

**CITY OF RUSSELLVILLE, KENTUCKY
ORDINANCE 2021-10**

**AN ORDINANCE ASSESSING AND LEVYING THE 2021 ANNUAL PROPERTY
TAX ON REAL PROPERTY AND TANGIBLE PERSONAL PROPERTY
WITHIN THE CITY OF RUSSELLVILLE, KENTUCKY**

WHEREAS, the property assessment for property within the City of Russellville, Kentucky, has been certified as follows:

REAL PROPERTY	\$ 338,816,860
TANGIBLE PERSONAL PROPERTY	\$ 60,322,981

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF
RUSSELLVILLE THAT:**

SECTION ONE: There is levied for the Year 2021, an Ad Valorem Tax of Twenty-Five and Five Tenths (\$0.255) per one hundred dollars (\$100.00) assessed valuation of all taxable Real Property within the jurisdiction; and, an Ad Valorem Tax of Thirty-Two and Nine Tenths (\$0.329) per one hundred dollars (\$100.00) assessed valuation on all taxable tangible Personal Property within the jurisdiction of the City of Russellville.

- a.) There are hereby levied the following tax rates on the assessed value of all public service corporations as certified by the Kentucky Department of Revenue, as being located and/or doing business within the corporate limits of the City of Russellville, Kentucky, as of January 1, 2021.

DESCRIPTION	RATE PER \$100 ASSESSED VALUE
Franchise – Real Estate	\$0.255
Franchise – Personal Property	\$0.329

SECTION TWO: Penalty and Interest

- a.) Any taxes remaining unpaid on the first day of the month following that in which they become due and payable shall be deemed delinquent and shall bear interest at the rate of six percent (6%) per annum from the due date until paid; a penalty of six percent (6%) per annum on the taxes so delinquent shall also be paid.

SECTION THREE: In the event any provision of this Ordinance is invalid for any reason, such invalidity shall not affect the validity of any other provision.

SECTION FOUR: All portions of any section of any Ordinance or Rule or Regulation in conflict herewith are hereby repealed to the extent of that conflict only.

SECTION FIVE: This Ordinance shall be effective upon its passage and publication according to law.

FIRST READING CONDUCTED ON THE 14th day of September, 2021.

SECOND READING CONDUCTED AND PASSAGE by roll call vote on this
21st day of September, 2021.

AYES

NAYS

ABSENT

ABSTAINING


Pat Bell
Bill Decker

Diane Walker

Sandra Kinser

Larry Wilcutt

Jimmy Davenport



Mayor

ATTEST:



City Clerk

COMMONWEALTH OF KENTUCKY
REVENUE CABINET
DEPARTMENT OF PROTPERTY TAXATION
City Using County Assessment
Assessment as of January 1, 2021

LOGAN
Name of County
RUSSELLVILLE
Name of City

Taxable Assessment Subject to City Tax

Real Property	\$ <u>338,816,860</u>
Tangible Property	\$ <u>60,322,981</u>
Automobiles	\$ <u>40,350,467</u>
Boats	\$ <u>878,391</u>
Total Assessment	\$ <u>440,368,699</u>

Total funds to be appropriated by city for use of county assessment as provided by KRS 132.285

If city assessment is less than two billion dollars the city shall pay the sum equal to \$0.005 per \$100 of assessment; however, the appropriation shall not be less than \$250 nor more than \$40,000.

If the city assessment is more than two billion dollars the appropriation shall not exceed \$50,000.

City Assessment \$ <u>440,368,699</u> @ \$0.005 per \$100 =	\$ <u>22,018.44</u>
Unpaid previous year(s) account	\$ <u>0</u>
	Total \$ <u>22,018.44</u>
Calculation and Printing Tax Bills (if applicable)	\$ <u>0</u>
	Total Due* \$ <u>22,018.44</u>

Signed Brooke B. Waldrup
Property Valuation Administrator

Make Checks Payable to: Brooke B. Waldrup, P.V.A.
P.O. Box 307
Russellville, KY 42276

