

ORDINANCE NO. 1998

AN ORDINANCE ESTABLISHING AD VALOREM TAX RATES FOR FISCAL YEAR 2022-2023 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 \$ 0.133 on each one hundred (\$100.00) dollars of the value and an ad valorem or franchise tax on public service corporation property amounting to \$0.133 on each one hundred (\$100.00) dollars of value is hereby levied for the fiscal year beginning July 1, 2022, and ending June 30, 2023, 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 \$0.1901 on each one hundred (\$100.00) dollars of the value is hereby levied for the fiscal year beginning July 1, 2022, and ending June 30, 2023, 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 \$ 0.2 on each one hundred (\$100.00) dollars of the value beginning July 1, 2022, and ending June 30, 2023, 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, 2022.

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, 2022, 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, 2022, and ending June 30, 2023, property subject to taxation by the City of Danville, Kentucky, shall be assessed for City taxation as of January 1, 2022, 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 08.08.2022

GIVEN SECOND READING AND PASSED 08.22.2022

PUBLISHED IN DANVILLE ADVOCATE MESSENGER 09.03.2022

APPROVED:


G. MICHAEL PERROS, MAYOR

ATTEST:


ASHLEY RAIDER, CITY CLERK

**City of Danville
Ad Valorem (Property) Tax Revenue Projection**

	Tax Year 2021		Tax Year 2022		
	Assessments*	Revenue Projected	Assessments*	Revenue Projected	Variance from prior year
Real Property Rate		0.138		0.133	
Tangible Property Rate		0.1902		0.1901	
Motor Vehicle Rate		0.2		0.2	
Real Property Assessment	1,116,022,600	\$1,540,111	1,174,682,450	\$1,562,328	\$22,216
Tangible Property Assessment	138,065,381	\$262,600	140,109,472	\$266,348	\$3,748
Total	1,254,087,981		1,314,791,922		
New Growth	12,180,500	\$16,809	11,116,300	\$14,785	
Real and Tangible Tax Revenue		\$1,819,521		\$1,843,460	\$23,940
Motor Vehicle and Boats Assessment and Revenue	103,543,947	\$207,088	118,975,269	\$237,951	\$30,863

*Assessments provided by Boyle Co PVA and KY Department of Revenue Office of Property Valuation

Real Property Tax Rate Calculation

City Real Property Tax Calculation Worksheet

1. 2021 Actual Tax Rate (per \$100) Real Property	<u>.1380</u>
2. 2021 Actual Tax Rate (per \$100) Personal Property	<u>.1902</u>
3. 2021 Total Property Subject to Rate (A)	<u>1,254,087,981</u>
4. 2021 Real Property Subject to Rate (col 1, F, H)	<u>1,116,022,600</u>
5. 2022 Total Property Subject to Rate (E)	<u>1,314,791,922</u>
6. 2022 Real Property Subject to Rate (col 3, F, H)	<u>1,174,682,450</u>
7. 2022 New Property (KRS 132.010) (Net new PVA + PS)	<u>11,116,300</u>
8. 2021 Personal Property Subject to Rate (Col 1, G, I, J)	<u>138,065,381</u>
9. 2022 Personal Property Subject to Rate (Col 3, G, I, J)	<u>140,109,472</u>

I. Compensating Rate for 2022 (KRS 132.010(6)):

$$\frac{\$1,116,022,600}{4} / 100 \times \frac{\quad}{1} .1380 \text{ is } \frac{\$1,540,111}{A \text{ (2021 Real Property Revenue)}}$$

$$\frac{\$1,540,111}{A} \text{ div by } \frac{\$1,163,566,150}{6 \text{ minus } 7} \times 100 = \frac{\quad}{\text{Rate I (round up)}} .133$$

0.132361292

Check for minimum revenue limit on compensating rate for 2021 (KRS 132.010 6)):

$$\frac{\$1,314,791,922}{5} / 100 \times \frac{\quad}{\text{Rate I}} .133 \text{ is } \frac{\$1,748,673}{\text{Total 2022 Revenue}}$$

$$\frac{\$1,116,022,600}{4} / 100 \times \frac{\quad}{1} .138 \text{ is } \frac{\$1,540,111}{\text{2021 Revenue (R.P.)}}$$

$$\frac{\$138,065,381}{8} / 100 \times \frac{\quad}{2} .190 \text{ is } \frac{\$262,600}{\text{2021 Revenue (P.P.)}}$$

$$\frac{\$1,802,712}{\text{Grand Total 2021 Revenue}}$$

$$\frac{\$1,802,712}{\text{Total 2021 Revenue}} / \frac{\$1,314,791,922}{5} \times 100 = \frac{\quad}{\text{Substitute for Rate I (Round Up)}} .138$$

