



## AGENDA ITEM ANALYSIS

Project/Issue Name: A Public Hearing of the City Council of the City of Republic, Missouri, Setting the 2021 Property Tax Levies for the City of Republic, Missouri.

Submitted By: Larry Brown, Contracted Accountant  
Laura Burbridge, City Clerk

Date: August 17, 2021

### Issue Statement

To approve property tax levies for the year 2021 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 2020 tax year. Adjusted assessed valuations increased by \$4,495,534.00 or 1.9836%. In calculating the levy, the valuations for new construction and improvements and newly added territory must be subtracted from total of assessed valuations resulting in an adjusted assessed valuation.

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 2020. The 2021 tax levy will be reduced from .5863 to .5829 to adjust for the increase in value throughout the City.

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

<u>Type</u>	<u>2021 Levy</u>	<u>Budgeted Revenues</u>
General Revenue	.4095	\$946,594.00
Parks & Recreation	.1104	\$255,091.00
Street Lights	.0630	\$145,701.00
Total	.5829	\$1,347,386.00

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 2021 property tax levies in accordance with the State Auditor's recommendation of \$.5582 total levy is recommended. The maximum amount to be reflected in the City's 2022 Annual Budget of \$1,347,386.00.