

# PVA FUNDING

Budget Review Subcommittee on General Government, Finance, Personnel, and Public Retirement of the Interim Joint Committee on Appropriations and Revenue

November 19, 2019



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# PVA RESPONSIBILITIES

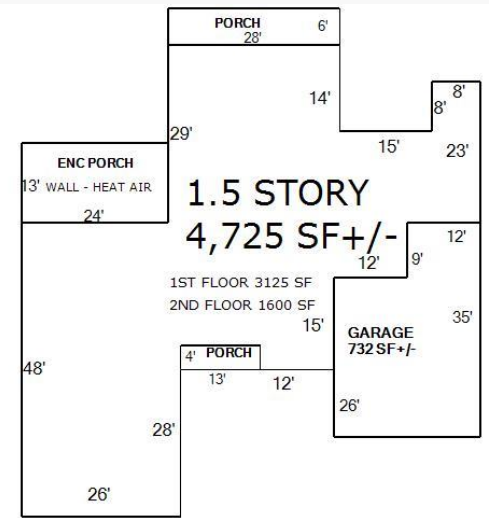
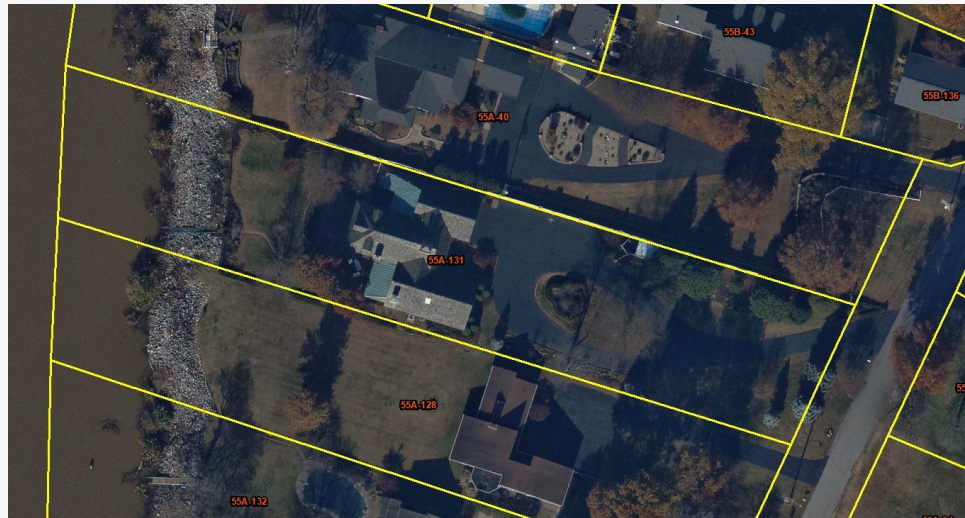
## ASSESSMENTS & OWNERSHIP

