

An Update from the Meade County PVA Office

At the beginning of July Governor Beshear announced that the commonwealth's real property tax rate would decrease for the 4th year in a row. This is a result of soaring home values since 2020. According to KRS 132.020(2) the state tax rate on real property shall be reduced when the statewide total of real property assessments exceeds the previous year's assessment by more than four percent.

The housing market is the primary driver of assessment increases. At the close of the calendar year each PVA office submits a sales file to the Department of Revenue that shows all the real estate transfers that have occurred within their county. The Department of Revenue compares the sales price to the PVA's assessed value for each property sold to generate a sales ratio. For example, if the PVA has a home assessed at \$100,000 and that home sells for \$150,000 it results in a sales ratio of 66.7%.

SALES RATIO	=	ASSESSED VALUE	=	\$100,000	=	66.70%
		SALES PRICE		\$150,000		

DOR finds the median sales ratio for each class of property (residential, farm, commercial) and calculates how much each PVA office needs to increase real estate values to reach an acceptable level of assessment. The further the ratio is from 100% the more that the PVA office is required to increase assessments. Reaching an acceptable level of assessment is a requirement before the Department of Revenue will certify our county's assessment totals. Without a letter of certification from DOR taxing authorities cannot set tax rates, and tax bills are not able to be sent out.

The PVA office has two mechanisms for increasing assessment amounts and reaching an acceptable level of assessment. When a home sells, the PVA office receives the deed from the county clerk's office. If it is determined that the transfer is an arm's length transaction, or good sale, the PVA office will accept the purchase price on the deed to be the fair market value of the property. The second mechanism, and the primary work of the PVA office, is to utilize recent sales data and building characteristics to reassess property. When a property is reassessed at a higher value the PVA office is required to mail a notification to the taxpayer making them aware of the assessment increase.

The table below shows the taxable assessment totals by year for Meade County. When a countywide taxing district keeps their tax rate the same, they can estimate a revenue increase equal to that of the assessment total's percent increase. For example, any countywide taxing district that leaves their tax rate the same for the 2024 tax year can expect an approximate 7.88% increase in revenue. This does not factor in the revenue lost when property owners fail to pay their property tax bill, or those that sign up for the homestead exemption after tax bills have been sent out.

REAL ESTATE TAXABLE ASSESSMENT

Year	COUNTY TOTAL	Taxable Increase	Percent Increase
2024	\$ 1,705,601,775	\$ 124,644,222	7.88%
2023	\$ 1,580,957,553	\$ 98,082,179	6.61%
2022	\$ 1,482,875,374	\$ 89,324,640	6.41%
2021	\$ 1,393,550,734	\$ 63,276,368	4.76%
2020	\$ 1,330,274,366	\$ 49,590,056	3.87%
2019	\$ 1,280,684,310	\$ 37,804,838	3.04%
2018	\$ 1,242,879,472	\$ 37,425,123	3.10%
2017	\$ 1,205,454,349	\$ 31,255,485	2.66%
2016	\$ 1,174,198,864		

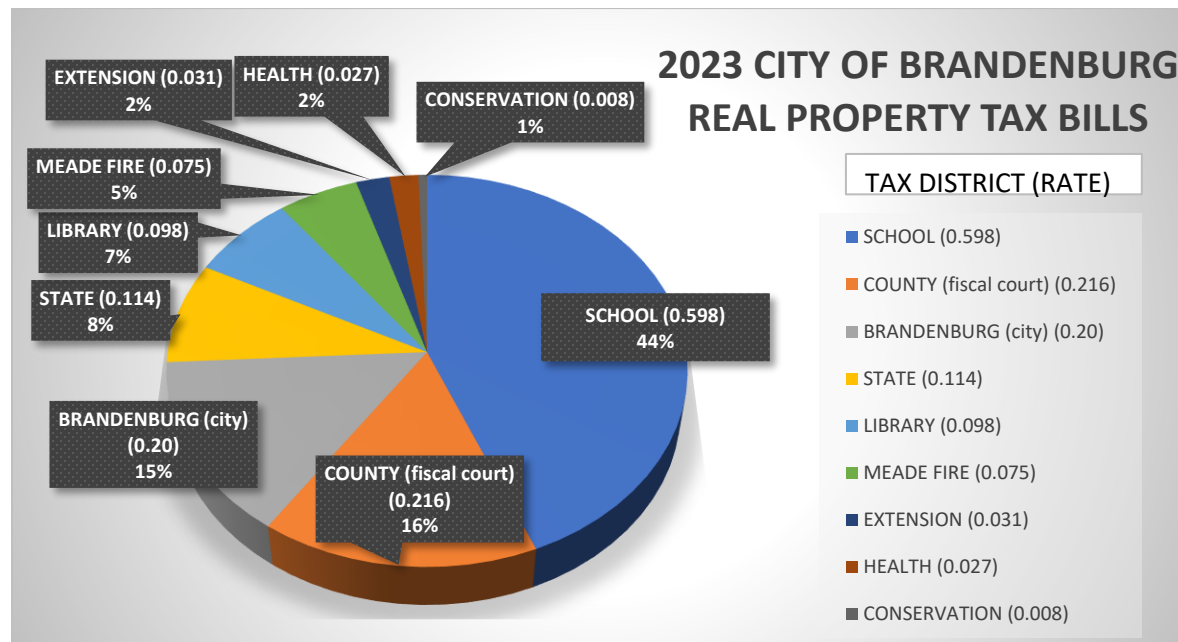
When you receive your property tax bill you may have noticed the various taxing districts that help to make up the tax rate. Each of these taxing districts has a board of trustees that will approve the tax rate each year. The sum of the tax rates set by each of the various taxing districts is what determines the tax rate for each tax bill. Your tax bill is calculated by multiplying the PVA's assessed value of your property by the sum of the 8 or 9 tax rates set by the various taxing authorities.

