



Board of Alderman Request for Action

MEETING DATE: 9/21/2021

DEPARTMENT: Finance

AGENDA ITEM: Public Hearing to Set the Property Tax Levy

REQUESTED BOARD ACTION: Set the Property Tax Levy.

SUMMARY: A public hearing is required before the property tax levy for 2021 can be set. The public hearing allows for public comment on setting the property tax levy, as required by Section 67.110, RSMo.

Final assessed valuations were received by the City from Platte County on August 5, 2021 and Clay County on September 10, 2021.

The City's assessed valuation rose 10.2113%. Assessed valuation totals are provided to the State Auditor's Office, which prepares the tax rate computations for the City's 2021 tax rate ceiling. The computations determined a general tax rate ceiling of 0.4126 and a debt service tax rate ceiling of 0.2011.

Staff recommends adopting the maximum general tax rate of 0.4126, but to take a voluntary reduction in the debt service tax rate and set it at 0.0000. The Debt Service Fund is supported through the Capital Improvement Sales Tax, and therefore no property tax revenue is necessary.

Staff posted a notice of public hearing in 3 separate locations around the City of Smithville: Porter's Ace Hardware, Casey's General Store, and the U.S. Post Office. These postings occurred on the afternoon of September 13, 2021. Section 67.110, RSMo states, "the governing body shall hold at least one public hearing on the proposed rates of taxes at which citizens shall be heard prior to their approval. The governing body shall determine the time and place for such a hearing. A notice stating the hour, date and place of hearing shall be published in at least one newspaper qualified under the laws of the state of Missouri of general circulation in the county within which all or the largest portion of the political subdivision is situated, **or such notice shall be posted in at least three public places within the political subdivision.**

PREVIOUS ACTION:

The property tax levy is set on an annual basis by the Board of Alderman.

POLICY ISSUE:

[Click or tap here to enter text.](#)

FINANCIAL CONSIDERATIONS:

Setting the property tax rate allows for collection of property tax which constitutes about 19% of General Fund revenues.

ATTACHMENTS:

- | | |
|--|-----------------------------------|
| <input type="checkbox"/> Ordinance | <input type="checkbox"/> Contract |
| <input type="checkbox"/> Resolution | <input type="checkbox"/> Plans |
| <input type="checkbox"/> Staff Report | <input type="checkbox"/> Minutes |
| <input checked="" type="checkbox"/> Other: Pro Forma, Notice of Property Tax Hearing | |

NOTICE OF PROPERTY TAX LEVY HEARING

A hearing will be held at 7:00 p.m., Tuesday, September 21, 2021, at Smithville City Hall, 107 West Main Street, at which citizens may be heard on the property tax rates proposed to be set by the City of Smithville, Missouri, a political subdivision.

NOTICE: *Due to concerns for safety, public meetings and public comment during public meetings require modification. The City of Smithville is committed to transparent public meetings and will continue this commitment. Anyone who wishes to view the meeting may do so in real time as it will be streamed live on the city's YouTube page.

Assessed Valuation	Current Tax Year 2021	Previous Tax Year 2020
Real Estate	181,695,180	158,744,987
Personal Property	36,422,210	31,308,674
Total	\$218,117,390	\$190,053,661

Fund	Property Tax Revenues Billed	Proposed 2021 Tax Levy*	2020 Tax Levy*
General Fund	\$ 899,952	0.4126	0.4484
Debt Service^	\$0	0.0000	0.0000

* Per \$100 Assessed Valuation

^ Calculated Debt Service tax levy is 0.2011; City takes voluntary reduction to 0.0000.

The above tax rate calculations are subject to change based on final aggregate assessed valuation data submitted by the Board of Equalization from Clay and Platte Counties.



NICOLE GALLOWAY, CPA
Missouri State Auditor

MEMORANDUM

September 13, 2021

TO: 09-024-0022 City of Smithville
RE: Setting of 2021 Property Tax Rates

The following are the tax rate computational forms that have been reviewed. Please follow the steps below to complete the process of setting your 2021 Property Tax Rate(s).

