

ORDINANCE NO. 2039

AN ORDINANCE ESTABLISHING AD VALOREM TAX RATES FOR FISCAL YEAR 2024-2025 AND PENALTIES FOR NON-PAYMENT.

WHEREAS, the City of Danville, Kentucky is authorized to impose ad valorem taxes pursuant to the Kentucky Constitution, Section 157, KRS 92.280, KRS 92.420(2), KRS 92.590(3), KRS 95.580(1), KRS 132.027, KRS 132.220(5), KRS 136.120, and other applicable law:

NOW, THEREFORE, be it ordained by the Board of Commissioners of the City of Danville, Kentucky, as follows:

SECTION ONE: An ad valorem tax upon all real estate taxable, assessed or assessable in the City of Danville, Kentucky amounting to \$ 0.122 on each one hundred (\$100.00) dollars of the value and an ad valorem or franchise tax on public service corporation property amounting to \$ 0.122 on each one hundred (\$100.00) dollars of value is hereby levied for the fiscal year beginning July 1, 2024, and ending June 30, 2025, which shall be paid into and become a part of the general fund of the City of Danville, Kentucky.

SECTION TWO: An ad valorem tax upon all personal tangible property taxable, assessed or assessable in the City of Danville, Kentucky, amounting to \$ 0.1584 on each one hundred (\$100.00) dollars of the value is hereby levied for the fiscal year beginning July 1, 2024, and ending June 30, 2025, which shall be paid into and become a part of the general fund of the City of Danville, Kentucky.

SECTION THREE: An ad valorem tax shall be established upon all motor vehicles, personal watercraft and documented watercraft that are taxable, assessed or assessable in the City of Danville, Kentucky amounting to \$ 0.200 on each one hundred (\$100.00) dollars of the value beginning July 1, 2024, and ending June 30, 2025, which shall be paid into and become a part of the general fund of the City of Danville, Kentucky. The value of the motor vehicle, personal watercraft and documented watercraft shall be assessed in accordance with KRS 132.487. There shall not be an ad valorem tax on any personal aircraft in the City of Danville, Kentucky beginning July 1, 2024.

SECTION FOUR: The tax rate for the operating property of railroad carline companies shall be in accordance with the multiplier provided by the Kentucky Revenue Cabinet.

SECTION FIVE: In addition to those times provided in KRS 133.045, the tax rolls of the City of Danville, Kentucky shall be open for inspection in the office of Property Valuation Administrator at the Boyle County Courthouse each day of the year said office is open for business.

SECTION SIX: All taxes levied in this Ordinance not paid by January 1, 2025, shall be subject to penalties consistent with those charged by the Boyle County Sheriff's Department.

**SECTION SEVEN:** For the fiscal year beginning July 1, 2024, and ending June 30, 2025, property subject to taxation by the City of Danville, Kentucky, shall be assessed for City taxation as of January 1, 2024, which date is hereby fixed by the City Legislative Body; all pursuant to KRS 92.420(2).

**SECTION EIGHT:** If any section, subsection, paragraph, sentence, clause, phrase, or portion of this Ordinance is for any reason declared illegal, unconstitutional, or otherwise invalid, such declaration shall not affect the remaining portions hereof.

**SECTION NINE:** If any provision of this Ordinance is in conflict with provisions of existing Ordinances or laws, it is the intent of the Board of Commissioners of the City of Danville, Kentucky, that the provisions of this Ordinance shall govern, and such provisions in existing Ordinances or Laws in conflict herewith are hereby rescinded.

GIVEN FIRST READING AND PASSED 08.26.2024

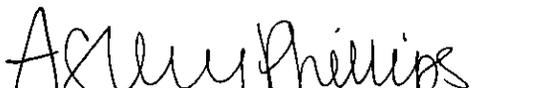
GIVEN SECOND READING AND PASSED 08.30.2024

PUBLISHED IN DANVILLE ADVOCATE MESSENGER \_\_\_\_\_

APPROVED:

  
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J. H. ATKINS, MAYOR

ATTEST:

  
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ASHLEY PHILLIPS, CITY CLERK

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# memo

City of Danville

To: Mayor and Board of Commissioners  
From: Leigh Compton, Finance Director  
CC: Earl Coffey, City Manager  
Date: 8/20/2024  
Re: Property Tax Rates – Tax Year 2024

**Summary:** Annually the City updates the Ad Valorem tax rate. For 2023 the rates were \$0.124 per \$100 for real property and \$0.1706 per \$100 for personal property (tangible), and \$0.200 per \$100 for motor vehicles. Attached is the worksheet demonstrating the calculations and revenue projections. During the fiscal year 2024-2025 budget process staff recommended adopting the “4% Rate” for the proposed budget. This was based on revenue collected at that point in time and historical property assessments. The projected 4% rate was anticipated to be lower than the 2023 rate.

Actual assessments for tax year 2024 resulted in a projected compensating rate of \$0.122 and a 4% rate of \$0.128, for real property. Analysis of property tax revenue collections for tax year 2023 vs the projected collections for 2023 resulted in \$286,003 additional revenue. This was primarily due to a significant increase in collections of tangible property taxes. By increasing rates to the 4% rate, the City would potentially be collecting significantly more than “4%” additional revenue. When comparing actual collections from tax year 2022 and 2023, by using the compensating rate, the City collected 7.63% more revenue in 2023 compared to 2022, that can’t be solely attributed to new growth. Increasing the rate to 4% could inflate revenue collections.

**2022 Actuals vs 2023 Actuals**

	2022	2023
Real	\$ 1,584,809	\$ 1,663,489
Tangible	\$ 463,764	\$ 541,435
	<u>\$ 2,048,573</u>	<u>\$ 2,204,924</u>
<i>variance</i>	\$ 156,352	7.63%

The compensating rate projects a similar increase the City saw in 2023. There is a modest increase in assessments compared to the 22/23 change. The real estate market is cooling compared to previous years, which has inflated the revenue received compared to projections. Therefore, City staff recommend taking the compensating rates for tax year 2024 of \$0.122 per \$100 for Real Property and \$0.1584 per \$100 for Personal Property, and .200 for Motor Vehicles.

