
KIRKSVILLE CITY COUNCIL REPORT

Council Meeting Date: September 19, 2011

Agenda Item: 2

Report Prepared by: Laura Guy, Finance Director

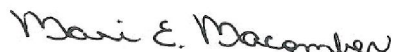
Recommended Motion: To approve an Ordinance reaffirming the business license tax rates imposed by the City of Kirksville on public utility corporations.

Background: Effective with July 31, 2011, the Public Service Commission approved a tariff increase for Union Electric Company d/b/a Ameren Missouri of 7.11%. Per RSMo Section 393.275, any tariff increase in excess of 7% by a public utility corporation requires that a city adjust its business license tax on the gross receipts of that public utility corporation in order to maintain the same level of revenue as seen in the preceding 12 months, plus a growth factor.

Municipalities may opt out of this roll back if an ordinance maintaining the current rate is passed within 60 days of the tariff increase, which is September 29, 2011. Staff is recommending that the City of Kirksville enact such an ordinance to maintain the current rate of business license taxes. A business license tax of 4.76% is currently imposed under the City's franchise agreement on the gross receipts of Union Electric Company.

Fiscal Impact: By maintaining the current rate of 4.76% on electric gross receipts, the City will see an approximate increase of 7% in its business license taxes collected from Ameren Missouri.

Respectfully submitted,



Mari E. Macomber
City Manager