

# PVA OFFICE REVENUE & EXPENSES

Property Valuation Administrator's Office Task Force

September 15, 2020



➤ Andrew M. Powell, JD - Henderson Co. PVA

# PVA RESPONSIBILITIES

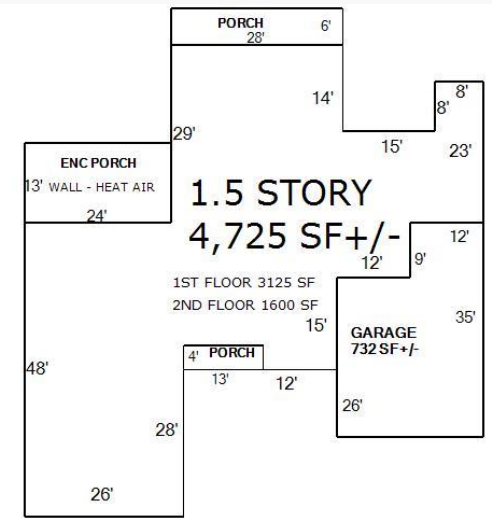
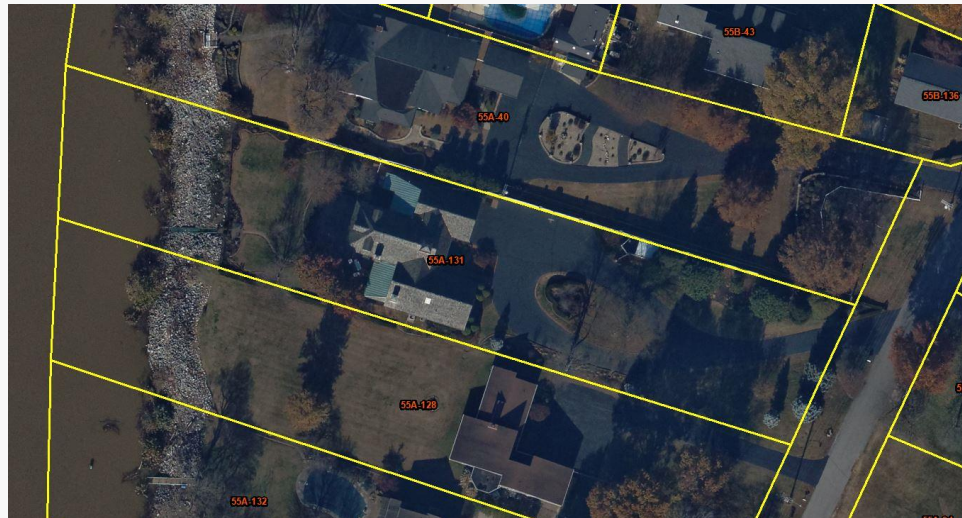
## ASSESSMENTS & OWNERSHIP

- 2,200,000 REAL ESTATE PARCELS
- 130,000 PERSONAL PROPERTY RETURNS
- 5,000,000 MOTOR VEHICLES, BOATS & CAMPERS
- 440,000 Homestead & Disability Exemptions

# PVA RESPONSIBILITIES

## MAPPING & SKETCHING

- Identify every parcel in the Commonwealth
- Maintain characteristic data of all properties in the Commonwealth



