ORDINANCE 4554-14

AN ORDINANCE ADOPTING TAX RATES FOR THE 2014 TAX YEAR

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF JOHNSON CITY AS FOLLOWS:

WHEREAS, *Tennessee Code Annotated,* Section 67-5-1701(a), requires that, in the event of a general reappraisal of property, the governing body shall determine and certify a tax rate which will provide the same ad valorem revenue for that jurisdiction as was levied during the previous year; and

WHEREAS, *Tennessee Code Annotated,* Section 67-5-1701(b), authorizes the State Board of Equalization to establish policies providing a formula for calculating the certified tax rate; and

WHEREAS, The calculated rates, as per attached exhibit A, comprise Washington, Sullivan and Carter county properties lying within the City's corporate limits; and

WHEREAS, The City establishes its tax rate in full pennies and the State does not allow *automatic* rounding up of the tax rates to full pennies; and

WHEREAS, The tax rate rounded down to full pennies will *not* provide the same ad valorem revenue for this jurisdiction as was levied during the previous year; and
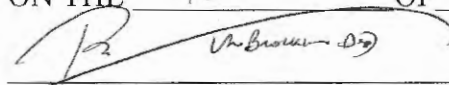
WHEREAS, *Tennessee Code Annotated,* Section 67-5-1702, authorizes a governing body to exceed the certified tax rate after advertising its intent to exceed the certified tax rate in a newspaper of general circulation and after public hearing; and

WHEREAS, The City requires a tax rate rounded up to full pennies, in order to provide the same ad valorem revenue as was levied during the previous year; and
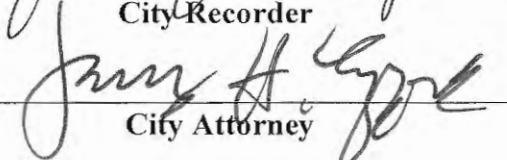
WHEREAS, This rounding up would result in exceeding the certified tax rates for Washington, Sullivan and Carter county properties by only 69/100, 69/100 and 43/100 of a cent, respectively, rounded up tax rates, in excess of the certified tax rates, are hereby levied as follows:

Washington County $1.62   Sullivan County $1.62   Carter County $1.62

PASSED ON FIRST READING   07 AUG 2014
PASSED ON SECOND READING   21 AUG 2014
PASSED ON THIRD READING   04 Sept 2014
APPROVED AND SIGNED IN OPEN MEETING
ON THE ___4ᵀᴴ___ OF _September_, 2014

(illegible signature)
Mayor

Attest: _____
City Recorder

Approved as to Form: _____
City Attorney

2014 Tax-Neutral Property Tax Rate(s)

WORKSHEET FOR CALCULATING TAX RATE EQUIVALENTS AND TARGET RATES FOR MULTI-COUNTY JURISDICTIONS

STEP 1. Collect and list needed information. (see instructions, attached)

Row	Item	(Column A) (most parcels) Area A	(Column B) Area B	(if applicable) (Column C) Area C	(Column D)
1	County Name	Washington	Carter	Sullivan	
2	County parcel count	29,684	456	232	
3	Appraisal ratio	1.0000	.9984	1.0000	
4	Unadjusted assessed value	$ 1,770,311,309	$ 20,769,218	$ 18,754,142	
5	Net new real property	$ 6,347,331	$ -0-	$ 789,972	
6	Net new personal property	$ 14,360,344	$ 165,543	$ 121,509	
7	Previous year levy	$ 28,281,373	$ 291,941	$ 269,990	$ 28,843,304

STEP 2. Determine the adjusted current year assessed value by area. By area, subtract new real property (Row 5 above) and new personal Property (Row 6 above) from the total unadjusted value (Row 4 above).

Row	Item	Area A	Area B	Area C
8	Adjusted assessed value	$ 1,749,603,634	$ 20,603,675	$ 17,833,661

STEP 3. Equalize the adjusted assessed values. By area, divide the adjusted values (Row 8) by the appraisal ratio (Row 3).

Row	Item	Area A	Area B	Area C
9	Equalized & adjusted values	$ 1,749,603,634	$ 20,636,694	$ 17,833,661

$ 1,788,073,999

STEP 4. Determine the overall tax rate equivalent. Divide the previous year's levy (Row 7) by the sum of all equalized values (Row 10) and multiply times 100.

Row	Item	
11	Overall tax rate equivalent	$ 1.6131

STEP 5. Determine the tax rate equivalent by area. By area, divide the overall tax rate equivalent (Row 11) by the appraisal ratio (Row 3).

Row	Item	Area A	Area B	Area C
12	Tax rate equivalent by area	$ 1.6131	$ 1.6157	$ 1.6131

STEP 6. Targetting the current year's equalized tax rates. Whether the current year's tax rates must be increased above the equivalent rates in item 5 are determined by (a) the improvements and personal property added since the previous year. To project current year revenues from the equivalent tax rates, use the most recent total actual assessed values by area (Row 4 above). If the revenues so calculated are sufficient to meet current year needs, no increase above the equivalent rates is necessary and collection shortfalls in determining whether the equivalent rates will be sufficient. If the equivalent rates are insufficient to generate needed new revenue, calculate the target rates as shown in step 7 below and do not adopt the rates until after publication notice and a public hearing.

STEP 7.   Calculating target rates for the current year.

Step 7A.   By area, equalize the unadjusted assessed values by dividing Row 4 above by the appraisal ratio (Row 3), then total.

Row	Item	Area A	Area B	Area C
13	Equalized unadjusted values	$	$	$
				$
14	Total, Row 13			

Step 7B.   Determine the overall target tax rate by dividing current year's needed revenue, by the total on Row 14 and multiply times 100.

15   Overall target rate: $\dfrac{\text{Needed revenue}}{\text{Row 14}}$ = $ _____

Step 7C.   Equalize overall target rate by area: By area, divide overall rate (Row 15) by appraisal ratios (Row 3).

Row	Item	Area A	Area B	Area C
16	Equalized target rates	$	$	$

Miscellaneous instructions for worksheet

Step 1

Row 1 -   List each county in which the city lies, beginning with the county in which most of the city parcels lie. This county portion is Area A. The other county or counties represented in the city become Area B and Area C (if applicable).

Row 2 -   Parcel county

Row 3 -   List here the current year's appraisal ratio approved by the Stated Board of Equalization for the county.

Row 4 -   List by area the total current year's value of all taxable property.

Row 5 -   List the total current year's value of all real property improvements added to the assessment roll since the previous year's levy was set.

Row 6 -   List the total year's value of all personal property added for the first time in the current year.

Row 7 -   List total property taxes billed from the previous year.

KJ/cls
ETR Form

*Please Note:
Rounding up is not permitted.