remain revenue neutral, the levies are based on existing property in 2021.

Greene County and Christian County officials assess property value, mail property tax statements, and collect and remit property tax funds to Republic. In return, Christian County retains 4% of collections to offset their costs while Greene County retains 3%.



Recommended Property Tax Levies and Estimated Revenues

| Tax Levy Changes | | | |
|-------------------------|------------------|------------------|-------------------|
| Type | 2021 Levy | 2022 Levy | Difference |
| General Operating | 0.4095 | 0.4326 | 0.0231 |
| Parks & Recreation | 0.1104 | 0.1166 | 0.0062 |
| Street Lights | 0.0630 | 0.0666 | 0.0036 |
| Total | 0.5829 | 0.6158 | 0.0329 |

| Tax Levy Revenue Changes | | | |
|---------------------------------|---------------------|---------------------|-------------------|
| Type | 2021 Revenue | 2022 Revenue | Difference |
| General Operating | 946,594.00 | 1,012,614.00 | 66,020.00 |
| Parks & Recreation | 255,091.00 | 272,998.00 | 17,907.00 |
| Street Lights | 145,701.00 | 155,787.00 | 10,086.00 |
| Total | 1,347,386.00 | 1,441,399.00 | 94,013.00 |

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

Passage of setting of 2022 property tax levies in accordance with the State Auditor's recommendation of 0.6158 total levy is recommended. The maximum amount to be reflected in the City's 2023 Annual Budget of \$1,441,339.