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

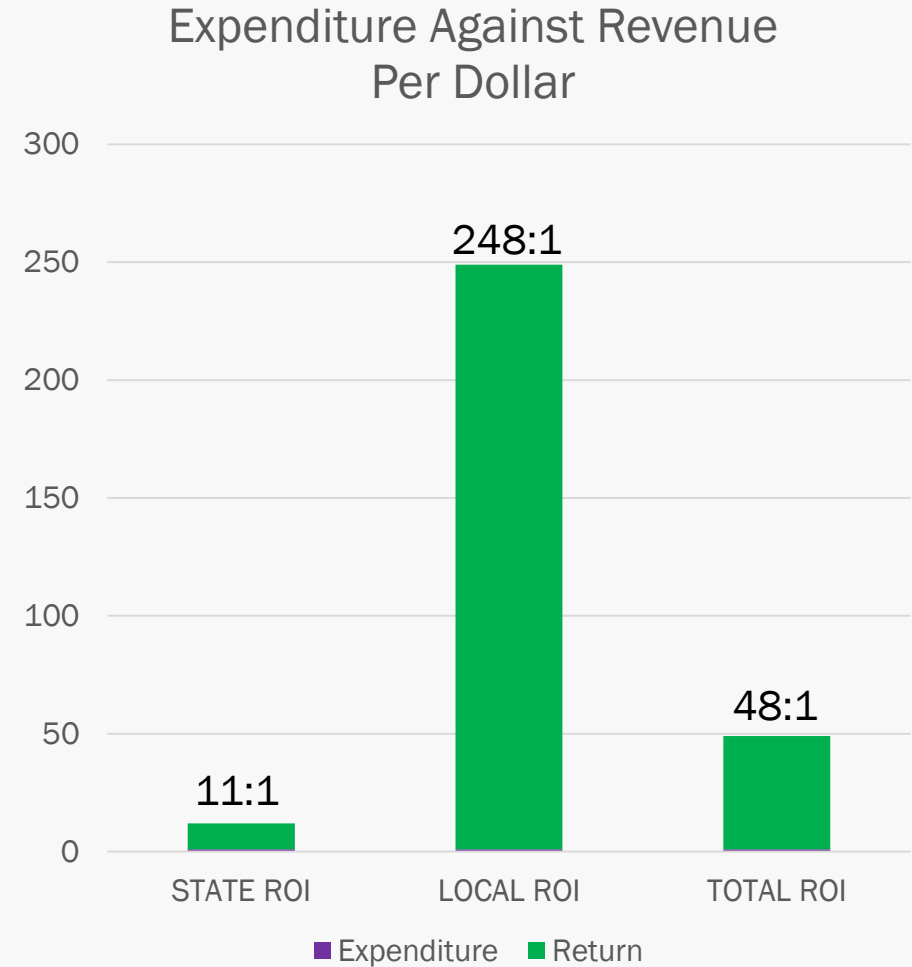
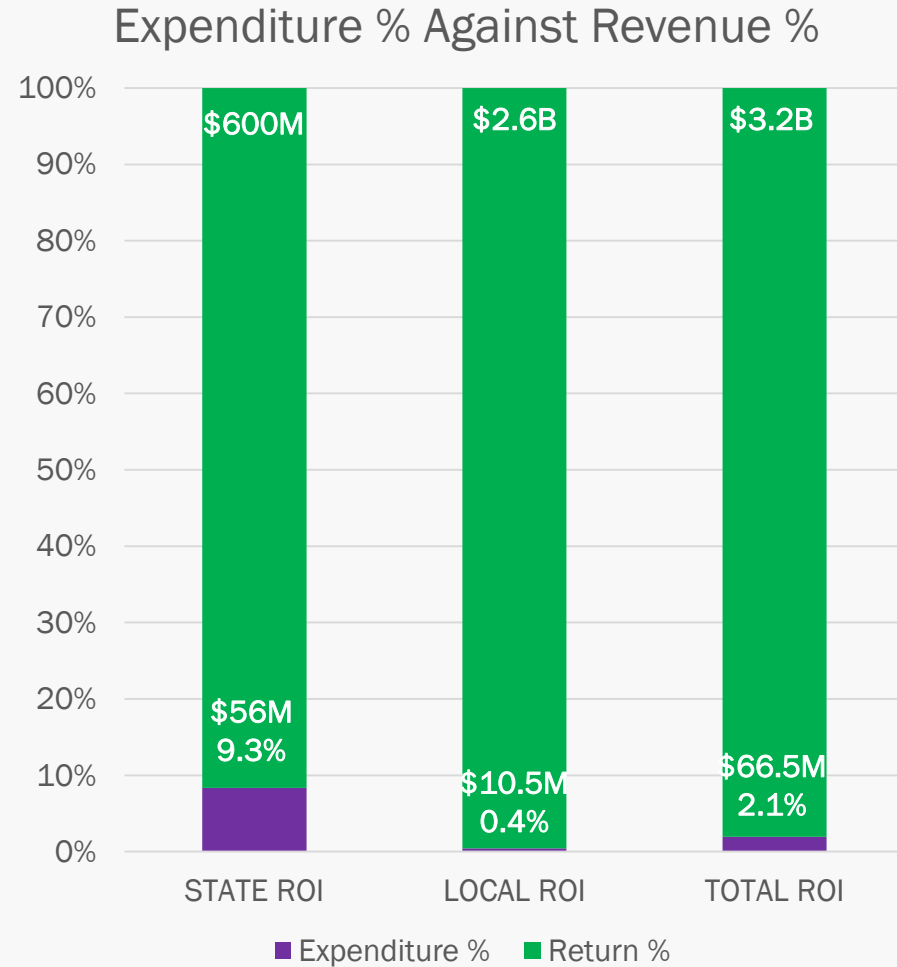
# PVA RESPONSIBILITIES

