



Andy Beshear
GOVERNOR

**FINANCE AND ADMINISTRATION CABINET
DEPARTMENT OF REVENUE
OFFICE OF PROPERTY VALUATION**

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April 21, 2022

The Honorable Kevin Neal
Marshall County Judge-Executive
Benton KY 42025

RE: Estimated County Statutory Obligations to Property Valuation Administrators (PVAs) For Fiscal Year 2022-2023

Dear Honorable Neal:

The Finance and Administration Cabinet, Local Officials Compliance Branch, is in the planning stage of the PVA's 2022-2023 Fiscal Year Budget. A pertinent part of the PVA budgetary process is the notification to county government regarding its obligations to the PVA office. This notification also provides county government with the information needed to prepare its own budget.

Kentucky Revised Statute 132.590(9) states, "each county fiscal court shall annually appropriate and pay each fiscal year to the office of property valuation administrator as its costs for use of the assessment..." an amount based on the January 1 assessment as applied by the statute.

Kentucky Revised Statute 132.590(12) states that, "After submission to the State Treasury or to the PVA of the county funds budgeted for personnel compensation under subsection (11) of this section, the fiscal court shall pay the remainder of the county appropriation to the office of the PVA on a quarterly basis. Any unexpected county funds at the close of each fiscal year shall be retained by the PVA except as provided in KRS 132.601(2)." It is anticipated that no later than June 1, 2022, the remainder of the quarterly payments for FY 2021-2022 plus all accumulated carry-over funds owed for prior years, will have been paid to the Property Valuation Administrator.

Based on the estimated assessment of property subject to county tax as of January 1, 2022, **\$100,700** should be appropriated to the Property Valuation Administration office. This estimated appropriation represents a 3% increase in the amount appropriated in 2021. Upon certification of the 2022 assessment, you will be notified of all necessary adjustments to the appropriation. See the schedule below to see if your county has reached a limit as set forth in KRS 132.590(10):

Assessed Value of Property Subject to County Tax of:		
At least	but less than	Limit
\$ -----	\$ 700,000,000	\$ 25,000
700,000,000	1,000,000,000	35,000
1,000,000,000	2,000,000,000	50,000
2,000,000,000	2,500,000,000	75,000
2,500,000,000	5,000,000,000	100,000
5,000,000,000	7,500,000,000	175,000
7,500,000,000	30,000,000,000	250,000
30,000,000,000	-----	400,000

Please be aware that an increase in assessment above these limits may result in a substantial increase in your statutory obligations for Fiscal Year 2022-2023. Examples have been provided below for clarity:

Example: If last year's assessment = 1,000,000,000 the appropriation is limited to \$35,000; if the assessment increased to 1,100,000,000 the appropriation would increase to \$44,000. (If the assessment is at least 300,000,000 the appropriation = assessment x .0004) KRS 132.590(9) (10).

Example: If last year's assessment = 1,900,000,000 the appropriation is limited to \$50,000; if the assessment is increased to 2,100,000,000 the appropriation would increase to \$75,000.

The Finance and Administration Cabinet has historically worked with local governments to ensure that the office of Property Valuation Administrator has adequate facilities and is able to meet its statutory obligations. Consequently, this letter is also being sent to serve as a reminder of the other areas of cooperation between the fiscal court and the Finance and Administration Cabinet. The statutory authority to make the appropriation follows:

2021-2022 Statutory Contribution per KRS 132.590 (9)(10)(11)(12) (Emergency Bill)	\$ 100,000.00
Inspection Period Ad - KRS 133.145(2)	\$ 400.00
Fall Conference KRS 131.140(4)	<u>\$ 300.00</u>
Subtotal	\$ 100,700.00
Telephone Appropriation - Basic Utility to be paid Additionally by county KRS 132.410 (OAG-85.57)	<u>\$ 0.00</u>
Total Estimated Appropriations F/Y 2022-2023	<u>\$ 100,700.00</u>

Your cooperation in this matter will ensure that the Property Valuation Administrator of your county has the adequate resources necessary to perform the duties of their office and that both state and local government are receiving equity and fairness in matters of ad valorem taxation.

Sincerely

David Best

David Best, Branch Manager
Local Officials Compliance Branch
Office of Property Valuation

CC: Tony Henson
Marshall County PVA

Robert O. Brown, Manager
Office of Financial Management and Administration
Department for Local Government