

# Memorandum

## City of Lawrence

### City Manager's Office

Date: **REVISED 05/05/10**  
 To: David Corliss, City Manager  
 From: Casey Toomay, Budget Manager  
 Michelle Stevens, Intern  
 CC: Cynthia Boecker, Assistant City Manager  
 Diane Stoddard, Assistant City Manager  
 Jonathan Douglass, Assistant to the City Manager  
 RE: Assessed Valuation, Mill Levy, and Local Sales Tax Comparison Information for the 2010 Budget Year - **UPDATE**

Per your request, information related to the assessed valuation, mill levy, and local sales tax for the ten largest cities in Kansas is provided below. It is important to remember that the municipal services provided by each municipality vary. For example, only Lawrence and Manhattan levy property taxes to fund libraries.

#### Assessed Valuation

The table below shows how the City of Lawrence compares to the nine other largest cities in the state in terms of assessed valuation for the 2009 and 2010 budget years.

City	Population (2005 est.)	2008 total estimated assessed value	2008 assessed valuation per capita	Population (2008 est.)	2009 total estimated assessed value	2009 assessed valuation per capita
Wichita	347,996	\$3,145,832,409	\$9,040	366,046	\$3,151,655,096	\$8,610
Overland Park	168,000	2,873,398,579	17,104	171,231	2,750,228,988	\$16,062
Olathe	116,910	1,371,206,924	11,729	119,993	1,332,794,724	\$11,107
Unified Government	144,210	1,143,038,682	7,926	142,562	1,063,675,528	\$7,461
Topeka	122,008	1,039,723,989	8,522	123,446	1,013,490,502	\$8,210
Lenexa	43,765	939,519,742	21,467	46,822	956,643,001	\$20,431
<b>Lawrence</b>	<b>88,664</b>	<b>862,037,586</b>	<b>9,723</b>	<b>90,520</b>	<b>853,676,870</b>	<b>\$9,431</b>
Shawnee	56,915	738,920,861	12,983	60,954	716,913,883	\$11,762
Manhattan	49,462	429,976,877	8,693	52,284	465,543,127	\$8,904
Salina	45,956	399,982,148	8,704	46,483	397,470,626	\$8,551
average	118,389	\$ 1,294,363,780	\$ 11,589	122,034	\$ 1,270,209,235	\$ 11,053
median	102,787	\$ 989,621,866	\$ 9,381	105,257	\$ 985,066,752	\$ 9,167

Source: County Clerk's offices

The table highlights the following:

- Based on 2008 population estimates, Lawrence is the sixth largest city in the state. At 90,520, Lawrence is 14% below the median population.
- Lawrence ranks seventh in terms of total assessed valuation for the 2010 budget year just as it did for the 2009 and 2008 budget years. The city with the greatest total assessed value is Wichita, the city with the largest population.

- When comparing assessed valuation per capita, Lawrence ranks fifth. We are almost three percent (3%) above the median but more than fourteen percent (14%) below the average assessed valuation per capita. The four cities with higher assessed valuations per capita are all in Johnson County.

### **Mill Levy**

The table below shows the City mill levies as well as the total mill levies for the ten largest cities for the 2009 and 2010 budgets.

City	2008 City Mill Levy for the 2009 Budget	2009 City Mill Levy for the 2010 Budget	2009 Total Mills Levied By All Taxing Entities for the 2010 Budget
Unified Government	40.258	40.258	167.110
Manhattan	34.268	37.289	117.904*
Topeka	32.682	32.592	147.028
Wichita	32.056	32.142	119.868
<b>Lawrence</b>	<b>26.647</b>	<b>26.693</b>	<b>119.050</b>
Lenexa	26.568	26.574	124.588
Salina	25.886	25.855	122.550
Olathe	24.908	24.837	125.343
Shawnee	24.693	24.699	121.186
Overland Park	8.852	8.890	109.817
average	27.682	27.983	127.444
median	26.608	26.634	121.868

\*Data from Manhattan was collected from the City of Manhattan website. All other data came from the League of Kansas Municipalities.

The 2009 Lawrence city mill levy for the 2010 budget ranks fifth among the top ten largest cities. At 26.693 mills, the Lawrence mill levy is 0.059 mills above the median but 1.290 mills below the average city mill levy for the 2010 budget.