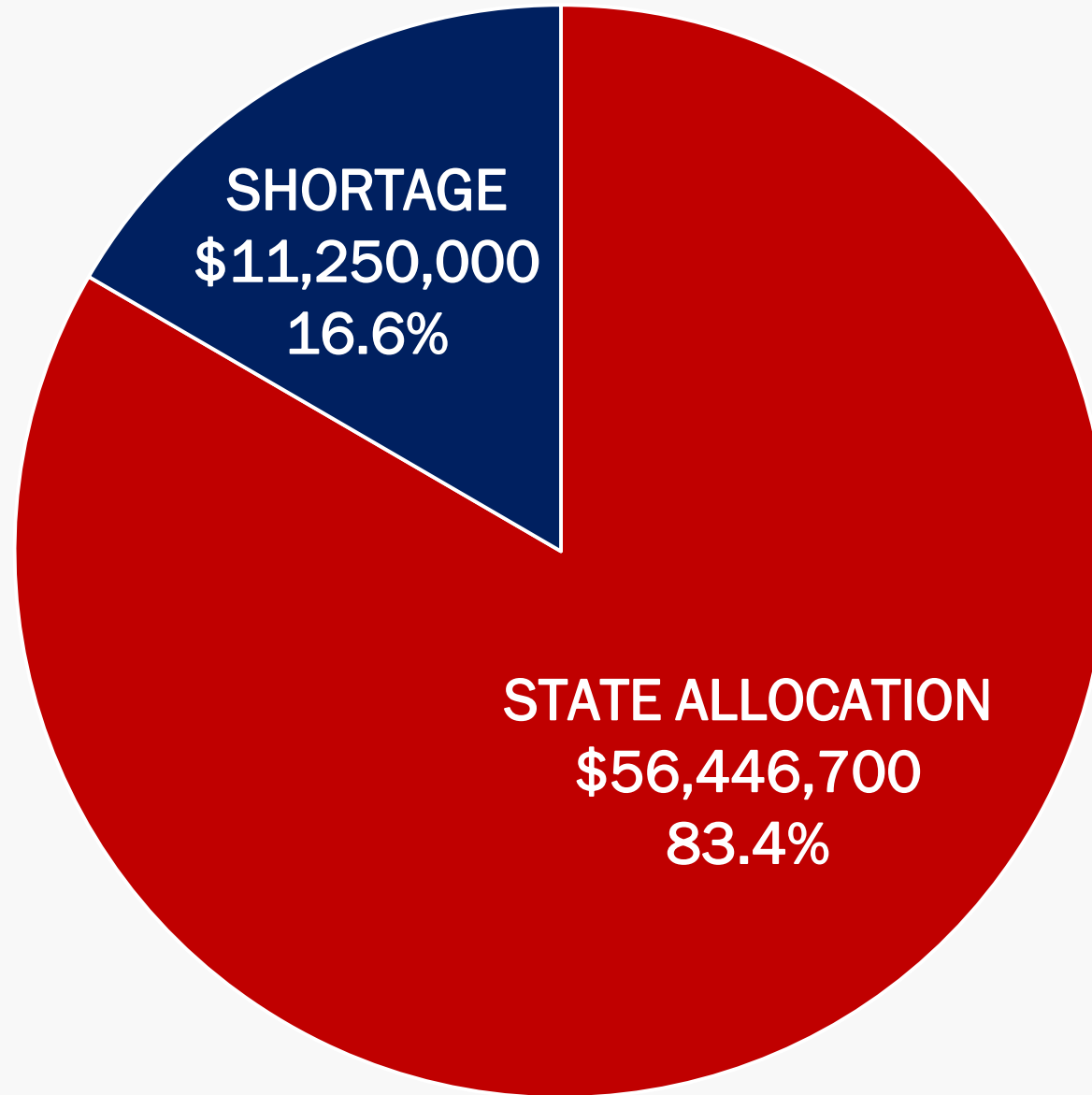
# PVA FUNDING

- GENERAL FUND APPROPRIATION: \$56,446,700
  - *Personnel Expenses ONLY for 120 Offices Statewide*
- LOCAL FUND ALLOCATIONS: \$11.6M
  - *Used for Operating Expenses*
  - *Statutory allocation received from Counties (KRS 132.590) and Cities (KRS 132.285) for use of Tax Roll*
  - *Special Taxing Districts do not pay for use of Tax Roll*

# PVA FUNDING, continued

- Miscellaneous Income
  - *Fee Schedule Income*
    - Tax Roll File sales
    - Assessment Information sales
    - Website subscriptions
    - Aerial Imagery/Parcel Layer sales
  - *Income from printing tax bills for County Clerks*
  - *Interest income on bank accounts*