*Payments Due Upon Pick-Up of Tax Roll Data

City of Russellville
August 2021 - Property Tax Revenue Estimates

Option	Real Tax Rates	2020 Real Property w/New	Percent Increase	2021 Real Property w/o new	2020 New Property	2021 New Property	Personal Tax Rates	2020 Personal	Percent Increase	2021 Personal	Total 2020	Percent Increase	Total 2021
Assessments		\$ 320,673,866.00	5.424%	\$ 338,066,063.00	\$ 7,860,149.00	\$ 750,797.00		\$ 66,857,526.00	-9.774%	\$ 60,322,981.00	\$ 387,531,392.00	2.995%	\$ 399,139,841.00
1) Last Year's Rate	25.500%	\$ 817,718.36	5.424%	\$ 862,068.46	\$ 20,043.38	\$ 1,914.53	32.900%	\$ 219,961.26	-9.774%	\$ 198,462.61	\$ 1,037,679.62	2.387%	\$ 1,062,445.60
2) Compensating Rate	24.200%	\$ 776,030.76	5.424%	\$ 818,119.87	\$ 20,043.38	\$ 1,816.93	36.482%	\$ 243,908.48	-9.774%	\$ 220,069.27	\$ 1,019,939.24	1.967%	\$ 1,040,006.07
3) Minimum Comp Rate	26.000%	\$ 833,752.05	5.424%	\$ 878,971.76	\$ 20,043.38	\$ 1,952.07	26.000%	\$ 173,829.57	-9.774%	\$ 156,839.75	\$ 1,007,581.62	2.995%	\$ 1,037,763.59
4) Comp Rate plus 2%	24.684%	\$ 791,551.37	5.424%	\$ 834,482.27	\$ 20,043.38	\$ 1,853.27	37.211%	\$ 248,786.65	-9.774%	\$ 224,470.65	\$ 1,040,338.02	1.967%	\$ 1,060,806.19
5) Comp Rate plus 4%	25.168%	\$ 807,071.99	5.424%	\$ 850,844.67	\$ 20,043.38	\$ 1,889.61	37.941%	\$ 253,664.82	-9.774%	\$ 228,872.04	\$ 1,060,736.81	1.967%	\$ 1,081,606.31
Proposed Rates	25.500%	\$ 817,718.36	5.424%	\$ 862,068.46	\$ 20,043.38	\$ 1,914.53	32.900%	\$ 219,961.26	-9.774%	\$ 198,462.61	\$ 1,037,679.62	2.387%	\$ 1,062,445.60
6) Bank Deposit Prop Tax	25.500%			\$ 335,076.55									\$ 85,444.52
7) In Lieu of Prop Tax	25.500%			\$ 239,473.61									\$ 61,065.77
													\$ 1,208,955.89

Notes:

- Remember last year's rate, which was adopted in 2004, is an option, but is subject to requirements for Public Hearings if revenue generated is greater than Substitute Comp Rate, and even subject to recall if revenue is over 4% greater
- KRS 132.010 (6) follows: Definition of compensating tax rate says only that the calculated compensating rate will produce an amount of revenue approximately equal to that produced in the preceding year from real property. It shall not produce less, but the calculated rate may calculate to more depending on what happens with the assessments. The calculated rate is dependent on factoring in the rate adopted the year before. If assessments go down, obviously, the rate would go up. If the assessments were to show a significant increase the rate will decrease from the prior year.

KRS 42.495 requires that, "A local government cannot reduce its general tax effort for any fiscal year below the level of fiscal year 1991-92. Not the rate for 91-92, but the revenue produced.
- Substitute Compensating Rate is the overriding rate which includes Personal Property in the Compensating Rate calculation. If this rate is adopted, or a lower rate is adopted, a Public Hearing is not required.
- If a rate is adopted which generates more than the Substitute Compensating rate, a Public Hearing is required. The Public Hearing requires notice be published 2 times in consecutive weeks, and ending at least 7 days before the Public Hearing.
- If a rate is adopted which generates more than a 4.0% increase in revenue, a Public Hearing is required, and the rate is subject to a recall. The Public Hearing requires notice be published 2 times in consecutive weeks, and ending at least 7 days before the Public Hearing.

Budget	\$ 1,217,721.00
Increase / (Decrease)	\$ (8,765.11)

Option	Vehicle Tax Rates	2020 Vehicle	Percent Increase	2021 Vehicle
Assessments		\$ 39,635,554.00	1.804%	\$ 40,350,467.00
1) Last Year's Rate	22.000%	\$ 87,198.22	1.804%	\$ 88,771.03
2) Compensating Rate	21.610%	\$ 87,198.22		\$ 87,198.22
3) Same Rate as Proposed Real Rate	25.500%	\$ 87,198.22	18.000%	\$ 102,893.69
4) Maximum Legal Rate	27.000%	\$ 87,198.22	24.941%	\$ 108,946.26
Proposed Vehicle Rate	22.000%	\$ 87,198.22	1.804%	\$ 88,771.03

Notes:

- Last years Rate has been in effect since adoption in 1991.