## MAPPING & SKETCHING

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

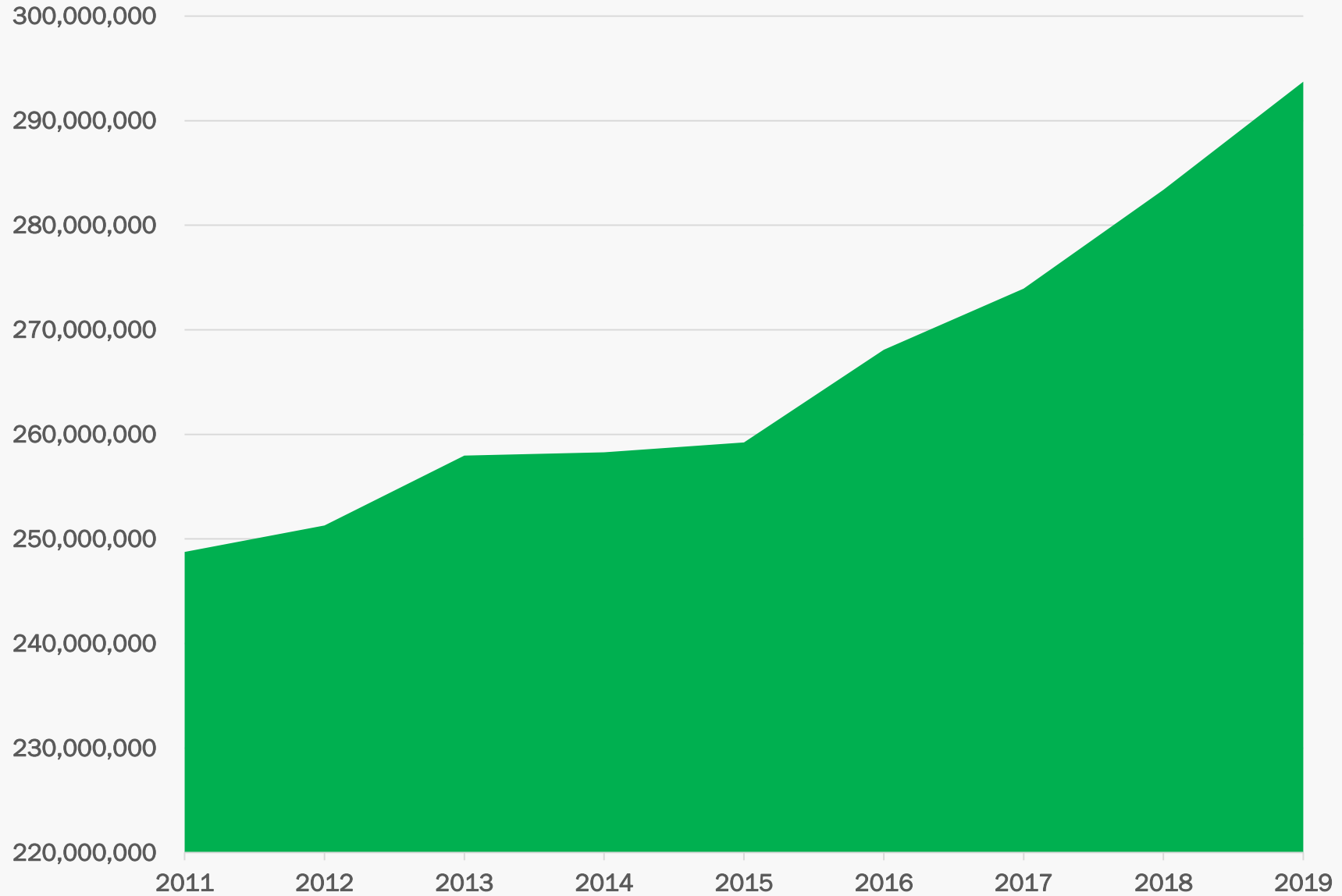


# PVA REVENUE GENERATION



SOURCE: DOR 2017 LOCAL RECEIPTS

# Real Property Tax Revenue

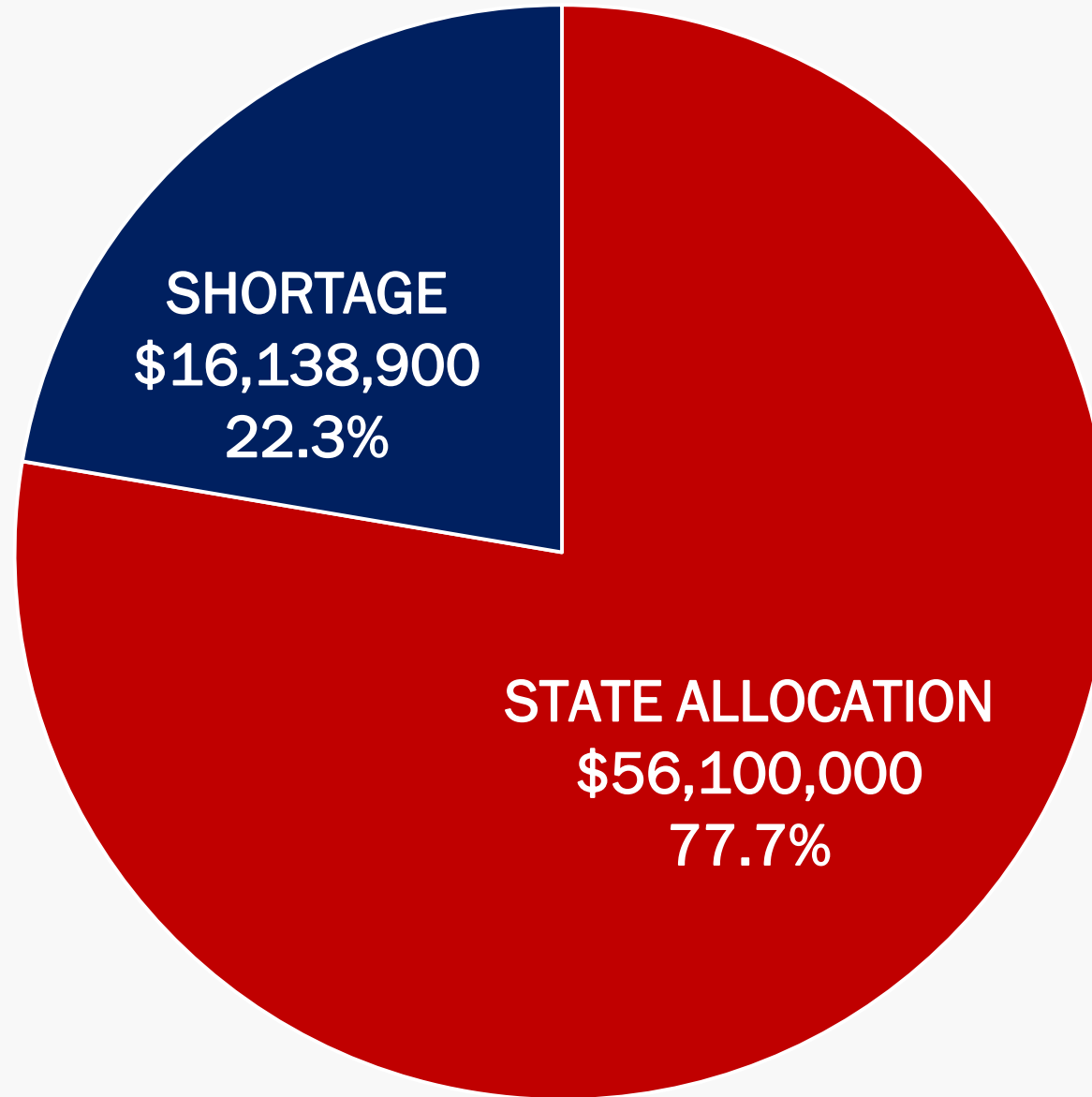


Source: [osbd.ky.gov](http://osbd.ky.gov) official tax receipts

# PVA FUNDING

- GENERAL FUND APPROPRIATION: \$56.1 Million
  - *Personnel Expenses ONLY for 120 Offices Statewide*
- LOCAL FUND ALLOCATIONS: \$10.5 Million
  - *Operating Expenses*
  - *Statutory allocation received from Counties and Cities for use of Tax Roll*
  - *Special Taxing Districts do not pay for use of Tax Roll*

