



## Memorandum – Real & Personal Property Tax Rates for 2018

To: Mayor and Board of City Council  
From: Crissy Cunningham, City Clerk CC  
Date: August 29, 2018

Utilizing Department for Local Government worksheets as well as information obtained from the local PVA's office and State Department of Revenue, with review by the Office of Financial Management & Administration, the Real & Personal Property Tax rates have been calculated resulting in the following options for Tax Year 2018:

1. **COMPENSATING RATE:** This (substitute) Compensating Rate generates approximately the same revenue as the previous year exclusive of new property (rounded up the next higher 1/10 th of one cent). The 2018 Compensating Rates are:
  - .297 for Real Property
  - .4692 for Personal Property
2. **4% INCREASE IN REVENUE ALLOWED:** The City may, after holding a public hearing, set a REAL PROPERTY tax rate allowing up to a 4% increase in property tax revenue. This rate generates approximately 4% more revenue than the compensating rate exclusive of new property (rounded down to the next 1/10 th of one cent). Allowed rates that would, per the State's calculations, result in 4% more revenues are:
  - .308 for Real Property
  - .4865 for Personal Property
3. **INCREASE GREATER THAN 4%:** The City may also set a rate allowing more than a 4% increase in revenues; however, this portion of the increase in taxes would be subject to recall vote.

PLEASE NOTE: If Council's vote on the 1<sup>st</sup> Reading is for a 4% (or greater) increase, a Public Hearing is required.

## Crissy Cunningham

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**From:** Crawford, Tom (DOR) <Tom.Crawford@ky.gov>  
**Sent:** Thursday, August 30, 2018 8:03 AM  
**To:** Crissy Cunningham  
**Subject:** RE: City of Morehead

Crissy,

I have reviewed your worksheets and everything looks good!

Tom



**Thomas S Crawford**, Director Division of Local Support  
Office of Property Valuation  
Department of Revenue  
Finance and Administration Cabinet  
501 High Street, Station 30  
Frankfort, Kentucky 40601  
Phone: (502) 564-7179  
Tom.crawford@ky.gov

*As part of the Finance and Administration Cabinet, the mission of the Kentucky Department of Revenue is to administer tax laws, collect revenue, and provide services in a fair, courteous, and efficient manner for the benefit of the Commonwealth and its citizens.*

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**From:** Crissy Cunningham <ccunningham@morehead-ky.gov>  
**Sent:** Tuesday, August 28, 2018 3:15 PM  
**To:** Crawford, Tom (DOR) <Tom.Crawford@ky.gov>  
**Subject:** City of Morehead

Tom,

Good afternoon! Do you care to take a look at my property tax rate calculations for the City of Morehead as you have been so kind to do in years past?

Thank you so much!

*Crissy Cunningham*

City Clerk  
City of Morehead  
314 Bridge St.  
Morehead, KY 40351  
Telephone: 606.784.8505  
Fax: 606.784.2216

# Real Property Tax Rate Calculation

## City/Special Taxing District Real Property Tax Calculation Worksheet

1. 2017 Actual Tax Rate (per \$100) Real Property	.2810
2. 2017 Actual Tax Rate (per \$100) Personal Property	.3834
3. 2017 Total Property Subject to Rate ( A )	383,892,704
4. 2017 Real Property Subject to Rate (col 1, F, H)	329,885,157
5. 2018 Total Property Subject to Rate (E)	382,215,263
6. 2018 Real Property Subject to Rate (col 3, F, H)	334,863,186
7. 2018 New Property (KRS 132.010) (Net new PVA + PS)	-
8. 2017 Personal Property Subject to Rate (Col 1, G, I, J)	54,007,547
9. 2018 Personal Property Subject to Rate (Col 3, G, I, J)	47,352,077

### I. Compensating Rate for 2018 (KRS 132.010(6)):

$$\frac{\$329,885,157}{4} \div 100 \times \frac{.2810}{1} \text{ is } \frac{\$926,977}{A \text{ (2017 Real Property Revenue)}}$$

$$\frac{\$926,977}{A} \div \frac{\$334,863,186}{6 \text{ minus } 7} \times 100 = \frac{.277}{\text{Rate I (round up) } 0.276822694}$$

*Compensating Rate*

Check for minimum revenue limit on compensating rate for 2018 (KRS 132.010 6)):

$$\frac{\$382,215,263}{5} \div 100 \times \frac{.277}{\text{Rate I}} \text{ is } \frac{\$1,058,736}{\text{Total 2018 Revenue}}$$

$$\frac{\$329,885,157}{4} \div 100 \times \frac{.281}{1} \text{ is } \frac{\$926,977}{2017 \text{ Revenue (R.P.)}}$$

$$\frac{\$54,007,547}{8} \div 100 \times \frac{.383}{2} \text{ is } \frac{\$207,065}{2017 \text{ Revenue (P.P.)}}$$

$$\frac{\$1,134,042}{\text{Total 2017 Revenue}} \div \frac{\$382,215,263}{5} \times 100 = \frac{.297}{\text{Substitute for Rate I (Round Up) } 0.296702496}$$