1. **Lines G - BB on the Summary Page should be completed** to show the actual tax rate(s) to levy.
2. Please **sign and date the Summary Page**.
3. Please **submit the finalized tax rate forms ready for certification to the County Clerk of each county** that your political subdivision resides in. The County Clerk must also sign the Summary Page and indicate the proposed tax rate to be entered on the tax books before submitting rate(s) to the State Auditor's Office for final review and certification.

If the attached pro forma calculation differs from the questionnaire submitted for review, please review the following line items for the reason(s) for the difference.

- **Form A, Line 2b - New Construction & Improvements - Personal Property**

Section 137.073.4, RSMo, states that the aggregate increase in valuation of personal property for the current year over that of the previous year is the equivalent of the new construction and improvements factor for personal property.

- **Form A, Line 5 - Prior Year Assessed Valuation**

If the 2021 questionnaire has a different amount on Form A, Line 5 than was previously submitted, we had to revise the 2020 calculation for this change. The revised 2020 tax rate ceiling is listed on the 2021 Summary Page, Line A. A copy of the revised 2020 calculation is available on your menu screen; please keep this form for your files.

- **(SCHOOL DISTRICTS ONLY) Form A, Line 14**

We revised the information the school district submitted on Line 14 to the amount computed by the Department of Elementary and Secondary Education (DESE).

If you have any questions about the enclosed forms, please contact the local government section at (573-751-4213.)



PRO FORMA - STATE AUDITOR'S REVIEW OF DATA SUBMITTED

9/13/2021

Summary Page

(2021)

For Political Subdivisions Other Than School Districts Levying a Single Rate on All Property

City of Smithville

09-024-0022

General Revenue

Name of Political Subdivision

Political Subdivision Code

Purpose of Levy

The final version of this form MUST be sent to the county clerk.

The information to complete the Summary Page is available from prior year forms, computed on the attached forms, or computed on this page. Information on this page takes into consideration any voluntary reduction(s) taken in previous even numbered year(s). If in an even numbered year, the political subdivision wishes to no longer use the lowered tax rate ceiling to calculate its tax rate, it can hold a public hearing and pass a resolution, a policy statement, or an ordinance justifying its action prior to setting and certifying its tax rate. The information in the Informational Data, at the end of these forms, provides the rate that would be allowed had there been no previous voluntary reduction(s) taken in an even numbered year(s).

For Political
Subdivision Use
in Calculating
its Tax Rate

A. **Prior year tax rate ceiling** as defined in Chapter 137, RSMo, revised if the prior year data changed or a voluntary reduction was taken in a non-reassessment year (Prior year Summary Page, Line F minus Line H in odd numbered year or prior year Summary Page, Line F in even numbered year)

0.4484

3. **Current year rate computed** pursuant to Article X, Section 22, of the Missouri Constitution and Section 137.073, RSMo, if no voter approved increase (Form A, Line 18)

0.4126

D. **Amount of rate increase authorized by voters for current year** if same purpose. (Form B, Line 7)

D. **Rate to compare to maximum authorized levy to determine tax rate ceiling** (Line B if no election, otherwise Line C)

0.4126

E. **Maximum authorized levy** the most recent voter approved rate

1.0000

F. **Current year tax rate ceiling** maximum legal rate to comply with Missouri laws Political subdivisions tax rate (Lower of Line D or E)

0.4126

G1. **Less required sales tax reduction** taken from tax rate ceiling (Line F), if applicable

0.0000

G2. **Less 20% required reduction 1st class charter county political subdivision NOT submitting an estimated non-binding tax rate to the county(ies)** taken from tax rate ceiling (Line F)

0.0000

H. **Less voluntary reduction by political subdivision** taken from the tax rate ceiling (Line F)

WARNING: A voluntary reduction taken in an even numbered year will lower the tax rate ceiling for the following year.