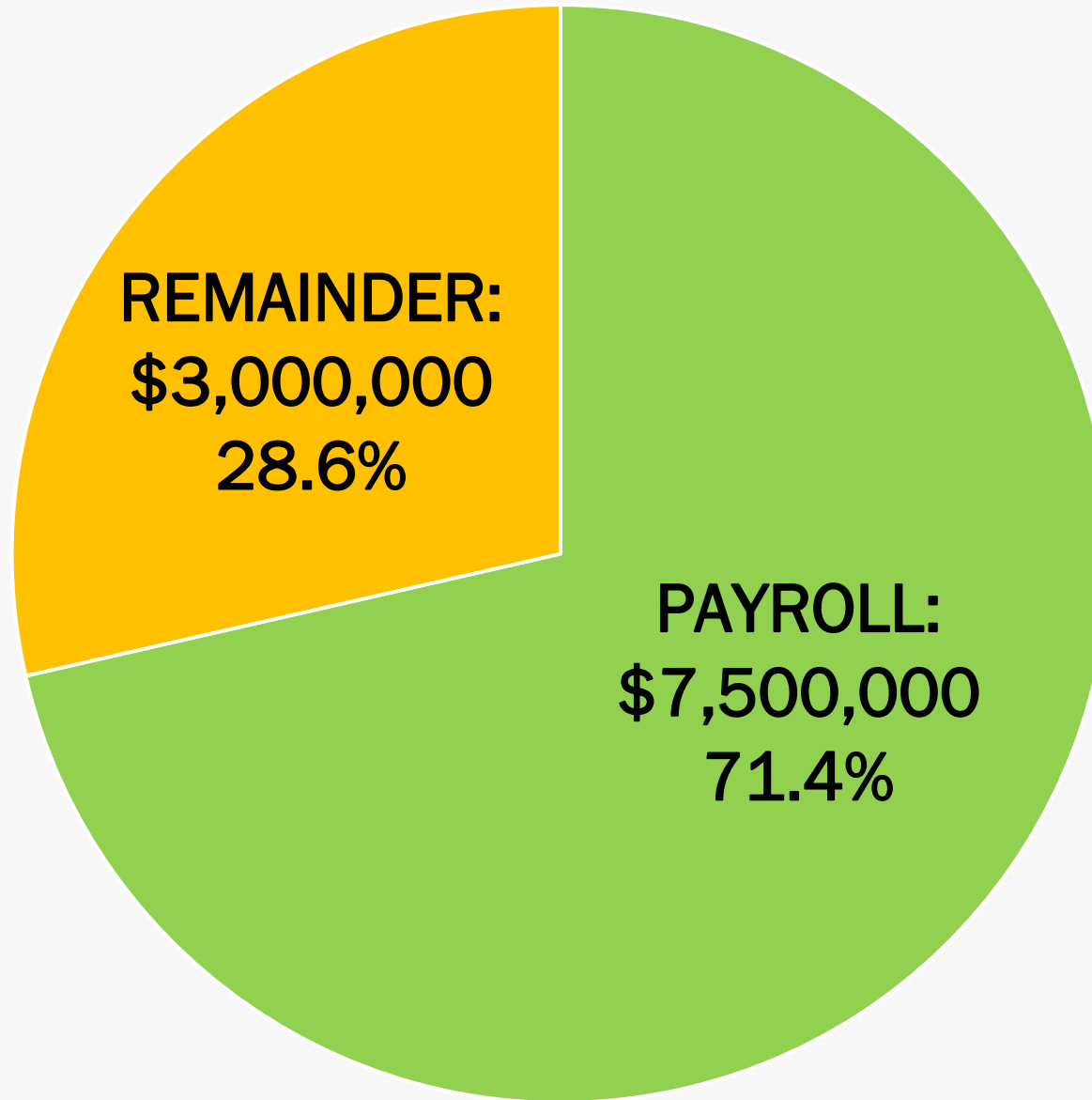
# PVA Budget Requirements



**TOTAL:**  
**\$72,238,900**

■ State Allocation ■ Shortfall

# Local Allocation



**TOTAL:**  
**\$10,500,000**

■ COMMITTED TO PAYROLL

■ REMAINDER FOR OPERATING EXPENSES



# 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 – \$7,500,000 Local Funds sent to Frankfort
- LOCALLY PAID PROMOTIONS - \$1,300,000 Local Funds sent to Frankfort
- SELF-IMPOSED REDUCTION OF STATUTORY EDUCATION INCENTIVE – Saves \$150,000 Annually
- 59 Full-Time and 29 Part-Time Positions Vacant as of August 1, 2019

# SOLUTIONS:

## BUDGET ALLOCATION

- \$7,500,000 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.*
  
- \$16,200,000 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*

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