Only two of the comparison cities have a lower total mill levy than Lawrence. At 119.050 mills, the total mills levied by all taxing entities in the City of Lawrence is 2.818 mills below the median and 8.394 mills below the average total mills levied by all taxing entities in the comparison cities.

### **Local Sales and Use Tax**

Municipalities across the state levy sales tax for a number of purposes. For most communities, sales tax is levied for general purposes. Some municipalities also levy sale taxes for special purposes. The City of Lawrence has both. In 1971, the City passed a general purpose 0.50% sales tax. In 1990, voters passed a 0.50% city sales tax intended for public safety. In November of 2008, voters approved a 0.30% sales tax for infrastructure and a 0.25% sales tax for transit. A number of cities, including Lawrence, have also established special taxing districts.

The chart below shows a breakdown of the city and county sale tax rates by purpose as well as the total combined sales tax rates in the ten largest cities in the state. Included in the combined sales tax rate is the 5.3% sales tax levied by the State. Also included are tax rates for any special taxing districts in the city. While cities do not receive any revenue from the State sales tax or from the special taxing districts, cities do receive a portion of the sales taxes levied by the County in which they are located based on a population and property tax ratio.

Of the ten cities in the comparison, three (Lenexa, Topeka, and the Unified Government) have a higher combined sales tax rate than Lawrence. In addition, there are special taxing districts in the Unified Government and cities of Manhattan, Olathe, and Overland Park that have higher combined sales tax rates

than most of Lawrence. Six cities (Wichita, Salina, Manhattan, Olathe, Overland Park, and Shawnee) have a lower combined sales tax rate than Lawrence.

City	City Sales Taxes	County Sales Taxes	Combined Sales Tax Rate
Unified Government	1.25% speedway debt 0.375% public safety, infrastructure and STAR bonds (effective July 1)	1.00% speedway debt	7.925%
Kansas City Transportation Districts	0.10% improvements at location	same as above	8.025%
Kansas City Transportation Districts	0.60% improvements at location	same as above	8.525%
Kansas City Transportation Districts	1.00% improvements at location	same as above	8.925%
<b>Lawrence</b>	<b>0.50% public safety</b> <b>0.50% general purpose</b> <b>0.30% streets</b> <b>0.20% transit</b> <b>0.05% transit</b>	<b>1.0% property tax relief, parks and rec, health, jail</b>	<b>7.850%</b>
<b>Oread TDD</b>	<b>1.00% improvements at location</b>	<b>same as above</b>	<b>8.850%</b>
<b>Lawrence Bauer Farms TDD</b>	<b>1.00% improvements at location</b>	<b>same as above</b>	<b>8.850%</b>
Lenexa	1.00% general purpose 0.125% storm water 0.375% roads/parks/civic facility	0.50% general purpose 0.500% public safety 0.125% research triangle 0.100% storm water	8.025%
Manhattan (Pottawatomie Co.)	1.00% general purpose and STAR bonds 0.25% quality of life	0.50% general purpose 0.50% road and bridge projects	7.550%
Manhattan (Riley Co.)	same as above	same as above	7.550%
Manhattan Transportation Districts	0.50% improvements at location	same as above	8.050%
Olathe	1.00% general purpose 0.125% park excise tax	0.50% general purpose 0.25% public safety 0.25% school tax 0.10% storm water 0.125% research triangle	7.650%
Olathe Transportation District	1.00% improvements at various location	same as above	8.650%
Overland Park	1.00% general purpose 0.125% streets	0.50% general purpose 0.25% public safety 0.25% public safety capital and operations 0.10% storm water 0.125% research triangle	7.650%
Overland Park Transport. Dist	1.00% improvements at location	same as above	8.650%
Overland Park Transport. Dist	0.5% improvements at location	same as above	8.150%
Salina	0.5% general purpose 0.4% capital improvements, tax stabilization and economic development	1.00% general purpose	7.200%
Shawnee	1.00% general purposes 0.125% public safety 0.125% parks and pipes	0.50% general purpose 0.25% public safety 0.25% law enforcement 0.125% research triangle 0.10% storm water	7.775%
Topeka	1.00% general purpose 0.50% streets, sidewalks, curbs and gutters, and streetlights	0.65% Washburn 0.25% economic development 0.25% streets and bridges	7.950%
Wichita	none	0.50% property tax relief 0.50% road and bridge projects	6.30%

The table below compares the ten largest cities in Kansas in terms of their total city and county sales and use tax distributions for 2008 and 2009, as well as the total city and county sales and use tax budgeted for 2010.

