



Revenue Summary

This Section Includes:

- FY 2016 Revenues by Category (Page G.2)
- 2014 through 2016 Revenue Breakdown (Page G.3)
- Major Revenue Sources (Page G.5)

FY 2016 Johnson County Revenues

Introduction

The Johnson County Government has developed a diverse base of revenues to fund its unique operational and capital needs. In past solid growth years, the County has maintained a constant mill levy. Efforts to increase charges for services and other revenues were achieved by reviewing user fees and charges for services on a periodic basis, and implementing several dedicated revenue sources for major infrastructure projects. In recent years, however, negative impacts from the State of Kansas and legislatively-driven elimination of the Mortgage Registration and Collection Fee (MRCF) have resulted in a modest mill levy increase to maintain existing services along with expanding specific services to address future growth needs.

This section describes major revenue trends and how these affect Johnson County. Special emphasis is placed on the County's thirty (30) major revenue sources. This set of revenues is significant in that they collectively represent at least 75% of the County's projected revenues in FY 2016. Each major source of revenue is described on the following pages.

Revenue Estimating Committee

The Revenue Estimating Committee reviews projections of the County's major revenue sources and provides recommendations on projected revenues to the County Manager. The County Manager considers these recommendations in preparing the proposed annual budget that is submitted to the Board of County Commissioners in June of each year. The County Manager may alter the committee's projected revenues in preparing the proposed budget, and the Board of County Commissioners may alter projected revenues as part of the annual budget process.

The County Manager determines the membership of the Revenue Estimating Committee as part of the County's financial procedures. The current membership of the committee is as follows:

Budget Director	County Manager	County Appraiser	Director of Records and Tax Administration
Assistant Budget Director	County Treasurer	Cash Manager	Revenue Coordinator

For FY 2016, the Revenue Estimating Committee determined a minimum threshold of \$500,000 for a major revenue source. The Committee identified 30 major revenue sources for FY 2016. The following information will show 30 major revenue sources for FY 2015 and FY 2016. In order to avoid budgetary shortfalls during the fiscal year, revenues are estimated using a conservative approach.

Revenues by Category

The following table provides a breakdown of FY 2016 budgeted revenues (excluding transfers and use of carryover). Taxes account for 49.94% of Johnson County's total revenues. Charges for Service comprise 31.14% of the revenue base. Intergovernmental Revenues, Use of Assets/Miscellaneous, and Licenses & Permits represent 9.27%, 9.15%, and 0.50% of the FY 2016 revenue budget, respectively.

FY 2016 Revenue Distribution

Revenue Category	FY 2016 Budget	% of Total
Taxes	323,519,940	49.94%
Charges for Service	201,711,994	31.14%
Intergovernmental	60,070,969	9.27%
Use of Assets/Miscellaneous	59,285,387	9.15%
Licenses & Permits	3,264,792	0.50%
Total	647,853,082	100.00%

Revenues outlined in this section are those funds which the County has budgeted to collect in FY 2016. These revenues exclude transfers and use of carryover. Revenues are categorized into the following groups:

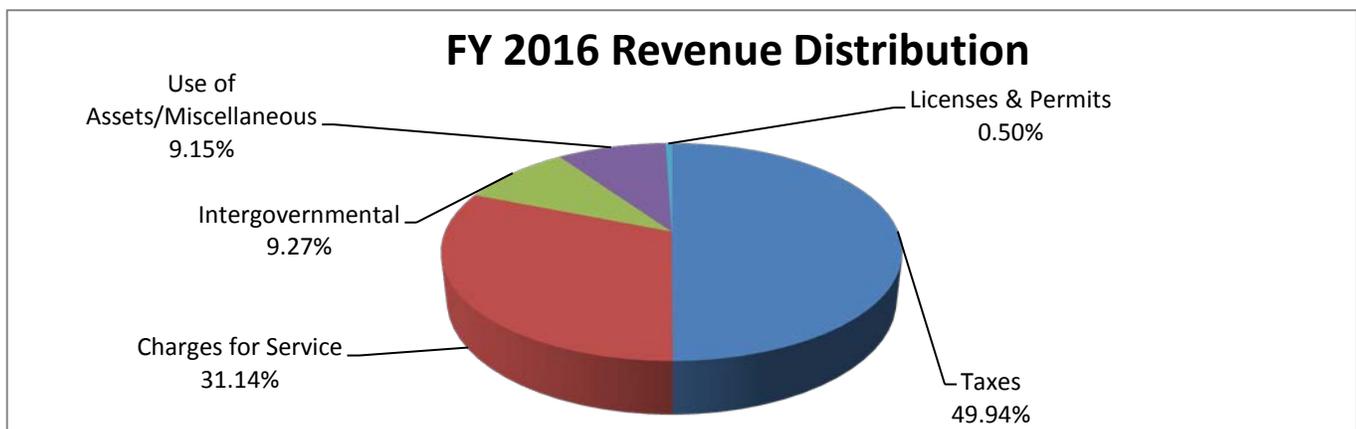
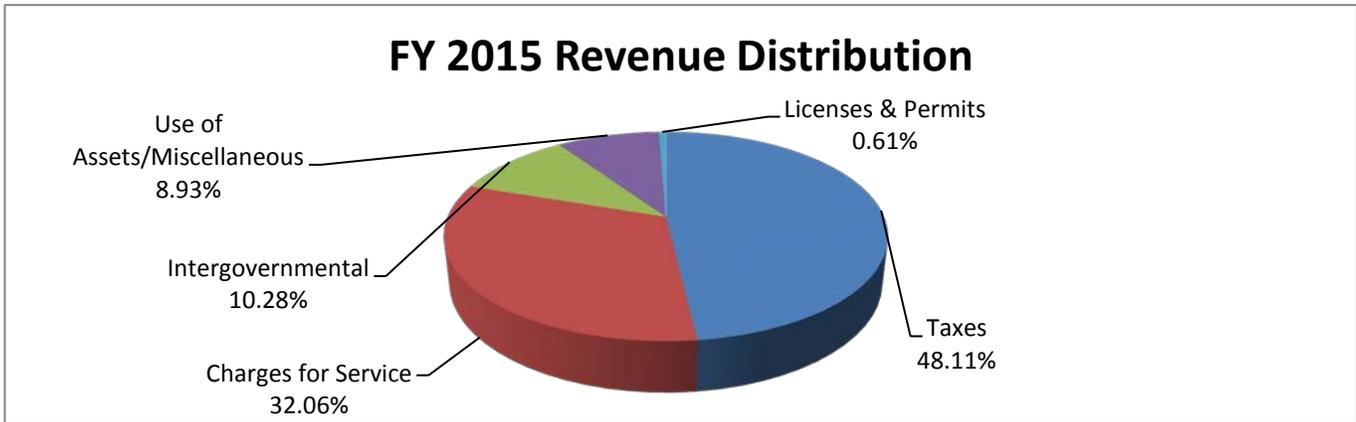
Taxes – This group is comprised of ad valorem support (property taxes), sales taxes, motor vehicle, delinquent, and several other taxes including minerals, liquor, recreational vehicles, car rentals, and compensating use taxes. Taxes represent the largest source of revenue for the County.