0.0000

I. **Plus allowable recoupment rate** added to tax rate ceiling (Line F) If applicable, attach Form G or H.

0.0000

J. **Tax rate to be levied** (Line F - Line G1 - Line G2 - Line H + Line I)

0.4126

AA. **Rate to be levied for debt service**, if applicable (Form C, Line 10)

0.0000

BB. **Additional special purpose rate authorized by voters** after the prior year tax rates were set. (Form B, Line 7 if a different purpose)

0.0000

Certification

I, the undersigned, Mayor (Office) of City of Smithville (Political Subdivision) levying a rate in Clay & Platte (County(ies)) do hereby certify that the data set forth above and on the accompanying forms is true and accurate to the best of my knowledge and belief.

Please complete Line G through BB, sign this form, and return to the county clerk(s) for final certification.

9/21/2021	Damien Boley	(816)-532-3897
(Date)	(Signature)	(Telephone)

Proposed rate to be entered on tax books by county clerk

based on certification from the political subdivision: Lines

J 0.4126 AA 0.0000 BB 0.0000

Section 137.073.7 RSMo, states that no tax rate shall be extended on the tax rolls by the county clerk unless the political subdivision has complied with the foregoing provisions of this section.

(Date)	(County Clerk's Signature)	(County)	(Telephone)

**PRO FORMA - STATE AUDITOR'S REVIEW OF DATA SUBMITTED****9/13/2021****Form A****(2021)****For Political Subdivisions Other Than School Districts Levying a Single Rate on All Property**

City of Smithville

09-024-0022

General Revenue

Name of Political Subdivision

Political Subdivision Code

Purpose of Levy

The final version of this form MUST be sent to the county clerk.

Computation of reassessment growth and rate for compliance with Article X, Section 22, and Section 137.073, RSMo.

1. (2021) Current year assessed valuation

Include the current state and locally assessed valuation obtained from the county clerk, county assessor, or comparable office finalized by the local board of equalization.

(a)	181,695,180	+	(b)	36,422,210	=	218,117,390
	(Real Estate)			(Personal Property)		(Total)

2. Assessed valuation of new construction & improvements

2(a) - Obtained from the county clerk or county assessor

2(b) - increase in personal property, use the formula listed under Line 2(b)

(a)	3,543,310	+	(b)	5,113,536	=	8,656,846
	(Real Estate)			Line 1(b) - 3(b) - 5(b) + 6(b) + 7(b)		(Total)
				If Line 2b is negative, enter zero		

3. Assessed value of newly added territory

obtained from the county clerk or county assessor

(a)	0	+	(b)	0	=	0
	(Real Estate)			(Personal Property)		(Total)

4. Adjusted current year assessed valuation

(Line 1 total - Line 2 total - Line 3 total)

209,460,544

5. (2020) Prior year assessed valuation

Include prior year state and locally assessed valuation obtained from the county clerk, county assessor, or comparable office finalized by the local board of equalization.

NOTE: If this is different than the amount on the prior year Form A, Line 1, then revise the prior year tax rate form to recalculate the prior year tax rate ceiling. Enter the revised prior year tax rate ceiling on this year's Summary Page, Line A.

(a)	158,744,987	+	(b)	31,308,674	=	190,053,661
	(Real Estate)			(Personal Property)		(Total)

6. Assessed value of newly separated territory

obtained from the county clerk or county assessor

(a)	0	+	(b)	0	=	0
	(Real Estate)			(Personal Property)		(Total)

7. Assessed value of property locally assessed in prior year, but state assessed in current year

obtained from the county clerk or county assessor

(a)	0	+	(b)	0	=	0
	(Real Estate)			(Personal Property)		(Total)

8. Adjusted prior year assessed valuation

(Line 5 total - Line 6 total - Line 7 total)

190,053,661



Form A

(2021)

For Political Subdivisions Other Than School Districts Levying a Single Rate on All Property

City of Smithville

09-024-0022

General Revenue

Name of Political Subdivision

Political Subdivision Code

Purpose of Levy

The final version of this form MUST be sent to the county clerk.

Computation of reassessment growth and rate for compliance with Article X, Section 22, and Section 137.073, RSMo.

