

Captioning Transcript of Budget Committee Meeting -
September 1, 2022

"Hollander, Bill"

Good afternoon. This is the regular meeting at the Louisville Metro Council Budget committee, today is Thursday September 1st, it is 5:07 this meeting is being held, pursuant to KRS 61.826 and council rule 5A we have called the role of the members for somebody I mean, note that we have 2 excused absences this afternoon council members Engel and Piagentini, joining us virtually our council members McCraney and Winkler and Triplett, in chambers council members Armstrong, President James, council members George, Arthur, I'm the committee chair Bill Hollander, and the vice chair Kevin Kramer's here and I think I've named everybody who is with us today. We have 1 item and that's, O-258-23 an ordinance concerning the levy of taxes within the Louisville/Jefferson County Metro government and the Louisville urban services district for fiscal year ending June 30th, 2023.

"Arthur, Jecorey"

Motion Arthur.

"Hollander, Bill"

Seconded, properly moved and seconded in the ordinances before us and Aaron Jackson, the budget director is here to speak to this.

"Jackson, Aaron"

Thank you, Chair Hollander. Good afternoon, Aaron Jackson budget director I'm joined by, Monica Harmon, CFO. I appreciate the opportunity to speak to the annual property tax ordinance this before you today. I'll give a brief overview and give you time for a Q and A if that's all right? The ordinance you have before you establishes the property tax rates for both real and personal property. The proposed rate for metro represents a decrease from last year while the urban services district real property rate represents an increase from last year. In addition, personal property, tax rates for both Metro and the urban services district are decreases slightly due to the higher than normal assessment growth compared to last year. This is in keeping with the FY23 budget that was introduced and adopted this April in June. Metro area real property tax rate is proposed to be 12.406 cents per 100 dollars of assess value, which is greater than the newly defined compensating rate of 11.90 cents in a decrease from last year's adopted rate of 12.89 cents or 100 dollars of assessed value. The urban service's district real property tax rate is proposed to be 35.80 cents or

100 dollars of assess value, which is greater than the newly defined compensating rate of 34.50 cents and an increase from last year, the adopted rate of 35.46 cents. The proposed real property tax rates for fiscal year 23 represent the allowable 4% tax revenue growth on the existing property tax base under house Bill 44 and are not subject to a votary call a notice of public hearing ran in the courier Journal on Friday, August 26th and again yesterday with point 027, the notice announced that there will be a Republican on proposed property tax rates at 12 0 PM on Wednesday September 7th in room 1:06 at the public hearing is a chance for the citizens to comment on the proposed rates then I'll give you a few highlights of pertinent property tax facts which include in fiscal year for the 4 year of merger. The metro area rate was 12.80 cents for 100 dollars of assess value compared to this year's proposed 12.40 cents per 100 dollars of a assess value and the USD rate was 37.43 cents for 100 dollars of assess value compared to this year's proposed 35.80 cents per 100 dollars of assess value compared to about 27 years ago, the county rate was at 14.3 cents per 100 dollars of assess value compared to this year's proposed 12.40 cents for 100 dollars of assess value and the former city or the USD rate and the former city or the USD rate was 41.6 cents for 100 dollars of assess value compared to this year's proposed 35.80 cents for 100 dollars of value. Overall, real property evaluation for Louisville Metro was 80.2 billion an increase of 7.6 Billion or 10.5% from prior year. Net new property additions for Louisville Metro, total at 1.2 billion. The FY-23 budget that the council proved plans for a combined total of 170,770,000 in real impersonal property taxes early estimates are that this, this tax levy will leave us likely to achieve that total in aggregate with these rates, the amount of final assessments after appeals along with the actual payment rate, once the sheriff Mills the tax bills, this file will likely determine our collection. I urge your support for this ordinance since it is a major piece of our plan revenues for fiscal year, 23 and welcome any questions you may have. Thank you.

"Hollander, Bill"

Thank you Aaron, and while I wait for questions, I just want to explain a little bit. House Bill 44, which is from 1979, long time ago which limits without subject to a recall limits, the tax increase, the revenue increase, you can get from tax from property that was taxed the previous year to 4%. Percent and that's what we've done, that's what we budgeted for and it also explains why we have a different we have an increased slight increase in the urban services district, but a decrease in the county this year the reassessment principally outside of the

urban services district in some years they've been more in the urban services district. I live in the urban services district my reassessment was a couple of years ago, and increase substantially this year the reassessments were principally outside the USDA and that meant that in figuring out what that 4% allowable increase rate is you to get that rate you have to increase the rate slightly in the USD but decrease the rate outside the USD. That's the explanation. The net effect, since people inside the U. S. D. also pay the county rate is that everyone will be paying a lower real property, right? But I think it's important to explain why we're seeing that that happened this year. That would not happen every year, in fact, it would be the opposite. If you had re, assessments, principally in USD, which will have at some point in the future. I don't see anyone else with questions. I do want to ask one question so that the change we're making in the personal property tax rate is not required, will the new personal property tax rate get us, under your assessment, the revenue that we have budgeted for in the in the FY-23 budget?

"Jackson, Aaron"

Yes, that is our Estimate that it will be.

"Hollander, Bill"

Okay. And the reason it's being proposed that we lower that rate is because of an unusually large increase in the assessed value of the tangible personal property that that supplied to, is that correct?

"Jackson, Aaron"

Yes, that is correct.

"Hollander, Bill"

All right councilmen Arthur.

