



City of Olathe

COUNCIL AGENDA ITEM

MEETING DATE: 7/16/2024

FOCUS AREA: Economy

STAFF CONTACT: Jamie Robichaud / Jarrod Stewart

SUBJECT: Consideration of Resolution No. 24-1032 of the City of Olathe, Kansas regarding the Governing Body's intent to levy a property tax exceeding the revenue neutral rate.

TITLE:

Consideration of Resolution No. 24-1032 of the City of Olathe, Kansas regarding the Governing Body's intent to levy a property tax exceeding the revenue neutral rate.

SUMMARY:

The 2021 Kansas Legislature passed and Governor Kelly signed Senate Bill 13, and Senate Subcommittee for HB 2104. This legislation ended the property tax lid, established the presumptive maximum property tax rate as revenue-neutral, established processes to exceed the revenue-neutral property tax rate, and created a new public notice and public hearing requirements.

Under this law, the County Clerk must calculate the revenue-neutral mill rate and provide the information to taxing jurisdictions by June 15th. Entities that anticipate exceeding the revenue-neutral rate for the upcoming budget cycle must notify the County Clerk of such intent by July 20th.

On June 15th the City received notification from the Johnson County Clerk that Olathe's revenue neutral rate was calculated at 21.706 mills. Resolution No. 24-1032 expresses the City's intent to exceed the revenue neutral rate and to levy a property tax mill rate in an amount *not to exceed* 23.356 mills. This resolution does not establish the mill rate for the 2025 budget, it sets the maximum amount that could be levied. Pursuant to state law, the City will publish notice in the newspaper and the City's website regarding the public hearing, which will be held on Tuesday, August 27, 2024.

FINANCIAL IMPACT:

Property tax generates approximately 22% of the revenue for the General Fund, 96% of the revenue for the Library Fund, and 72% of the revenue of the Debt Service Fund.

ACTION NEEDED:

Approve Resolution No. 24-1032 expressing the City's intent to exceed the revenue neutral rate calculated by the Johnson County Clerk and establish the date of the public hearing as Tuesday, August 27, 2024.

ATTACHMENT(S):

A: Resolution No. 24-1032
