

PROPERTY VALUATION REVIEW COMMISSION
Report to
Kentucky Legislative Research Commission
The Mayors and Metro Councils of the Consolidated Local Governments
Kentucky Finance and Administration Cabinet

October 29, 2024

The members of the Property Valuation Commission established by the Kentucky House of Representatives Bill 388 met for the first-time on July 12, 2024. Members of the Commission were as follows:

William Fischer: Recommended by an association of realtors active within the County containing the consolidated local government.

Brent Logsdon: Recommended by an association of realtors active within the County containing the consolidated local government.

John May: Recommended by an association of realtors active within the County containing the consolidated local government.

Brigitte Owens: Recommended by a commercial real estate association active within the County containing the consolidated local government.

J. Michael Jones: Member representing a national association of real estate brokers and recommended by a residential appraisal business entity that commonly makes residential appraisals within the County containing the consolidated local government.

Stephen Lannert: Member representing a national association of real estate brokers as well as selected and appointed by the mayor of the consolidated local government.

Carol Pike: Recommended by a local association exclusively representing cities within the County containing the consolidated local government and currently serving as the Mayor of Jeffersontown, Kentucky.

During the July 12, 2024 meeting the following officers were elected.

Chair: J. Michael Jones, elected unanimously,

Vice Chair: Jeffersontown Mayor Carol Pike, elected with six votes affirmative; John May voted negatively.

Secretary: John May, elected unanimously.

There were discussions about the scope of House Bill 388. The Commission requested an inquiry be sent and information be provided by the Jefferson County Property Valuation Administrator.

During the July 23, 2024 meeting Kentucky Department of Revenue representative Robert Day explained the audit forms. Jefferson County PVA representative Jason Hancock explained the sales ratio information presented to the Commission. The Commission unanimously passed a motion for each member focused on residential properties to submit reports with a minimum of 20 residential properties and each member focused on commercial and industrial property to submit reports with a minimum of ten commercial and Industrial properties.

The Commission unanimously passed the following motion:

Brent Logsdon will prepare a report on residential properties sales in Louisville Multiple Listing Services Areas 1 and 2.

Mayor Carol Pike will prepare a report on residential properties sales in Louisville Multiple Listing Services Areas 7 and 8.

William Fischer will prepare a report on residential properties sales in Louisville Multiple Listing Services Areas 5 and 6.

John May will prepare a report on residential properties sales in Louisville Multiple Listing Services Areas 3, 4 and 9.

J. Michael Jones will prepare a report on office properties sales.

Stephen Lannert will prepare a report on industrial properties sales.

Brigitte Owens will prepare a report on retail and multi-family properties sales.

During the August 13, 2024 meeting, J. Michael Jones reviewed 21 office properties. Stephen Lannert reviewed 20 industrial properties with amended industrial properties to be presented at the next meeting. Brigitte Owens reviewed four retail properties with amended properties to be presented at the next meeting.

During the August 27, 2024 meeting Stephen Lannert reviewed 20 industrial properties. Mayor Carol Pike, Brent Logsdon, William Fischer and John May reviewed at least 20 residential properties per member, with more than 80 residential properties considered. There was a thorough discussion of all classifications of properties presented.

During the October 15, 2024 meeting the commission approved the amended minutes on a motion by Stephen Lannert and seconded that removed the sentence "It was noted both use .90 – 1.1 as an acceptable level".

The Commission accepted a random sample of two-plex, three-plex and four-plex apartment sales by John May.

The Commission discussed a draft report presented by Chair J. Michael Jones and draft Legislative Research Commission report format. After a comprehensive discussion of the style of draft report a motion was made and seconded to accept Chair J. Michael Jones prepared report format with the addition of research summaries from each of the members. The motion passed unanimously.

A motion was made and seconded that the Property Valuation Review Commission concluded the Jefferson County, Kentucky Property Valuation Administrator assessed property consistently and uniformly. The motion passed with Mayor Carol Pike, J. Michael Jones, Stephen Lannert, Brigitte Owens and William Fischer voting in favor of the motion. John May abstained from voting until after the report was prepared and Brent Logsdon was absent. Thus, the motion passed with five approvals, one abstention and one absence.

The Commission discussed sales ratio guidelines used to determine ranges of accepted levels of assessment.

The Commission decided to vote on the final draft of the Property Valuation Review Commission at the last meeting on October 29, 2024.