It should be noted that the 2008 and 2009 numbers include all sales tax proceeds distributed to the cities, including those from any special taxing districts within the various cities. The cities do not retain these proceeds, but instead must use them to reimburse those responsible for improvements made within the special district.

City	2008 Actual Sales Tax Revenues*	08 Sales Tax Revenues Per Capita	2009 Estimated Sales Tax Revenues**	2009 Estimated Sales Tax Per Capita	2010 Budgeted Sales Tax Revenues	2010 Budgeted Sales Tax Per Capita
Overland Park	\$ 66,214,760	\$ 394	\$ 60,954,264	\$ 363	\$ 69,661,458	\$ 407
Wichita	\$ 51,253,194	\$ 147	\$ 49,442,734	\$ 142	\$ 52,287,460	\$ 143
Unified Government	\$ 41,304,303	\$ 286	\$ 42,385,227	\$ 294	\$ 36,276,000	\$ 254
Olathe	\$ 39,757,069	\$ 340	\$ 37,296,127	\$ 319	\$ 41,005,102	\$ 342
Topeka	\$ 36,634,476	\$ 300	\$ 35,502,072	\$ 291	\$ 50,245,200	\$ 407
<b>Lawrence</b>	<b>\$ 23,028,955</b>	<b>\$ 260</b>	<b>\$ 26,713,535</b>	<b>\$ 301</b>	<b>\$ 30,827,113</b>	<b>\$ 341</b>
Lenexa	\$ 23,245,389	\$ 531	\$ 25,529,556	\$ 583	\$ 24,685,880	\$ 527
Shawnee	\$ 19,557,924	\$ 344	\$ 18,099,997	\$ 318	\$ 18,696,000	\$ 307
Manhattan	\$ 15,332,624	\$ 310	\$ 15,513,209	\$ 314	\$ 16,703,440	\$ 319
Salina	\$ 14,070,647	\$ 306	\$ 15,126,674	\$ 329	\$ 15,976,336	\$ 344
average	\$ 33,039,934	\$ 279	\$ 32,656,340	\$ 276	\$ 35,636,399	\$ 292
median	\$ 29,939,933	\$ 308	\$ 31,107,804	\$ 316	\$ 33,551,557	\$ 341

\*source: KS Dpt. of Revenue Office of Policy and Research

\*\* includes city sales and use taxes and the city's share of county sales and use taxes

This table highlights the following:

- The City of Lawrence ranked sixth in total sales tax revenues received in 2009. This is \$4.3 million, or 14%, below the median. In 2008, Lawrence received \$6.9 million, or 23%, below the median.
- When comparing sales tax revenues received per capita, Lawrence ranked seventh in 2009. In 2008, only the City of Wichita received less sales tax per capita. Sales tax received per capita in 2009 was less than 5% below the median, compared to more than 15% below the median in 2008.
- The City of Lawrence budgeted \$30,827,113 in sales tax for 2010. Four cities budgeted less sales tax for 2010. Overland Park budgeted the most sales tax of any of the cities in the comparison, \$36 Million, or 108% of the median. Salina budgeted the least sales tax in 2010, budgeting 52% below the median.
- On a per capita basis, Lawrence ranks fifth among the ten largest cities for the amount of sales tax budgeted in 2010. At \$341 of sales tax budgeted per capita, Lawrence is the median in this comparison. The City of Lenexa budgeted \$527 per capita for 2010, the most of any city in this comparison.

## **Conclusion**

While the services provided by municipalities vary, it is possible to compare the City of Lawrence to the nine other largest cities in the state in a number of areas. Our assessed valuation per capita is higher than the median. The city mill levy for 2010 is 1.29 mills below the average. Three cities have higher combined sales tax rates than Lawrence and most area communities have combined sales tax rates in the upper 7% to lower 8% range.