



REQUEST FOR COMMISSION ACTION
CITY OF INDEPENDENCE
March 12, 2020

Department Administration/Finance

Director Approval Kelly Passaver/Lacey Lies

AGENDA ITEM Consider a resolution to pass monies received from the Transient Guest Tax through to the Independence Chamber of Commerce and to set a budget hearing for amending the 2020 budget to include a new budgeted fund for Transient Guest Tax.

SUMMARY RECOMMENDATION Approve the resolution and set the Budget Hearing for Thursday, March 26th, 2020 at 5:30 PM.

BACKGROUND On February 10, 2020 the City Clerk was sent a copy of a resolution passed by the County on January 27, 2020 regarding a change in the Transient Tax Distribution which is currently set at 5% County-wide. Previously the distribution was based on the number of beds in each community that were subject to the transient guest tax, and on average over the last 5 years, Independence's portion has been 49.5%. The distribution has been modified by Montgomery County Resolution 20-021 based on the following percentage:

Caney – 5%
Cherryvale – 5%
Coffeyville – 45%
Independence – 45%

In addition to the above modification, the funds are also being distributed directly to the cities, rather than to the Chamber of Commerce in the respective cities. In order to expend the funds, a new budgeted fund for Transient Guest Tax must be approved after holding a public hearing. The public hearing notice must be published at least ten days prior to the hearing.

Since the Chamber of Commerce has done an excellent job in their tourism efforts, staff's recommendation has been to not modify the amount of proceeds they are currently receiving. In order to pass through the proceeds, the following needs to occur:

1. Adopt a resolution regarding proceeds from the transient guest tax levied by Montgomery County.
2. Approve amending the budget for the receipt and expenditure of the Transient Guest Tax.

It was discussed by the Commission and City staff at the strategic planning retreat to investigate increasing the transient guest tax above the current 5% rate. The City Attorney can advise what would need to occur for this to occur.

BUDGET IMPACT There will be no anticipated net budget impact at this time, as funds are anticipated to be received and passed on to the Chamber of Commerce for Tourism.

SUGGESTED MOTION I move set the 2020 Amended Budget Hearing date March 26th, 2020 at 5:30 PM, and to approve a resolution to pass the Transient Guest Tax on to the Independence Chamber of Commerce.

SUPPORTING DOCUMENTS

1. Letter from the County Clerk, which includes a Resolution passed by the Montgomery County Commission on January 27, 2020.
2. Resolution regarding proceeds from the transient guest tax levied by Montgomery County.
3. Notice of Budget Hearing for Amending the 2020 Budget.

CHARLOTTE A. SCOTT SCHMIDT

COUNTY CLERK
MONTGOMERY COUNTY
P. O. BOX 446
Independence, Kansas 67301

Phone (620) 330-1200 Fax (620) 330-1202
cassschmidt@mgcountvks.org

February 10, 2020

David Schwanker
City of Independence
811 W Laurel St
Independence, KS 67301

Dear David,

On the 27th day of January 2020 the Board of County Commissioners adopted a resolution to change the Transient Tax Distribution. The new resolution will include the city of Caney and will be by a percentage and not by a room count.

I have enclosed a copy of Resolution No. 20-021.

If you have any questions, please feel free to call the County Clerk's office at 620-330-1200.

Thank you,

Charlotte A. Schmidt



Montgomery County Clerk

RESOLUTION NO. 20 -021

DATED at Independence, Montgomery County, Kansas this 27th day of January, 2020.

WHEREAS: *A motion was made by Commissioner Bever to rescind Montgomery County Resolution 07-150 and to implement Resolution No. 20-021 to authorize the Transiet Tax to remain at five percent (5%). The distribution of dollars of that tax will be 45% to the City of Coffeyville, 45% to the City of Independence, 5% to the City of Caney and 5% to the City of Cherryvale effective with the publication of this resolution.*

The Board of County Commissioners will serve as the Oversight Committee for Tourism with a yearly report being filed with the Commission by the Convention and Visitor Bureau no later than February 15th for the preceeding year.

Motion was seconded by Commissioner McManus.

*ROLL CALL VOTE – Commissioner McManus- Yes
Commissioner Brown – Yes
Commissioner Bever– Yes*

**BOARD OF COUNTY COMMISSIONERS
MONTGOMERY COUNTY, KANSAS**

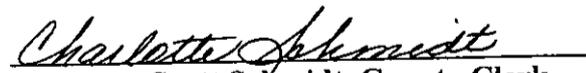

Larry McManus, Chairman


Fred Brown, Member


Robert Bever, Member



ATTEST:


Charlotte Scott Schmidt, County Clerk

RESOLUTION NO. _____

**A Resolution Regarding Proceeds From
the Transient Guest Tax Levied by Montgomery County**

BE IT RESOLVED by the Governing Body of the City of Independence, Kansas:

Section 1. On January 27, 2020, the Board of County Commissioners of Montgomery County, Kansas, adopted Resolution No. 20-021 wherein it is provided that transient guest taxes collected by Montgomery County shall be distributed in a certain manner including forty-five percent (45%) to the City of Independence.

Section 2. Prior to adoption of County Resolution No. 20-021, Montgomery County distributed a portion of the transient guest taxes collected to the Independence Convention and Visitors' Bureau which offices with, and is under the umbrella of, the Independence Chamber of Commerce.

Section 3. The Governing Body of the City of Independence desires the Independence Convention and Visitors' Bureau to continue to receive and disburse transient guest taxes distributed by Montgomery County for the benefit of the City of Independence.

Section 4. Upon receipt of its forty-five percent (45%) share of the transient guest taxes collected by Montgomery County pursuant to County Resolution No. 20-021, the City shall distribute said taxes to the Independence Convention and Visitors' Bureau. The Independence Convention and Visitors' Bureau shall then be responsible for compliance with all reporting requirements made by Montgomery County.

Adopted by the Governing Body of the City of Independence, Kansas, on the 12th day of March, 2020.

LEONHARD CAFLISCH, Mayor

ATTEST:

DAVID W. SCHWENKER, City Clerk

**Notice of Budget Hearing for Amending the
2020 Budget**

The governing body of
City of Independence

will meet on the day of 3/26/2020 at 5:30 PM at VETERAN'S ROOM, MEMORIAL HALL for the purpose of hearing and answering objections of taxpayers relating to the proposed amended use of funds.

Detailed budget information is available at CITY CLERK'S OFFICE
and will be available at this hearing.

Summary of Amendments

Fund	2020 Adopted Budget			2020 Proposed Amended Expenditures
	Actual Tax Rate	Amount of Tax that was Levied	Expenditures	
Transient Guest Tax			0	160,000
			0	0
			0	0
			0	0
			0	0
			0	0

LACEY LIES

Official Title: DIRECTOR OF FINANCE