0.137110026

II: Rate allowing 4% Increase in Revenue from real property (KRS 132.027(3)):

$$\frac{\$1,163,566,150}{6 \text{ minus } 7} / 100 \times \frac{\quad}{\text{Rate I or sub rate}} .138 \text{ is } \frac{\$1,605,721}{B}$$

$$\frac{\$1,605,721}{B} \times 1.04 / \frac{\$1,163,566,150}{6 \text{ minus } 7} \times 100 \text{ is } \frac{\quad}{\text{Rate II (Round Down)}} .143$$

.1435200000

Motor Vehicle	&	Watercraft:	
118,975,269	X	0.200	/100=
Rows M + N Col 3		MV & Watercraft Rate	Revenue Produced
			<u>\$237,951</u>

MV & Watercraft rates must be submitted to the Revenue Cabinet by October 1 (maximum rate is the rate that could have been levied in 1983.

**Personal Property Rate Calculation
- Based on Compensating Tax Rate**

City of Danville

City Personal Property Tax Rate Calculation Worksheet

1. 2021 Actual Tax Rate (per \$100) Real Property	.1380
2. 2021 Actual Tax Rate (per \$100) Personal Property	.1902
3. 2022 Actual Tax Rate (per\$100) Real Property	.1330
4. 2021 Real Property Subject to Rate (col 1, F, H)	<u>\$1,116,022,600</u>
5. 2022 Real Property Subject to Rate (col 3, F, H)	<u>\$1,174,682,450</u>
6. 2021 Personal Property Subject to Rate (Col 1, G, I, J)	<u>\$138,065,381</u>
7. 2022 Personal Property Subject to Rate (Col 3, G, I J)	<u>\$140,109,472</u>

I. Stage One:

$\frac{\$1,174,682,450}{5} / 100 \times .1330$	is	$\frac{\$1,562,328}{A}$	<i>A 2022 RE Revenue</i>
$\frac{\$1,116,022,600}{4} / 100 \times .1380$	is	$\frac{\$1,540,111}{B}$	<i>B 2021 RE Revenue</i>
$\frac{\$1,562,328}{A} \text{ minus } \frac{\$1,540,111}{B}$	is	$\frac{\$22,216}{C}$	<i>C (Revenue increase over prior year)</i>
$\frac{\$22,216}{C} / \frac{\$1,540,111}{B}$	is	$\frac{1.4425\%}{D}$	<i>D (Revenue % increase over prior year)</i>

2. Stage Two:

$\frac{\$140,109,472}{7} / 100 \times .1330$	is	$\frac{\$186,346}{E}$	<i>E 2022 PP Revenue</i>
$\frac{\$138,065,381}{6} / 100 \times .1902$	is	$\frac{\$262,600}{F}$	<i>F 2021 PP Revenue</i>
$\frac{\$186,346}{E} \text{ minus } \frac{\$262,600}{F}$	is	$\frac{-\$76,255}{G}$	<i>G (Revenue increase over prior year)</i>
$\frac{-\$76,255}{G} / \frac{\$262,600}{F}$	is	$\frac{-29.0383\%}{H}$	<i>H (Revenue % increase over prior year)</i>

3. Stage Three:

Option 1:

If $\frac{-2903833}{H}$ is = to or greater than	$\frac{.0144252}{D}$
The maximum personal tax rate for 2022 is	$\frac{0.1330}{3}$

Option 2:

If $\frac{-2903833}{H}$ is less than	$\frac{.0144252}{D}$
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Option 2 may be utilized.

$\frac{\$262,600}{F} \times \frac{1.0144252}{D = +1.0}$	is	$\frac{\$266,388}{J}$	<i>J (2022 Revenue \$ Max PP)</i>
$\frac{\$266,388}{J} / \frac{\$140,109,472}{7} \times 100 =$		$\frac{0.1901}{\text{Maximum 2022 PP Rate}}$	

The city may levy a rate less than the real property tax rate.