*less than*  
*then use*  
*Substitute Compensating Rate*

### II: Rate allowing 4% Increase in Revenue from real property (KRS 132.027(3)):

$$\frac{\$334,863,186}{6 \text{ minus } 7} \div 100 \times \frac{.297}{\text{Rate I or sub rate}} \text{ is } \frac{\$994,544}{B}$$

$$\frac{\$994,544}{B} \times 1.04 \div \frac{\$334,863,186}{6 \text{ minus } 7} \times 100 \text{ is } \frac{.308}{\text{Rate II (Round Down) } .3088800000}$$

*4% increase in Revenue Option*

Motor Vehicle	&	Watercraft:	/100=	
Rows M + N Col 3	X	MV & Watercraft Rate		Revenue Produced

MV & Watercraft rates must be submitted to the Revenue Cabinet by October 1 (maximum rate is the rate that could have been levied in 1983).

**Personal Property Rate Calculation**  
**-Based on Substitute Tax Rate**

City/Special Taxing District Personal Property Tax Rate Calculation Worksheet

1. 2017 Actual Tax Rate (per \$100) Real Property	<u>.2810</u>
2. 2017 Actual Tax Rate (per \$100) Personal Property	<u>.3834</u>
3. 2018 Actual Tax Rate (per \$100) Real Property	<u>.2970</u>
4. 2017 Real Property Subject to Rate (col 1, F, H)	<u>\$329,885,157</u>
5. 2018 Real Property Subject to Rate (col 3, F, H)	<u>\$334,863,186</u>
6. 2017 Personal Property Subject to Rate (Col 1, G, I, J)	<u>\$54,007,547</u>
7. 2018 Personal Property Subject to Rate (Col 3, G, I, J)	<u>\$47,352,077</u>

**I. Stage One:**

$\frac{\$334,863,186}{5} / 100 \times \frac{.2970}{3}$	is	$\frac{\$994,544}{A \text{ 2018 RE Revenue}}$
$\frac{\$329,885,157}{4} / 100 \times \frac{.2810}{1}$	is	$\frac{\$926,977}{B \text{ 2017 RE Revenue}}$
$\frac{\$994,544}{A} \text{ minus } \frac{\$926,977}{B}$	is	$\frac{\$67,566}{C \text{ (Revenue increase over prior year)}}$
$\frac{\$67,566}{C} / \frac{\$926,977}{B}$		$\frac{.0728889}{D \text{ (Revenue \% increase over prior year)}}$

**2. Stage Two:**

$\frac{\$47,352,077}{7} / 100 \times \frac{.2970}{3}$	is	$\frac{\$140,636}{E \text{ 2018 PP Revenue}}$
$\frac{\$54,007,547}{6} / 100 \times \frac{.3834}{2}$	is	$\frac{\$207,065}{F \text{ 2017 PP Revenue}}$
$\frac{\$140,636}{E} \text{ minus } \frac{\$207,065}{F}$	is	$\frac{-\$66,429}{G \text{ (Revenue increase over prior year)}}$
$\frac{-\$66,429}{G} / \frac{\$207,065}{F}$	is	$\frac{-.3208137}{H \text{ (Revenue \% increase over prior year)}}$

**3. Stage Three:**

Option 1:

If $\frac{-.3208137}{H}$ is = to or greater than $\frac{.0728889}{D}$	
The maximum personal tax rate for 2018 is $\frac{.2970}{3}$	

Option 2:

If $\frac{-.3208137}{H}$ is less than $\frac{.0728889}{D}$	
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Option 2 may be utilized.

$\frac{\$207,065}{F} \times \frac{1.0728889}{D = +1.0}$	is	$\frac{\$222,158}{J \text{ (2018 Revenue \$ Max PP)}}$
$\frac{\$222,158}{J} / \frac{\$47,352,077}{7} \times 100 =$		$\frac{.4692}{\text{Maximum 2018 PP Rate}}$

The district may levy a rate less than the real property tax rate.