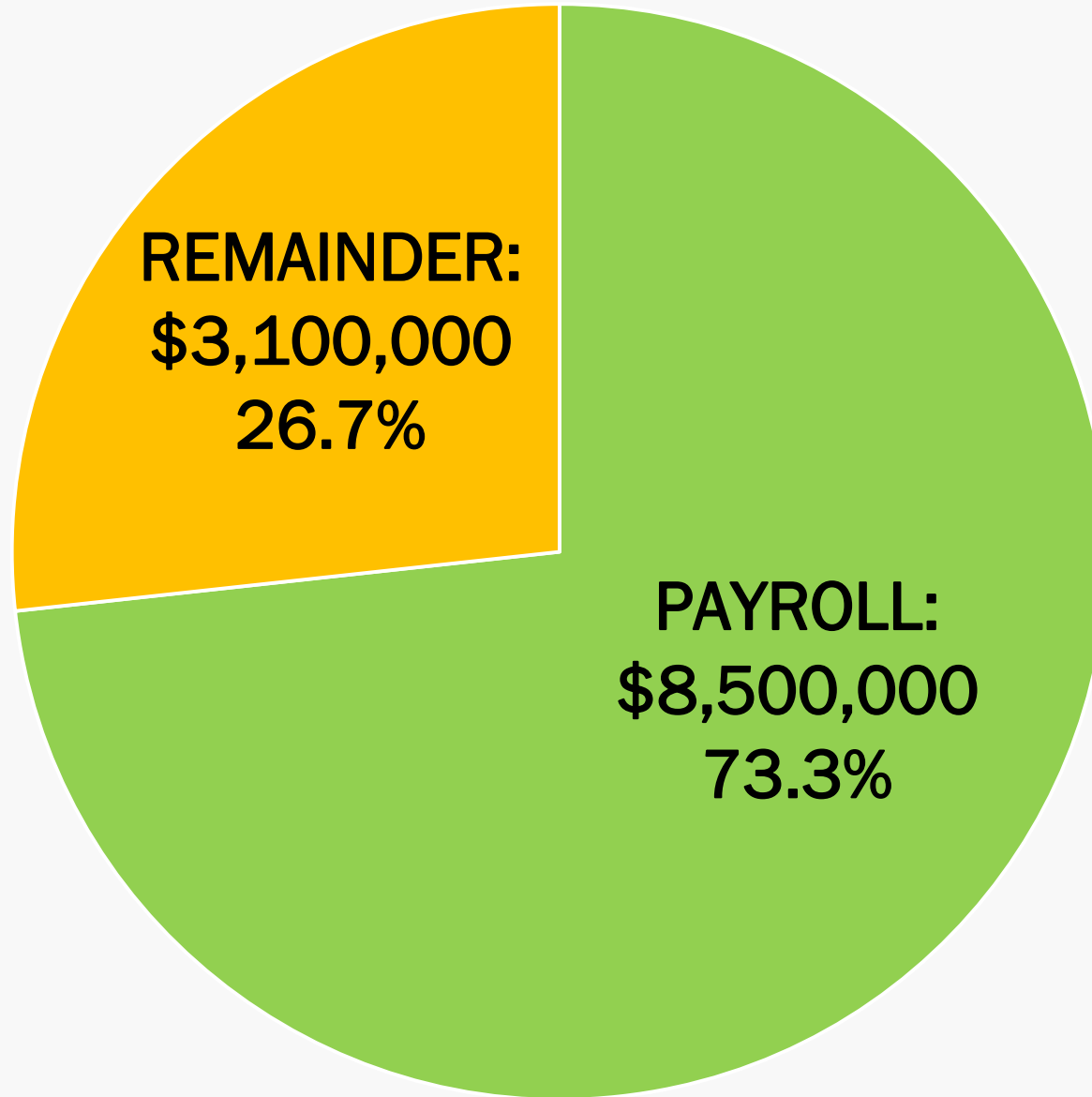
# PVA Budget Requirements



**TOTAL:**  
**\$67,696,700**

■ State Allocation ■ Shortfall