Countywide Taxing Districts: county (fiscal court), school district, health department, library, extension services, soil conservation.

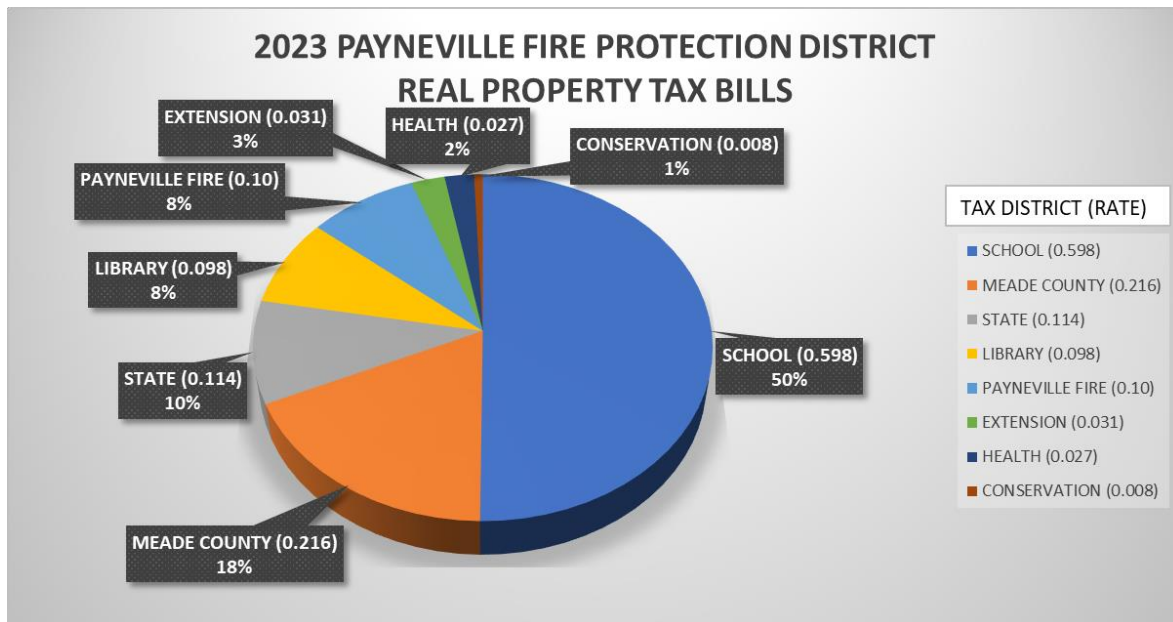
Incorporated Cities: Brandenburg, Ekron, Muldraugh

Special Taxing Districts (Fire Districts): Battletown, Ekron, Flaherty, Meade, Payneville

For example, if you own property within the City of Brandenburg the payment of your tax bill is distributed to nine different taxing authorities. The pie chart below displays the percentage breakdown of how your tax dollars are distributed.



If your property is within the Payneville Fire Protection District, an example of how your tax bill is distributed to the various taxing districts is shown below.



In summary, there are several stakeholders that make decisions that ultimately determine the amount of your real property tax bill. The PVA office is tasked with the assessment of your property while the boards of the various taxing authorities set the tax rates. Whenever you receive an assessment notice from the PVA office, and you feel that your assessment does not accurately reflect the market value of your property please contact our office immediately. We ask that you provide supporting information to justify why our assessment may be inaccurate. This information may include: a recent appraisal of your property, your homeowner's insurance policy (land values not typically included), or documentation of recent comparable sales (arm's length sales in the last 2 years).

If you have any questions or comments because of reading this article you may contact us by phone: (270)422-2178 or email: meadecountypva@gmail.com

Gabe Chapman
Meade County Property Valuation Administrator (PVA)