Estimated Increase/(Decrease)	\$ 1,572.81
	\$ 90,343.84

Budget	\$ 81,927.00
Increase / (Decrease)	\$ 8,416.84

**CITY OF RUSSELLVILLE
PROPERTY TAX DATA SHEET
AUG 2021**

	2020	2021
	Prior Year	Current Year
Real property assessment	\$ 320,673,866.00	\$ 338,816,860.00
Tangible property assessment	\$ 66,857,526.00	\$ 60,322,981.00
Total Property Subject To Rate	<u>\$ 387,531,392.00</u>	<u>\$ 399,139,841.00</u>
Additional assessments	\$ 8,518,549.00	\$ 4,055,096.00
Deleted assessments	\$ (658,400.00)	\$ (3,304,299.00)
Net New Property Assessments	<u>\$ 7,860,149.00</u>	<u>\$ 750,797.00</u>

Real Property Tax Rate 0.255

Personal Property Tax Rate 0.329

City of RUSSELLVILLE
Real Property Tax Rate Calculations
AUG 2021

1. 2020 Actual Tax Rate (per \$100) Real Property	0.255
2. 2020 Actual Tax Rate (per \$100) Personal Property	0.329
3. 2020 Total Property Subject to Rate	\$ 387,531,392.00
4. 2020 Real Property Subject to Rate	\$ 320,673,866.00
5. 2021 Total Property Subject to Rate	\$ 399,139,841.00
6. 2021 Real Property Subject to Rate	\$ 338,816,860.00
7. 2021 New Property (KRS 132.010)	\$ 750,797.00
8. 2020 Personal Property Subject to Rate	\$ 66,857,526.00
9. 2021 Personal Property Subject to Rate	\$ 60,322,981.00

I. Compensating Rate for current year (KRS 132.010(6)):

$$\frac{\$ 320,673,866.00}{\text{Prior year real property}} \div 100 \times \frac{.2550}{\text{Prior year rate}} \text{ is } \frac{\$ 817,718.36}{\text{Prior year revenue}}$$

$$\frac{\$ 817,718.36}{\text{Prior year revenue}} \div \frac{\$ 338,066,063.00}{\text{Existing property assessment}} \times 100 = \underline{\underline{0.2420}}$$

0.242

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

$$\frac{\$ 399,139,841.00}{\text{Current year total property}} \div 100 \times \frac{.2420}{\text{Rate I}} \text{ is } \frac{\$ 965,918.42}{* \text{Total 2021 revenue}}$$

$$\frac{\$ 320,673,866.00}{\text{Prior year real property}} \div 100 \times \frac{.2550}{\text{Prior year rate}} \text{ is } \frac{\$ 817,718.36}{\text{Prior year real property revenue}}$$

$$\frac{\$ 66,857,526.00}{\text{Prior year personal property}} \div 100 \times \frac{.3290}{\text{Prior year rate}} \text{ is } \frac{\$ 219,961.26}{\text{Prior year personal property revenue}}$$

$$\frac{\$ 1,037,679.62}{* \text{Total 2020 revenue}}$$

*If current year revenue exceeds prior year revenue, the next step is NOT necessary.

$$\frac{\$ 1,037,679.62}{\text{Total prior year revenue}} \setminus \frac{\$ 399,139,841.00}{\text{Current year total property}} \times 100 = \boxed{\underline{\underline{.2600}}}$$

Substitute for Rate I (Round Up)

II: Rate allowing 4% Increase in Revenue from real property (KRS 68.245 (6)):

$$\frac{\$ 338,066,063.00}{\text{Total real property less new property}} \div 100 \times \frac{.2600}{\text{Rate I (or Sub rate)}} \text{ is } \frac{878,971.76}{\text{Current year base revenue}}$$

$$\frac{\$ 878,971.76}{\text{Current year base revenue}} \times 1.04 \div \frac{\$ 338,066,063.00}{\text{Total real property less new property}} \times 100 \text{ is } \boxed{\underline{\underline{.2700}}}$$

Rate II (Round Down)

**City of Russellville
Personal Property Tax Rate Calculations
AUG 2021**

Information Needed:

- 1) 2020 Actual Tax Rate (per \$100) Real Property
- 2) 2020 Actual Tax Rate (per \$100) Personal Property
- 3) 2021 ACTUAL TAX RATE (per \$100) Real Property
- 4) 2020 Real Property Subject to Tax Rate
- 5) 2021 Real Property Subject to Tax Rate
- 6) 2020 Personal Property Subject to Tax Rate
- 7) 2021 Personal Property Subject to Rate

0.255
0.329
0.242
320,673,866.00
338,816,860.00
66,857,526.00
60,322,981.00

***STAGE ONE:**

\$	338,066,063.00	/ 100 X	0.2420	is	\$	818,119.87	
	Current year real property		Current year real property tax rate			Current real property revenue	
\$	320,673,866.00	/ 100 X	0.2550	is	\$	817,718.36	
	Prior year real property		Prior year real property tax rate			Prior year real property revenue	
\$	818,119.87	minus	\$	817,718.36	is	\$	401.51
	Current real property revenue			Prior year real property revenue			Revenue increase over prior year
\$	401.51	/	\$	817,718.36	is	0.0491%	
	Revenue increase over prior year			Prior year revenue		Percentage increase over prior year (1)	

***STAGE TWO:**

\$	60,322,981.00	/ 100 X	0.2420	is	\$	145,981.61	
	Current year personal property		Current year real property rate			Current year personal property revenue (1)	
\$	66,857,526.00	/ 100 X	0.3290	is	\$	219,961.26	
	Prior year personal property		Prior year personal property rate			Prior year personal property revenue	
\$	145,981.61	minus	\$	219,961.26	is	\$	(73,979.65)
	Current year personal property revenue (1)			Prior year personal property revenue			Personal property revenue increase
\$	(73,979.65)	/	\$	219,961.26	is	-33.6330%	
	Personal property revenue increase			Prior year personal property revenue		Percentage increase over prior year (2)	

***STAGE THREE:**

Option One:

If $\frac{-33.633\%}{\text{Percentage increase (2)}}$ > or = $\frac{0.0491\%}{\text{Percentage increase (1)}}$, the maximum personal

tax rate is

FALSE
Current year real property rate

Otherwise, use option 2

Option Two:

If $\frac{-33.6330\%}{\text{Percentage increase (2)}}$ < $\frac{0.0491\%}{\text{Percentage increase (1)}}$, Option Two may be utilized.

\$ $\frac{219,961.26}{\text{Prior year revenue}}$ X $\frac{100.0491\%}{\text{Percentage increase (1) + 1}}$ is \$ $\frac{220,069.27}{\text{Maximum personal property revenue}}$

\$ $\frac{220,069.27}{\text{Maximum personal property revenue}}$ / \$ $\frac{60,322,981.00}{\text{Current year personal property}}$ X 100 is **0.3648**
Maximum personal property tax rate

Option Three:

The local agency always has the option of setting a personal property tax rate less than the rate for real property.

NOTE: Items 1 and 4-7 carry over from real property worksheet.

City of RUSSELLVILLE
Vehicle Property Tax Rate Calculations
AUG 2021

***Motor Vehicle: 2020 Revenue using 2020 Assessed Values & 2020 Rate**

$$\underline{\$ 39,635,554.00} \times \underline{0.220} / 100 = \underline{\$ 87,198.22}$$

***The Assessed Values can be provided by the Ky Dept of Rev / Prop Tax Div, Kathy Freeman 1-502-564-8180**

***Motor Vehicle: 2021 Revenue using 2021 Assessed Values & 2021 Rate**

$$\underline{\$ 40,350,467.00} \times \underline{0.220} / 100 = \underline{\$ 88,771.03}$$

***The Assessed Values can be provided by the Ky Dept of Rev / Prop Tax Div, Kathy Freeman 1-502-564-8180**

***Motor Vehicle: 2021 Revenue using 2021 Assessed Values & 2021 Compensating Rate**

$$\underline{\$ 40,350,467.00} \times \underline{0.216} / 100 = \underline{\$ 87,198.22}$$

***The Compensating Rate could not exceed the maximum rate.**

***Motor Vehicle: 2021 Revenue using 2021 Assessed Values & 2021 Maximum Rate**

$$\underline{\$ 40,350,467.00} \times \underline{0.270} / 100 = \underline{\$ 108,946.26}$$

***The maximum is whatever rate *could* have been levied in 1983
No one (BRADD/DLG/KYREVDEPT) knows what the rate was in 1983.**