# Local Allocation

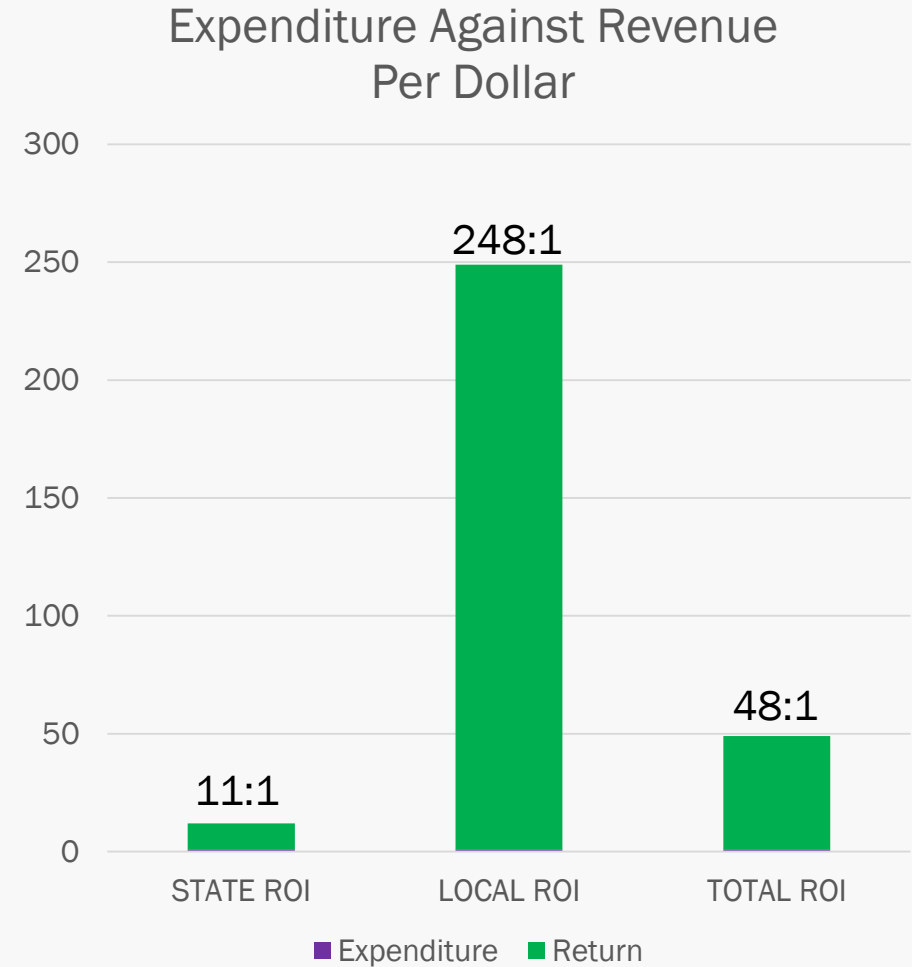
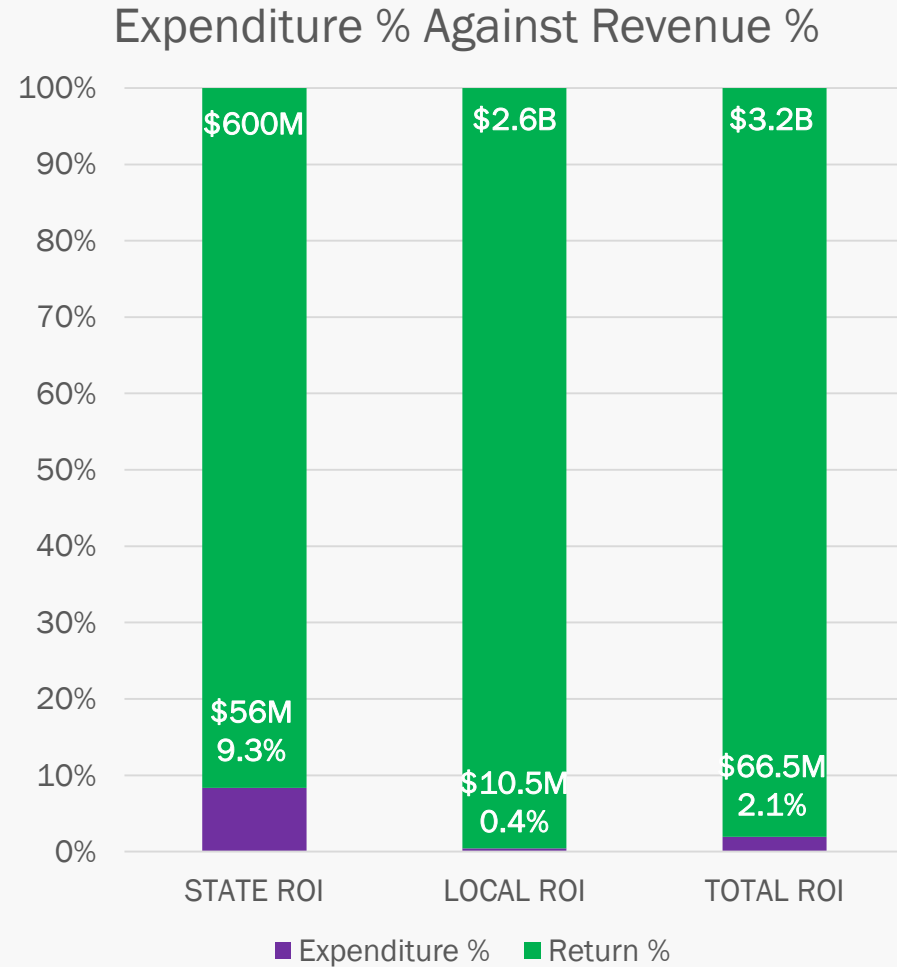