"Arthur, Jecorey"

I'm curious about the notice, can you just clarify physically in the paper and digital or both or what?

"Jackson, Aaron"

I believe it was both, I know it it was in the paper. I don't have a physical copy of it, but I did confirm with my staff member that it was in the paper, it should be digital, should have been.

"Arthur, Jecorey"

And since it is digital, do we have an estimate of the reach of that notice?

"Jackson, Aaron"

I misspoke she said Monica Harmon stated that it did not get posted digitally.

"Arthur, Jecorey"

Okay, is there any way to know the reach of those notices are I'm assuming that we'll go to people who are older who still read the newspaper, no disrespect, I love you, I'm sorry.

"Harmon, Monica"

Monica from an office manager, do you please re-state your question?

"Arthur, Jecorey"

I'm just curious, do we have an understanding of the reach of those notices in the paper?

"Harmon, Monica"

It would be based on their circulation and plus career Journal also has a digital version we would have to go back to the career journal to identify what their circulation reaches.

"Arthur, Jecorey"

Okay, thank you so much.

"Hollander, Bill"

Vice Chair Kramer.

"Kramer, Kevin"

Might I ask when we will be posting it digitally?

"Harmon, Monica"

There was the intended to get it posted just digitally because the law change, so we could put the website that is built, but it has not been tested in the live environment and we miss that deadline in which they could do, so it's a timing difference for us to be able to do notice on our digital website

"Kramer, Kevin"

We missed the deadline for testing it, or we missed the deadline for posting it?

"Harmon, Monica"

We missed our start time for build it you have, they had to have 2 weeks IT had to have 2 weeks to test it that was going to happen later that that wouldn't be after the deadline necessary to post and meet the state ladder proposing to the public.

"Kramer, Kevin"

I get that too so we won't be able to digitally post according to state law, but we could digitally post tomorrow if we wanted to?

"Harmon, Monica"

Yes, we could post it on our website.

"Kramer, Kevin"

Is that a is that in the plan?

"Harmon, Monica"

I think we were always attending to do it on our public notices webpage but we could certainly load that would have to find out who could do that for us I would like us to take of I would like it to take care of us,

"Kramer, Kevin"

I would, I can't speak to councilman Arthur's thoughts on that, but just based on this question, that seems like it would be a reasonable thing to do.

"Harmon, Monica"

Absolutely, but it's not going to have the fall under the official public.

"Kramer, Kevin"

We get that we've missed that. Thanks.

"Hollander, Bill"

Councilwoman McCraney.

"McCraney, Paula"

Mr. chairman those were my questions as well. I was concerned with whether or not it's on the mayor's website and I'm wondering, like, in our E newsletters, can it be posted out through that notification system? Throughout all of our district? To all subscribers?

"Hollander, Bill"

Sure. Of course. It was by the way in and this isn't, I'm not saying this is a substitute for what people are talking about there was a press release, which came out about the filing of this ordinance, which included the date for the public hearing, but, yeah,

"McCraney, Paula"

Well aware of that, but just think about the people that don't have access to press releases, or.

"Hollander, Bill"

What I'm saying is we can take anything I can circulate that to every member if you'd like, and we can you're welcome to post that. As part of your newsletter is certainly.

"McCraney, Paula D."

I want the mayor's office to digitally send it on our behalf. I don't want to have to do their job, you know, I know they missed that particular deadline, but I'm thinking that as a courtesy, they can send it out to all subscribers of that template of email newsletters.

"Harmon, Monica"

Councilman McCraney, we did not miss the deadline, what we missed was the window of opportunity to post, exclusively digitally, we can certainly share any of the notices, you would like, we can post it on the mayor's, which is the LouisvilleKy website and that would we will be happy to do that if that the request, the behest of you all, but it is, we did not miss any filing deadlines that are required by state law.

"McCraney, Paula"

I misheard you, I thought you said you missed the, the electronic filing.

Neither here nor there I still would like to see whatever you can do to post it electronically.

"Arthur, Jecorey"

I'll leave it alone after this, I'm just curious how many people would usually come to these hearings in the past.

"Jackson, Aaron"

Generally speaking 0, we did have 1 individual come probably a few years ago, but generally speaking, zero.

"Arthur, Jecorey"

So nobody has come to weigh in about that. Okay, thank you.

"Hollander, Bill"

I was there last year and there may have been 1 other person, but I'm not sure they were at the right hearing. Any other comment or any, any other comments anyway, come in?

"McCraney, Paula"

Just one comment and I will leave it alone as well. I think we need to do a better job. I think we owe it to the public to do a much better job and the fact that you were the only one there, maybe somebody else, that lets us know that we don't do a good job of notifying our constituents. Thank you.

"Hollander, Bill"

All right any other comments or questions. All right, this is an ordinance that calls for our a roll call vote if you will open the voting please.

"Brown, Marissa"

Committee member McCraney?

"McCraney, Paula"

Yes.

"Brown, Marissa"

Committee member Triplett?

"Triplett, Kevin"

Yes.

"Brown, Marissa"

And committee member Winkler?

"Winkler, Markus"

Yes.

"Brown, Marissa"

Committee Member Piagentini and committee member Engel? Mr. Chair you have 9 yes votes.

"Hollander, Bill"

Thank you very much. The ordinance is approved and it will be on the consent calendar at our meeting next week. This concludes our meeting thank you very much. I appreciate it.