- If substitute  
Compensating rate is  
used for real property,  
this is max for  
personal property

**Personal Property Rate Calculation**  
**- Based on 4% Increase Tax Rate**

City/Special Taxing District Personal Property Tax Rate Calculation Worksheet

1. 2017 Actual Tax Rate (per \$100) Real Property	<u>.2810</u>
2. 2017 Actual Tax Rate (per \$100) Personal Property	<u>.3834</u>
3. 2018 Actual Tax Rate (per \$100) Real Property	<u>.3080</u>
4. 2017 Real Property Subject to Rate (col 1, F, H)	<u>\$329,885,157</u>
5. 2018 Real Property Subject to Rate (col 3, F, H)	<u>\$334,863,186</u>
6. 2017 Personal Property Subject to Rate (Col 1, G, I, J)	<u>\$54,007,547</u>
7. 2018 Personal Property Subject to Rate (Col 3, G, I J)	<u>\$47,352,077</u>

**I. Stage One:**

$\frac{\$334,863,186}{5} / 100 \times \frac{.3080}{3}$	is	$\frac{\$1,031,379}{A \text{ 2018 RE Revenue}}$
$\frac{\$329,885,157}{4} / 100 \times \frac{.2810}{1}$	is	$\frac{\$926,977}{B \text{ 2017 RE Revenue}}$
$\frac{\$1,031,379}{A} \text{ minus } \frac{\$926,977}{B}$	is	$\frac{\$104,401}{C \text{ (Revenue increase over prior year)}}$
$\frac{\$104,401}{C} / \frac{\$926,977}{B}$		$\frac{.1126255}{D \text{ (Revenue \% increase over prior year)}}$

**2. Stage Two:**

$\frac{\$47,352,077}{7} / 100 \times \frac{.3080}{3}$	is	$\frac{\$145,844}{E \text{ 2018 PP Revenue}}$
$\frac{\$54,007,547}{6} / 100 \times \frac{.3834}{2}$	is	$\frac{\$207,065}{F \text{ 2017 PP Revenue}}$
$\frac{\$145,844}{E} \text{ minus } \frac{\$207,065}{F}$	is	$\frac{-\$61,221}{G \text{ (Revenue increase over prior year)}}$
$\frac{-\$61,221}{G} / \frac{\$207,065}{F}$	is	$\frac{-.2956586}{H \text{ (Revenue \% increase over prior year)}}$

**3. Stage Three:**

Option 1:

If $\frac{-.2956586}{H}$ is = to or greater than $\frac{.1126255}{D}$	
The maximum personal tax rate for 2018 is $\frac{.3080}{3}$	

Option 2:

If $\frac{-.2956586}{H}$ is less than $\frac{.1126255}{D}$	
Option 2 may be utilized.	
$\frac{\$207,065}{F} \times \frac{1.1126255}{D = +1.0}$ is $\frac{\$230,386}{J \text{ (2018 Revenue \$ Max PP)}}$	
$\frac{\$230,386}{J} / \frac{\$47,352,077}{7} \times 100 =$	$\frac{0.4865}{\text{Maximum 2018 PP Rate}}$

The district may levy a rate less than the real property tax rate.

- IF 4% Increase in Revenue Option is used, this is max for personal

# Rowan County Property Valuation Administration

08/03/2018

Carmen Eldridge Swim, PVA  
600 W. Main Street  
Morehead, KY 40351  
Phone: 606-784-5512 Fax: 606-784-0030

## Summary For the 2018 Tax Year District(s): 01

Exemption Counts			Residential	
	Homesteads	Disability	Count	1,372
Residential	317	32	Land	20,142,451
Farm	12	0	Improvements	124,944,182
Commercial	1	0	Other Imp.	1,238,560
Total Count	330	32	FCV	147,131,022
			Homesteads	11,465,179
			Disabilities	1,000,245
			Taxable Residential	134,665,598
Mobile Homes			Farm	
Residential	805,829		Count	46
Farm	0		FCV - Residences	1,455,180
Commercial	73,000		FCV	6,798,705
			Ag defer	3,036,341
			AGV	3,762,364
			Homesteads	451,200
			Disabilities	0
			Taxable Farm	3,311,164
Additions/Deletions			Commercial	
	Growth	Deletions	Com count	374
Residential	1,101,862	335,520	Com land	62,080,489
Farm FCV	0	0	Com imp	134,459,389
Farm AGV	0	0	Com total	196,612,878
Commercial	1,640,750	4,199,914	Com hex	37,600
			Com dis	0
			All com	196,575,278
			Telecomm (Included above)	319,430
			Leasehold	0
Farm acres	1,340.1200		Taxable Residential	134,665,598
Total FCV	350,542,605		Taxable Farm	3,311,164
Fire acres	1,033.78		Taxable Commercial	196,575,278
			Taxable Leasehold	0
			Total Taxable	334,552,040
			Check Value	334,552,040

# RECORD OF HOMESTEAD EXEMPTIONS AND DEFERRED ASSESSMENTS (For This District Only) 01

Class of Property	65 Years and Older	Disability	20 18 Total Exemptions under Homestead Act	20 18 Amount Deferred under Agricultural Land Use Act
Residential—Lots	11,465,179	1,000,245	12,465,424	\$ 3,036,341
Farm	451,200	0	451,200	Fair Cash Value of Farm Residences
Commercial	37,600	0	37,600	\$ 1,455,180