Information on this page takes into consideration any voluntary reduction(s) taken in previous even numbered year(s). If in an even numbered year, the political subdivision wishes to no longer use the lowered tax rate ceiling to calculate its tax rate, it can hold a public hearing and pass a resolution, a policy statement, or an ordinance justifying its action prior to setting and certifying its tax rate. The information in the Informational Data, at the end of these forms, provides the rate that would be allowed had there been no previous voluntary reduction(s) taken in an even numbered year(s).

For Political
Subdivision Use in
Calculating its Tax
Rate

9. **Percentage increase in adjusted valuation** of existing property in the current year over the prior year's assessed valuation

(Line 4 - Line 8 / Line 8 x 100)

10.2113%

10. **Increase in Consumer Price Index (CPI)**
certified by the State Tax Commission

1.4000%

11. **Adjusted prior year assessed valuation**
(Line 8)

190,053,661

12. **(2020) Tax rate ceiling from prior year**

(Summary Page, Line A)

0.4484

13. **Maximum prior year adjusted revenue**
from property that existed in both years (Line 11 x Line 12 / 100)

852,201

14. **Permitted reassessment revenue growth**

The percentage entered on Line 14 should be the lower of the actual growth (Line 9), the CPI (Line 10) or 5%.

A negative figure on Line 9 is treated as a 0 for Line 14 purposes. Do not enter less than 0 or more than 5%.

1.4000%

15. **Additional revenue permitted**
(Line 13 x Line 14)

11,931

16. **Total revenue permitted in current year ***
from property that existed in both years (Line 13 + Line 15)

864,132

17. **Adjusted current year assessed valuation** (Line 4)

209,460,544

18. **Maximum tax rate permitted by Article X, Section 22, and Section 137.073, RSMo**
(Line 16 / Line 17 x 100)

Round a fraction to the nearest one/one hundredth of a cent.

Enter this rate on the Summary Page, Line B

0.4126

* To compute the total property tax revenues billed for the current year (including revenues from all new construction and improvements and annexed property), multiply Line 1 by the rate on Line 18 and divide by 100. The property tax revenues billed would be used in estimating budgeted revenues.



PRO FORMA - STATE AUDITOR'S REVIEW OF DATA SUBMITTED

9/13/2021

Form C

(2021)

For Political Subdivisions Other Than School Districts Levying a Single Rate on All Property

City of Smithville

09-024-0022

Debt Service

Name of Political Subdivision

Political Subdivision Code

Purpose of Levy

The final version of this form MUST be sent to the county clerk.

Debt Service Calculation for General Obligation Bonds Paid for with Property Taxes

The tax rate for debt service will be considered valid if, after making the payment(s) for which the tax was levied, the bonds remain outstanding, and the debt fund reserves do not exceed the following year's payments.

Since the property taxes are levied and collected on a calendar year basis (January - December), it is recommended that this levy be computed using calendar year data.

1. **Total current year assessed valuation** obtained from the county clerk or county assessor (Form A, Line 1 total) 218,117,390
2. **Amount required to pay debt service requirements during the next calendar year** (i.e. Assuming the current year is year 1, use January - December year 2 payments to complete the year 1 Form C) Include the principal and interest payments due on outstanding general obligation bond issues plus anticipated fees of any transfer agent or paying agent due during the next calendar year. 339,213
3. **Estimated costs of collection and anticipated delinquencies (i.e. collector fees & commissions & assessment fund withholdings)**
Experience in prior years is the best guide for estimating uncollectible taxes.
It is usually 2% to 10% of Line 2 above. 0
4. **Reasonable reserve up to one year's payment** (i.e. Assuming the current year is year 1, use January - December year 3 payments to complete the year 1 Form C) It is important that the debt service fund have sufficient reserves to prevent any default on the bonds.
Include payments for the year following the next calendar year, accounted for on Line 2. 343,040
5. **Total required for debt service** (Line 2 + Line 3 + Line 4) 682,253
6. **Anticipated balance at end of current calendar year**
Show the anticipated bank or fund balance at December 31st of this year (this will equal the current balance minus the amount of any principal or interest due before December 31st plus any estimated investment earning due before December 31st). Do not add the anticipated collections of this tax into this amount. 243,597
7. **Property tax revenue required for debt service** (Line 5 - Line 6)
Line 6 is subtracted from Line 5 because the debt service fund is only allowed to have the payments required for the next calendar year (Line 2) and the reasonable reserve of the following year's payment (Line 4). Any current balance in the fund is already available to meet these requirements so it is deducted from the total revenues required for debt service purposes. 438,656
8. **Computation of debt service tax rate** (Line 7 / Line 1 x 100)
Round a fraction to the nearest one/one hundredth of a cent. 0.2011
9. **Less voluntary reduction by political subdivision** 0.2011
10. **Actual rate to be levied for debt service purposes *** (Line 8 - Line 9)
Enter this rate on Line AA of the Summary Page. 0.0000

