



REQUEST FOR BOARD ACTION

BOARD MEETING DATE: Tuesday, June 13, 2023

REVIEWALS:

Finance Department: Completed

City Administrator: Completed

SUBJECT: An Ordinance allowing the City to maintain its existing tax rate on utility companies

LIST OF ATTACHED REFERENCE DOCUMENTS:

State Statute 393.275 RSMo

FISCAL IMPACT:

Unknown

BACKGROUND/DISCUSSION:

The Public Service Commission (PSC) recently approved a rate hike for Missouri American Water Company in excess of 7%. According to state statute, when this occurs the City may either reduce the utility gross receipts tax to the extent necessary so that revenue for the ensuing twelve months will be approximately equal to the revenue received during the preceding twelve months plus a growth factor, or we can enact an ordinance that would keep the tax rate the same despite the usage rate increase.

Staff has requested a second reading; should the Board wish to the approve the ordinance, we have limited time to notify the appropriate parties and want to ensure we meet the deadlines.

STAFF RECOMMENDATION:

Staff recommends approval.

MEETING HISTORY:

June 5, 2023 – Finance Committee