**TOTAL:**  
**\$11,600,000**

■ COMMITTED TO PAYROLL

■ REMAINDER FOR OPERATING EXPENSES

# PVA REVENUE GENERATION



SOURCE: DOR 2017 LOCAL RECEIPTS



# OFFICE EXPENSES

## ■ Salaries

- *\$11.25M to meet full funding of salaries*
- *\$1.5M for incremental retention increases*

## ■ Aerial Imagery

- *\$46,000 in 2018 for Henderson County*

## ■ Computers

- *\$12,000 in 2020 for Henderson County*

## ■ Software

- *Assessment Software*
- *Sketching Software*
- *Mapping Software*
- *Emulator Software for AVIS System*

## ■ Advertising

- *Statutory Inspection Notice*
- *Homestead Exemption*

# OFFICE EXPENSES, continued

- Printers
  - *Office Printer/Copier/Fax*
  - *Wide Array Printer for Maps*
- Vehicles
  - *Physically inspect every parcel every 4 years (21,000+ Parcels in HC)*
  - *Purchase*
  - *Maintain*
  - *Insure*
  - *Fuel*
- Travel
  - *Educations and Conference Requirements*
- Office Supplies
  - *Henderson County sends at least 4,000 assessment notices annually*
- Postage
  - *\$3,000+ annually in Henderson CO.*
- Educational Expenses
  - *Costs for classes, conferences, hotels*
- Contracted Services
  - *Computer technicians*
  - *Professional Appraisal Services on Appeals*
- Office Furniture and Fixtures
  - *County Government provides space and utilities*
- Websites
  - *Service to public*
  - *Revenue generation*

# PVA EXPENSE ALLOWANCE

- KRS 132.597 - \$3,600 annual expense allowance (\$300 per month)
- Superseded by last two Budget Bills to \$2,400 annually (\$200 per month)
- 30 Hour Classroom instruction requirement (15 Hours if attained SKA Designation)
- Reducing \$67.7M funding need by \$144,000 per year

# EMPLOYEE SALARY SCALE

- Follows State Salary Schedule
- Grade were locked in and haven't changed since 2009
- Self-imposed 90 Day Hiring Freeze

# PVA LONGEVITY

## ■ 120 PVAs

- *1,298 Total Years of Experience*
- *10.82 Years Average Tenure*
- *28 PVAs in First Term (23%)*
- *51 PVAs in First 2 Terms (42.5%)*
- *3 New PVA Appointments in 2020*
- *5 PVAs serving greater than 25 Years*

## ■ 592.5 Deputies

- *38 FTE Positions voluntarily absorbed since 2009*
- *Minimum of 2 employees per county by statute*
- *\$1.5M used in Local Funds to pay retention increases and for additional staff*