During the October 29, 2024 the seven members reports of their research were presented:

Brent Logsdon – Residential Sales in Louisville Multiple Listing Services Areas 1 and 2 of West Louisville and Central Louisville: Forty (40) random 2024 sales and assessments were reviewed. Twenty properties in Area 1 including zip codes 40212, 40211, 40210, 40202, 40203 40208 40215 and 40209 as well twenty properties in Area 2 including zip codes 40206, 40204, 40217, 40205, 40215, 40204 and 40217 were reviewed. The ratio of difference between the sales price and assessments in Area 1 ranged from 36.72% to 332.32% with an average of 81.47% and a median of 69.18%. The ratio of difference between the sale price and the assessments in Area 2 ranged from 60.00% to 138.12% with an average of 86.3% and a median of 82.29%. Brent Logsdon found the evidence shows that the Jefferson County, Kentucky Property Valuation Administrator is operating consistently and uniformly with the assessments.

Jeffersontown Mayor Carol Pike – Residential Sales in Louisville Multiple Listing Services Areas 7 and 8 of Southeastern Louisville and Eastern Louisville including part of Buechel, part of Fern Creek, Hikes Point, Jeffersontown and Middletown: Area 7 – Mean 91.60% and Median 92.67%; Area 8 – Mean 88.81 % and Median 90.85%. In reviewing the single-family residential sales data Mayor Pike discovered a high level of accuracy and consistency in valuations as well as a commendable commitment to fairness and equity in property assessments. Mayor Pike noted that the professionalism and transparency of the Jefferson County, Kentucky Property Valuation Administrator office are evident in its assessment process and that the efforts of the office to maintain a balanced and equitable property tax system are greatly appreciated. Mayor Pike stated that the employees are dedicated to providing a valuable service to the community with

integrity and diligence as well as treating Jefferson County property owners fairly with their excellent work. Mayor Pike found that the Jefferson County, Kentucky Property Valuation Administrator assessed residential properties consistently and uniformly.

William Fischer - Residential Sales in Louisville Multiple Listing Services Areas 5 and 6 including South Louisville, Fairdale, Okolona, Petersburg, Newburg, part of Buechel and part of Fern Creek: In Area 5 twenty - three properties selected from 27,565 single family residential homes and 1,081 condominiums had an average of 70.64% and in Area 6 twenty - seven properties selected from 37,748 single family residential houses and 3,899 condominiums had an average of 70.97%. Based upon this information William Fischer found that the Jefferson County, Kentucky Property Valuation Administrator used a process that assessed property consistently and uniformly.

John May – Residential Sales in Louisville Multiple Listing Services Areas of 3, 4 and 9 including St. Matthews area, Southwest Louisville, Northeast Louisville and Prospect: Area 3 St. Matthews area – Mean 71% and Median 72%; Area 4 Southwest Louisville – Mean 74% and Median 75%; Area 9 Northeast Louisville and Prospect – Mean 80% and Median 81% and Mean 71% and 69%; Area 1 – 9 duplexes, triplexes and fourplexes – Mean 70% and Median 69%.

J. Michael Jones – Office Sales: Twenty - one (21) random sales and assessments of Jefferson County office properties were reviewed. The sales occurred during the years 2022 and 2023. The properties are located between the southwest section of Jefferson County along Dixie Highway to the northeast corridor on US 42. The sales prices ranged from \$80,000.00 to \$5,365,000.00. The ratio of the difference between the sales prices and the assessments ranged from 71.29% to 122.39%. The mean was 86.19% and the median was 86.38%. J. Michael Jones is of the opinion that the Jefferson County Property Valuation Administrator assessed office properties consistently and uniformly.

Stephen Lannert – Industrial Sales: After conducting extensive research including 20 recent industrial sales in the 18 Jefferson County, Kentucky zip codes that have industrial property Stephen Lannert found that with an 86.85% average the Jefferson County, Kentucky Property Valuation Administrator assessed industrial properties consistently and uniformly.

Brigitte Owens – Retail and Multi-Family Properties: In the review of six retail properties with an average of 71% Brigitte Owens is of the opinion that the Jefferson County, Kentucky Property Valuation Administrator assessed retail property consistently and uniformly in conformance with her findings. With the review of four multi - family properties with an average of 75% Brigitte Owens is of the opinion that the Jefferson County, Kentucky Property Valuation Administrator assessed multi – family property consistently and uniformly in conformance with her findings

Attending the final meeting on October 29, 2024 were Chair J. Michael Jones, Mayor Carol Pike, William Fischer, Brent Logsdon and Stephen Lannert. Brigitte Owens and John May were absent. The final report was completed after additional discussion and all members present confirmed their agreement with the final report. Stephen Lannert made a motion to accept the final report and William Fischer seconded the motion. Chair J. Michael Jones, Mayor Carol Pike, William Fischer, Brent Logsdon and Stephen Lannert voted to accept the final report. There were no negative votes. Brigitte Owens and John May were absent. The majority of the Property Valuation Review Commission members agreed that the Jefferson County, Kentucky Property Valuation Administrator generally assessed all classifications of properties consistently and uniformly.

Respectfully submitted,



J. Michael Jones,
Chair
Property Valuation Review Commission
Jefferson County, Kentucky