

Meeting Notice & Agenda

MARION CITY COUNCIL

Thursday, September 3, 2020 – 5:15 p.m.

Marion City Hall, 217 South Main Street, Marion, KY

Special Meeting

Call to Order

Business Agenda

1. 2nd Reading of Ordinance #20-16 entitled, “An Ordinance Relating to the Tax Levy for the Year of 2019, City of Marion, Kentucky”
2. Adjourn

ORDINANCE NO. 20-16

AN ORDINANCE RELATING TO THE TAX LEVY FOR THE YEAR OF 2020
CITY OF MARION, KENTUCKY

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MARION, KENTUCKY AS FOLLOWS:

SECTION 1: That an ad valorem tax of \$.2192 be and is hereby levied on each One Hundred Dollar (\$100.00) of fair cash value of all real property in the City of Marion, Kentucky.

SECTION 2: That an ad valorem tax of \$.2830 be and is hereby levied on each One Hundred Dollar (\$100.00) of fair cash value of all personal property in the City of Marion, Kentucky.

SECTION 3: That an ad valorem tax of \$.2192 be and is hereby levied on each One Hundred Dollars (\$100.00) of fair cash value of all Public Utilities.

SECTION 4: That in accordance with KRS 132.487 (2) and ad valorem tax of \$.229 be and is hereby levied on each One Hundred Dollar (\$100.00) of fair cash value of all motor vehicles in the City of Marion, Kentucky; and this accordance with KRS 132.488, and as valorem tax of \$.229 be and is hereby levied on each One Hundred Dollar (\$100.00) of fair cash value of all motorboats in the City of Marion, Kentucky.

SECTION 5: That the tax under Sections 1,2,3, and 4 shall be levied for the purpose of providing public services such as fire protection, police protection, maintenance, repair and improvement of street and parks and for taking care of the general miscellaneous expenses of the City of Marion, Kentucky. All taxes listed, supra, shall be paid into the General Fund of the City.

SECTION 6: That this tax levy ordinance DOES NOT pertain or relate to the franchise tax on all deposits, as defined in KRS Chapter 136, maintained by such financial institutions in the City of Marion, Kentucky in that the Bank Franchise and Local Deposits Tax was set by Ordinance Number 96-13 passed on August 19,1996 and published in the Crittenden Press on August 22, 1996.

SECTION 7: That all taxes levied hereby shall become due and payable on the first day of July, 2020. The City of Marion, Kentucky shall have a lien for taxes upon any and all property subject to taxation, which lien shall be superior to all encumbrances prior or subsequent; and all taxes which are not paid on or before the first day of November, 2020 shall be deemed delinquent and shall be subjected to a penalty of twenty-five per cent (25%) and shall bear interest at the rate of ten per cent (10%) per annum. Furthermore any individual, firm or corporation failing to pay such taxes herein levied by this ordinance on or before the first day of November, 2020 shall pay said twenty-five (25%) penalty and interest at the rate of ten per cent (10%) per annum in addition to the amount of such tax then due and unpaid.

SECTION 8: All ordinances or parts thereof in conflict with this Ordinance are hereby repealed to the extent of the conflict.

<u>COUNCIL MEMBERS</u>	YES	NO
Donald Arflack	_____	_____
D'Anna Browning	_____	_____
Darrin Tabor	_____	_____
Dwight Sherer	_____	_____
Michael Byford	_____	_____
Phyllis Sykes	_____	_____

It appearing that _____ Council Members voted for the adoption of the ordinance, and _____ voted against with _____ abstaining, the Mayor declared the ordinance adopted.

INTRODUCED AND GIVEN 1ST READING :

GIVEN 2ND READING AND PASSED:

PUBLISHED IN THE CRITTENDEN PRESS:

ATTEST:

JARED BYFORD, MAYOR

PAM ENOCH, CITY CLERK

Real Property Tax Rate Calculation

City/Special Taxing District Real Property Tax Calculation Worksheet

1. 2018 Actual Tax Rate (per \$100) Real Property	<u>.2300</u>
2. 2018 Actual Tax Rate (per \$100) Personal Property	<u>.3010</u>
3. 2018 Total Property Subject to Rate (A)	<u>118,167,667</u>
4. 2018 Real Property Subject to Rate (col 1, F, H)	<u>92,124,093</u>
5. 2019 Total Property Subject to Rate (E)	<u>123,952,475</u>
6. 2019 Real Property Subject to Rate (col 3, F, H)	<u>97,065,935</u>
7. 2019 New Property (KRS 132.010) (Net new PVA + PS)	
8. 2018 Personal Property Subject to Rate (Col 1, G, I, J)	<u>11,338,883</u>
9. 2019 Personal Property Subject to Rate (Col 3, G, I J)	<u>12,078,620</u>