Number of Taxpayers with Homestead Exemptions 330 , Disability 32

## RECORD OF ADDITIONS AND DELETIONS

Class of Real Estate (Revenue Form 62A323)	"Additions to" 20 18 Assessment (Taxable)	"Deletions from" 20 18 Assessment (Taxable)	"Additions to" 20 18 Assessment (Fair Cash Value)	"Deletions from" 20 18 Assessment (Fair Cash Value)
Residential—Lots	\$ 1,101,862	\$ 335,520	\$ 1,101,862	\$ 335,520
Farm	0	0	0	0
Commercial, Industrial and Telecommunication	1,640,750	4,199,914	1,640,750	4,199,914
Total	\$ 2,742,612	\$ 4,535,434	\$ 2,742,612	\$ 4,535,434

Net Exonerations from 2017 Assessments  
(Indicate + or -)

Real Property

\$ + 311,146

Tangible Property  
(full local rates)

\$ - 227,453

No. Acres Fire Protection	1,034
Watershed Acreage	
Assessed Value of Watershed Acreage	
No. Acres Farmland	1,340.1200

## INSTRUCTIONS

Each property valuation administrator must prepare Property Valuation Administrator's Summary of Real Property Tax Roll Changes (Since Recapitulation), Revenue Form 62A305, showing all changes made on the tax roll after his recapitulation.

Prepare Form 62A305 for each school district in the county. In addition, prepare a consolidated report for the county as

Column 2-Show the totals of all increases for the district made by the property valuation administrator on his own initiative, together with those made by him at the direction of the department, after his recapitulation.

Column 3-Show the totals of all decreases for the district made by the property valuation administrator on his own initiative, together with those made by him at the direction of the department, after his recapitulation.

PROPERTY VALUATION ADMINISTRATOR'S  
SUMMARY OF REAL PROPERTY TAX ROLL CHANGES  
(Since Recapitulation)



2018 Taxable Assessment

County Rowan

District 01

Columns from Tax Rolls	PVA's Recapitulation Totals Col. 1	Increases by PVA Col. 2	Decreases by PVA Col. 3	Decreases from Protests Col. 4	Total Assessment Col. 5
Residential—Lots Land and Improvements	133,574,278	1,171,520	80,200	0	134,665,598
Farm—Land and Other Improvements (Use Value)	3,311,164	0	0	0	3,311,164
Commercial, Industrial, Telecommunication and Leasehold Interests (Full Local Rates)	198,414,072	1,216,000	3,054,794	0	196,575,278
Value of Timber Rights					
Total Real Estate (Full Local Rates)	335,299,514	2,387,520	3,134,994	0	334,552,040
Total Telecommunication Assessment Included in the Above Total	319,430	0	0	0	319,430
Total Real Estate (Leasehold Interests) (1 1/2 State Rate Only)	0	0	0	0	0
Number of parcels by property class:	Residential 1,372	Farm 46	Commercial 374	Total Parcels 1,792	

Net  
Exemption  
334,863,186  
311,146  
Real

I, Carmen Swin, duly elected and qualified property valuation administrator of Rowan County for 2018, taxes in accordance with revenue laws. I further certify that, to the best of my knowledge, all information is listed on the tax roll including all adjustments resulting from protest of assessments or directed by the Office of Property Valuation and all new assessments and corrections made by me since submitting my recapitulation of the tax roll. I further certify that the above is a true summary of said tax roll.

This 27th day of Jun, 2018

(Signed)

*Carmen Swin*

Property Valuation Administrator

Mail to:

Office of Property Valuation  
Division of Local Support  
P O Box 1202  
Frankfort, KY 40602-1202

(Continued on Reverse)

REPT380

DATE: 06/21/18

COMMONWEALTH OF MASSACHUSETTS  
REVENUE CABINET  
DEPARTMENT OF PROPERTY VALUATION  
TANGIBLE PROPERTY TAX SYSTEM

COUNTY TAX ROLL - ROMAN

DISTRICT TOTALS

City

ITEM	VALUE	ITEM	VALUE	ITEM	VALUE	ITEM	VALUE	ITEM	VALUE
37	19,405,133	27	<del>543,257</del>	31	26,146,096	32	1,103,516	33	516,378
37	256,997	60	393,699	82	303,633	90	78,125	34	11,242,000
31 + 32 + 35 =	27,249,612.00	33 + 34 =	11,758,378.00						
17 + 82 =	19,708,766.00	27 + 81 =	543,257.00						

state  
only

19,708,766  
26,146,096  
1,103,516  
393,699  

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47,352,077