* The tax rate levied may be lower than the rate computed as long as adequate funds are available to service the debt requirements.



PRO FORMA - STATE AUDITOR'S REVIEW OF DATA SUBMITTED

9/13/2021

Informational Data

(2021)

For Political Subdivisions Other Than School Districts Levying a Single Rate on All Property

City of Smithville

09-024-0022

General Revenue

Name of Political Subdivision

Political Subdivision Code

Purpose of Levy

This page shows the information that would have been on the line items for the Summary Page, Form A, and/or Form B had no voluntary reduction(s) been taken in prior even numbered year(s). The information on this page should not be used in the current year unless the taxing authority wishes to reverse any voluntary reduction(s) taken in prior even numbered year(s) and follows the following steps in an even numbered year.

- Step 1 The governing body should hold a public hearing and adopt a resolution, a policy statement, or an ordinance justifying its action prior to setting and certifying its tax rate.
- Step 2 Submit a copy of the resolution, policy statement, or ordinance to the State Auditor's Office for review.

Based on Prior
Year Tax Rate
Ceiling as if No
Voluntary
Reductions
were Taken

Informational Summary Page

A. Prior year tax rate ceiling (Prior year Informational Summary Page, Line F)	0.4484
B. Current year rate computed (Informational Form A, Line 18 below)	0.4126
C. Amount of increase authorized by voters for current year (Informational Form B, Line 7 below)	
D. Rate to compare to maximum authorized levy (Line B if no election, otherwise Line C)	0.4126
E. Maximum authorized levy most recent voter approved rate	1.0000
F. Tax rate ceiling if no voluntary reductions were taken in a prior even numbered year (Lower of Line D or E)	0.4126

Informational Form A

9. Percentage increase in adjusted valuation (Form A, Line 4 - Line 8 / Line 8 x 100)	10.2113%
10. Increase in Consumer Price Index (CPI) certified by the State Tax Commission	1.4000%
11. Adjusted prior year assessed valuation (Form A, Line 8)	190,053,661
12. (2020) Tax rate ceiling from prior year (Informational Summary Page, Line A from above)	0.4484
13. Maximum prior year adjusted revenue from property that existed in both years (Line 11 x Line 12 / 100)	852,201
14. Permitted reassessment revenue growth The percentage entered on Line 14 should be the lower of the actual growth (Line 9), the CPI (Line 10), or 5%. A negative figure on Line 9 is treated as a 0 for Line 14 purposes. Do not enter less than 0, nor more than 5%.	1.4000%
15. Additional reassessment revenue permitted (Line 13 x Line 14)	11,931
16. Total revenue permitted in current year from property that existed in both years (Line 13 + Line 15)	864,132
17. Adjusted current year assessed valuation (Form A, Line 4)	209,460,544
18. Maximum tax rate permitted by Article X, Section 22, and Section 137.073, RSMo, if no voluntary reduction was taken (Line 16 / Line 17 x 100)	0.4126

Informational Form B

6. Prior year tax rate ceiling to apply voter approved increase to (Informational Summary Page, Line A if increase to an existing rate, otherwise 0)	
7. Voter approved increased tax rate to adjust (If an "increase of/by" ballot, Form B, Line 5a + Line 6, if an "increase to" ballot, Form B, Line 5b)	