I. Compensating Rate for 2019 (KRS 132.010(6)):

$$\frac{\$92,124,093}{4} / 100 \times \frac{.2300}{1} \text{ is } \frac{\$211,885}{A \text{ (2018 Real Property Revenue)}}$$

$$\frac{\$211,885}{A} \text{ div by } \frac{\$97,065,935}{6 \text{ minus } 7} \times 100 = \frac{.219}{\text{Rate I (round up) } 0.21829019}$$

Check for minimum revenue limit on compensating rate for 2019 (KRS 132.010 6):

$$\frac{\$123,952,475}{5} / 100 \times \frac{.219}{\text{Rate I}} \text{ is } \frac{\$271,456}{\text{Total 2019 Revenue}}$$

$$\frac{\$92,124,093}{4} / 100 \times \frac{.230}{1} \text{ is } \frac{\$211,885}{\text{2018 Revenue (R.P.)}}$$

$$\frac{\$11,338,883}{8} / 100 \times \frac{.301}{2} \text{ is } \frac{\$34,130}{\text{2018 Revenue (P.P.)}}$$

\$246,015
Grand Total 2018 Revenue

$$\frac{\$246,015}{\text{Total 2018 Revenue}} / \frac{\$123,952,475}{5} \times 100 = \frac{.199}{\text{Substitute for Rate I (Round Up) } 0.198475627}$$



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

$$\frac{\$97,065,935}{6 \text{ minus } 7} / 100 \times \frac{.219}{\text{Rate I or sub rate}} \text{ is } \frac{\$212,574}{B}$$

$$\frac{\$212,574 \times 1.04}{B} / \frac{\$97,065,935}{6 \text{ minus } 7} \times 100 \text{ is } \frac{.227}{\text{Rate II (Round Down) } .2277600000}$$

4%
Real

Motor Vehicle	&	Watercraft:	
<u>14,341,503</u>	X	0.229	/100=
Rows M + N Col 3		MV & Watercraft Rate	<u>\$32,842</u>
			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 4% Increase Tax Rate

City/Special Taxing District Personal Property Tax Rate Calculation Worksheet

1. 2018 Actual Tax Rate (per \$100) Real Property	<u>.2300</u>
2. 2018 Actual Tax Rate (per \$100) Personal Property	<u>.3010</u>
3. 2019 Actual Tax Rate (per\$100) Real Property	<u>.2270</u>
4. 2018 Real Property Subject to Rate (col 1, F, H)	<u>\$92,124,093</u>
5. 2019 Real Property Subject to Rate (col 3, F, H)	<u>\$97,065,935</u>
6. 2018 Personal Property Subject to Rate (Col 1, G, I, J)	<u>\$11,338,883</u>
7. 2019 Personal Property Subject to Rate (Col 3, G, I J)	<u>\$12,078,620</u>

I. Stage One:

$\frac{\$97,065,935}{5} / 100 \times \frac{.2270}{3}$	is	$\frac{\$220,340}{A \text{ 2019 RE Revenue}}$
$\frac{\$92,124,093}{4} / 100 \times \frac{.2300}{1}$	is	$\frac{\$211,885}{B \text{ 2018 RE Revenue}}$
$\frac{\$220,340}{A}$ minus $\frac{\$211,885}{B}$	is	$\frac{\$8,454}{C \text{ (Revenue increase over prior year)}}$
$\frac{\$8,454}{C} / \frac{\$211,885}{B}$		$\frac{.0399001}{D \text{ (Revenue \% increase over prior year)}}$

2. Stage Two:

$\frac{\$12,078,620}{7} / 100 \times \frac{.2270}{3}$	is	$\frac{\$27,418}{E \text{ 2019 PP Revenue}}$
$\frac{\$11,338,883}{6} / 100 \times \frac{.3010}{2}$	is	$\frac{\$34,130}{F \text{ 2018 PP Revenue}}$
$\frac{\$27,418}{E}$ minus $\frac{\$34,130}{F}$	is	$\frac{-\$6,712}{G \text{ (Revenue increase over prior year)}}$
$\frac{-\$6,712}{G} / \frac{\$34,130}{F}$	is	$\frac{-.1966470}{H \text{ (Revenue \% increase over prior year)}}$

3. Stage Three:

Option 1:

If $\frac{-.1966470}{H}$ is = to or greater than	$\frac{.0399001}{D}$
The maximum personal tax rate for 2019 is	$\frac{.2270}{3}$

Option 2:

If $\frac{-.1966470}{H}$ is less than	$\frac{.0399001}{D}$
Option 2 may be utilized.	
$\frac{\$34,130}{F} \times \frac{1.0399001}{D = +1.0}$ is	$\frac{\$35,492}{J \text{ (2019 Revenue \$ Max PP)}}$
$\frac{\$35,492}{J} / \frac{\$12,078,620}{7} \times 100 =$	$\frac{0.2938}{\text{Maximum 2019 PP Rate}}$

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

0.2938
Maximum 2019 PP Rate

4%
Personal