# BUDGET ISSUES

- State Allocation does not fully fund salary requirements
  - *16.6% short*
- Local Allocations mostly going to fund salaries
  - *73.3% going to payroll*
- Miscellaneous Income Under Attack
  - *Lawsuit regarding sale of assessment information*
  - *Companies reselling assessment data*
  - *Companies reselling aerial imagery*
  - *Fewer counties printing bills for County Clerks*
  - *Interest income at all-time low*

# PVA RESPONSE TO FUNDING SHORTAGE

- SELF-IMPOSED STAFFING REDUCTIONS STATEWIDE – 38 Full-Time Positions Eliminated – Saves \$1,500,000 Annually
- SELF-IMPOSED 90-DAY HIRING FREEZE – Saves \$650,000 Annually
- SHORTFALL/DEPUTY HIRE BILLINGS – \$8,500,000 Local Funds sent to Frankfort
- LOCALLY PAID PROMOTIONS - \$1,500,000 Local Funds sent to Frankfort
- 59 Full-Time and 29 Part-Time Positions Vacant as of August 1, 2019

# SOLUTIONS:

## BUDGET ALLOCATION

- \$8,500,000 ADDITION TO CURRENT EXPENDITURE
  - *ELIMINATE Local Funds commitment to payroll at current reduced staffing levels*
  - *ALLOW Local Funds to be used for statutory purpose – improve assessment accuracy by freeing up funding for computers, and technological advancements in mass appraisal.*
  
- \$11,250,000 ADDITION TO CURRENT EXPENDITURE
  - *ELIMINATE Local Funds commitment to payroll at fully-staffed levels for every office*
  - *ALLOW offices to be staffed at the level determined to be needed for the size of their county*
  - *ALLOW Local Funds to be used for statutory purpose – improve assessment accuracy, free up funding for technology in mass appraisal*
  - *ALLOW Local Funds to be used to improve maps/imagery, mapping software, and allow these maps to be shared with other government agencies.*



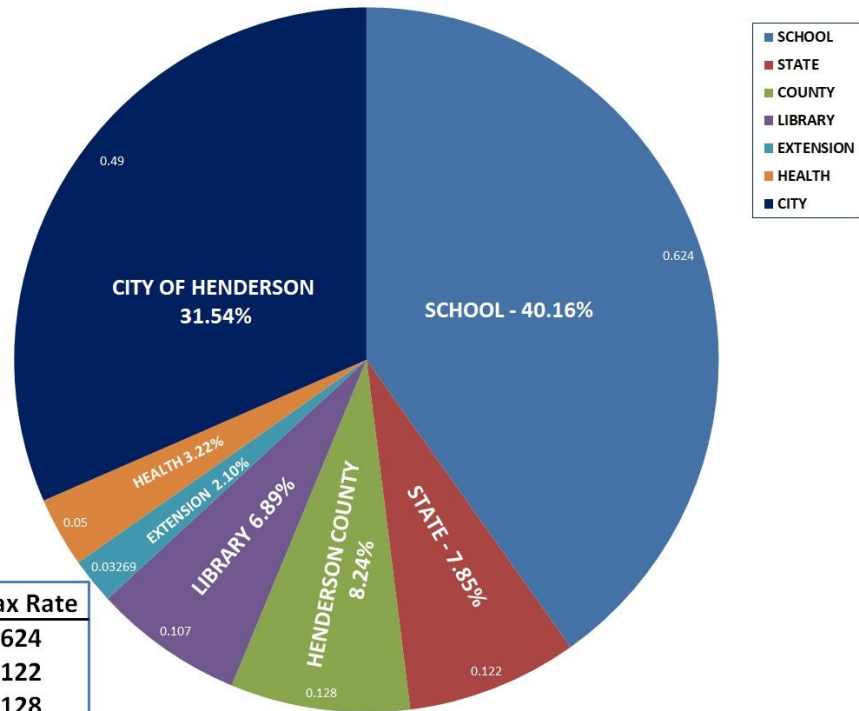
# SOLUTIONS:

## PROPERTY TAX PAY FOR PROPERTY TAX

- Add 3 Cents Dedicated to PVA Budget to the State Real Property Tax Rate
  - *Fully fund personnel costs at full-staffing levels*
  - *Free up \$50,000,000+ back to state budget*
- Attach Administrative Fee to Tax Bills
  - *Partially fund PVA Offices – Would relieve usage of Local Funds for Payroll*
  - *2.2 Million Tax Bills generated statewide*
- Increase County & City Rates/Caps for PVA Funding
  - *The current maximum a county pays for usage of Tax Roll is \$250,000*
  - *The current maximum a city pays for usage of Tax Roll is \$50,000*
- Assess Special Taxing Districts for Usage of Tax Roll
  - *School systems, libraries, extension offices, health departments, etc. currently do not pay PVAs for usage of Tax Roll*

# PERCENTAGE OF TAX BILL BY DISTRICT

## 2019 HENDERSON CITY & COUNTY REAL PROPERTY TAX BILLS

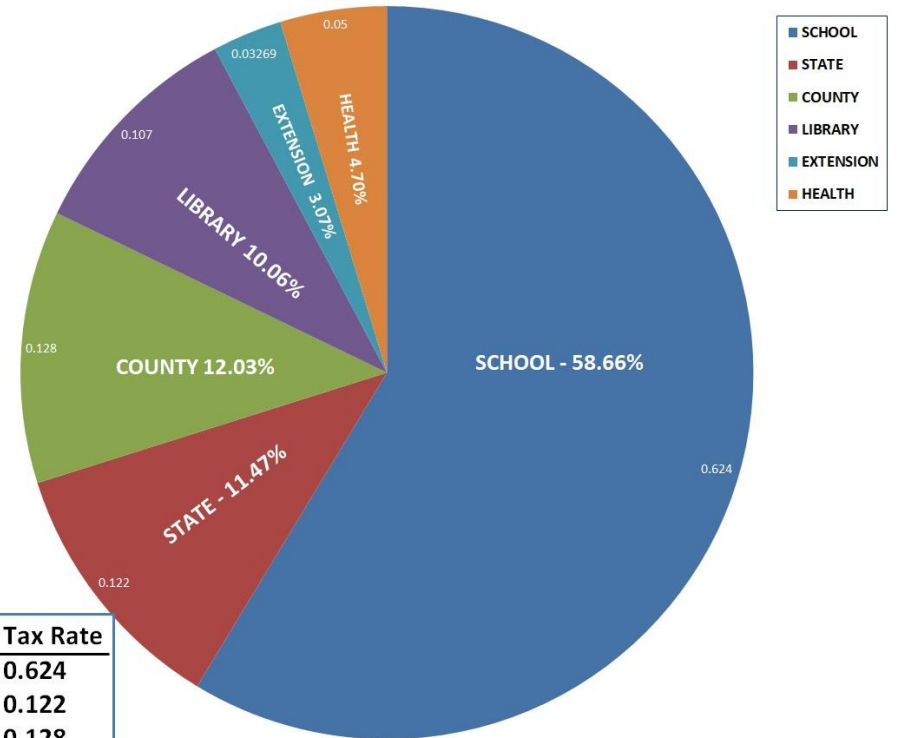


Tax District	Tax Rate
SCHOOL	0.624
STATE	0.122
COUNTY	0.128
LIBRARY	0.107
EXTENSION	0.03269
HEALTH	0.05
CITY	0.49
<b>TOTAL</b>	<b>1.55369</b>

INFORMATION PROVIDED BY:  
  
**Henderson** COUNTY  
 PROPERTY VALUATION ADMINISTRATOR

TAX BILL FOR CITY OF HENDERSON IS MAILED AND PAID SEPARATELY FROM OTHER TAXING DISTRICTS

## 2019 HENDERSON COUNTY REAL PROPERTY TAX BILL



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# TAXING DISTRICTS FEE

## Potential Revenue Generated:

- 6% of Receipts: \$125,770,627.83
- 4% of Receipts: \$83,847,085.22
- 4% with Maximum Allocation of \$100,000: \$24,699,746.00
- 2% of Receipts: \$41,923,542.61
- 2% with Maximum Allocation of \$100,000: \$16,424,503.60

# FEES CHARGED FOR SERVICES

- Copies of property assessment cards (normally free for owner)
- Aerial/map images of properties
- Annual Tax Files
- GIS Information/Polygons for mapped areas
- Website Subscriptions: per click/search, daily, monthly, annually

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