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Sedgwick County

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Legislation Details (With Text)

File #: 18-568 **Version:** 1 **Name:**

Type: Resolution **Status:** Passed

File created: 7/5/2018 **In control:** Governing Body of Fire District 1

On agenda: 8/1/2018 **Final action:** 8/1/2018

Title: ADOPTION OF A RESOLUTION EXPRESSING THE PROPERTY TAX POLICY OF THE SEDGWICK COUNTY BOARD OF COUNTY COMMISSIONERS AS THE GOVERNING BOARD OF FIRE DISTRICT 1 WITH RESPECT TO FINANCING THE ANNUAL BUDGET FOR 2019.
Presented by: Lorien Showalter Arie, Budget Director.

RECOMMENDED ACTION: Adopt the Resolution.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Resolution Expressing the Property Taxation Policy

Date	Ver.	Action By	Action	Result
8/1/2018	1	Governing Body of Fire District 1	Adopted	Pass

ADOPTION OF A RESOLUTION EXPRESSING THE PROPERTY TAX POLICY OF THE SEDGWICK COUNTY BOARD OF COUNTY COMMISSIONERS AS THE GOVERNING BOARD OF FIRE DISTRICT 1 WITH RESPECT TO FINANCING THE ANNUAL BUDGET FOR 2019.

Presented by: Lorien Showalter Arie, Budget Director.

RECOMMENDED ACTION: Adopt the Resolution.

As applied to Sedgwick County Fire District 1, K.S.A. 79-2925b(a) states that a resolution is necessary when a levy of property taxes to fund the 2019 budget exceeds the levy of property taxes to fund the 2018 budget, as adjusted to reflect changes in the Consumer Price Index for All Urban Consumers (CPI-U) for calendar year 2017 (2.1 percent). The statute also calls for a variety of adjustments to be included in this calculation, including new improvements to real property, increased personal property valuation, property located within added jurisdictional territory, or property which has changed in use. Generally, CPI-U is used as a measure of inflation.

Per KSA 79-2925b, if the Commission intends to adopt a budget with a property tax levy that is greater than the computed limit, a funding resolution must be adopted prior to the budget being adopted. The 2019 recommended budget for Fire District 1 includes a property tax levy that is greater than the limit allowed by law without this action. Assessed value in the District is estimated to increase by 5.0 percent for the 2019 budget year, while the CPI-U allows for minimal growth of only 2.1 percent.

The levy included in the 2019 recommended budget is \$17,220,037 based on an estimated tax rate of 18.371 mills.

Adopting a levy in excess of the computed limit would allow the District to continue to regain ground

lost during the slow economic recovery since the Great Recession. Over the five prior budget years, tax base growth in the Fire District had been lower than growth in inflation as measured by the CPI-U. From 2012, when the 2013 budget was adopted, to 2016, when the 2017 budget was adopted, the tax base of the District increased 4.5 percent. However, CPI-U grew 1.3 percent from 2010 to 2014, the complete years of data available when those budgets were adopted. Should the budget actually be adopted with a property tax levy that is greater than the computed limit, statute directs that notice of such vote shall be published in the official County newspaper.

Alternatives: N/A

Financial Considerations: If the Governing Board chose to impose a levy that was equal to the computed limit, the levy would be reduced by \$225,324 to \$16,994,713. A corresponding budget reduction or increased use of fund balance would be necessary to offset the revenue reduction.

Legal Considerations: This action is authorized pursuant to K.S.A. 79-2925b and is in accordance with a sample resolution draft provided by the Kansas Department of Administration. Pursuant to K.S.A. 79-2925 et seq., the County is required to adopt a budget. Approval of this resolution requires a simple majority vote.

Policy Considerations: N/A

Outside Attendees: N/A

Multimedia Presentation: N/A