Intergovernmental – This group includes revenues from federal, state and city grants, as well as special highway (gas tax) funds which are dedicated for road and bridge maintenance and construction.

Licenses & Permits – This group has been an insignificant portion of the revenue picture in the last decade.

Charges for Service – This group has grown dramatically since the wastewater capital finance charges, connection fees and system development fees were instituted in the early 1990s based on equivalent dwelling unit (EDU). In FY 2003, new user fees for wastewater operations and maintenance activities were implemented. The new system availability charge is included beginning with the FY 2015 budget. The system development charge (an EDU-based charge) was eliminated in FY 2014.

Use of Assets/Miscellaneous – This group includes investment interest, land and building rentals, and sale of County assets.



2014 Through 2016 Revenue Breakdown

The table on the following page summarizes Actual 2014, Estimated 2015 and Budget 2016 revenues for Johnson County (excluding transfers and use of carryover).

Revenues by Category	Actual FY 2014	Estimated FY 2015	Budget FY 2016
Taxes			
Ad Valorem Tax*	\$170,843,754	\$179,985,152	\$218,245,729
Delinquent Real Property Tax*	1,705,582	1,715,257	2,996,969
Interest on Delinquent Taxes*	2,008,269	1,750,000	1,500,000
Motor Vehicle Tax*	19,012,251	19,863,616	20,473,430
Local Sales Tax (1/2 percent)*	13,699,217	13,973,202	14,252,666
Local Use Tax*	2,511,453	2,611,911	2,716,388
Public Safety Sales Tax (1/4 percent)*	17,281,973	17,800,432	18,334,445
Public Safety Use Tax*	3,158,794	3,379,910	3,616,503
Public Safety Sales Tax #2 (1/4 percent)*	17,281,973	17,800,432	18,334,445
Public Safety Use Tax #2*	3,158,794	3,379,910	3,616,503
Stormwater Sales Tax (1/10 percent)*	11,085,756	11,529,186	11,990,354
Stormwater Use Tax*	2,024,578	2,166,298	2,317,939
911 Fund*	4,094,888	4,000,000	4,000,000
Other Taxes	1,499,241	1,112,250	1,124,569
Subtotal	269,366,523	281,067,556	323,519,940
Intergovernmental			
Special Highway Tax*	10,370,477	10,565,948	10,830,585
Community Development Block Grant*	1,096,785	1,633,363	1,641,363
Section 8 Rental Assistance*	8,996,078	11,353,000	12,200,000
Federal/State/Local Government Grants	30,363,823	36,496,534	35,399,021
Subtotal	50,827,163	60,048,845	60,070,969
Licenses & Permits			
Contractor Licensing Fees*	1,013,376	1,084,671	1,104,916
Other Licenses & Permits	3,305,630	2,492,056	2,159,876
Subtotal	4,319,006	3,576,727	3,264,792
Charges for Service			
Heritage Trust Fund Fees*	474,499	448,250	448,250
Med-Act User Fees*	7,270,926	7,429,717	7,579,951
Motor Vehicle Registration Fees*	3,723,414	3,791,757	3,867,592
Mortgage Registration Fees*	13,449,832	13,000,000	9,750,000
Recording Fees*	1,186,043	2,000,000	2,640,000
Police Protection Charges*	834,441	800,000	800,000
Prisoner Boarding Charges*	1,096,785	1,175,000	1,175,000
Parks Enterprise*	16,732,995	18,399,319	20,512,542
Wastewater-Capital Finance Charges*	34,611,940	35,051,700	39,108,300
Wastewater-Connection Fees*	5,897,283	5,800,000	5,800,000
Wastewater-User Charges*	48,469,246	49,501,413	50,863,224
Wastewater-System Availability Charge*	3,998,522	4,124,200	4,124,200
Other Charges for Service	35,718,355	45,771,713	55,042,935
Subtotal	173,464,281	187,293,069	201,711,994
Use of Assets			
Investment Interest*	2,678,617	2,381,075	2,506,397
Other Use of Assets	4,157,300	4,051,468	5,371,129
Subtotal	6,835,917	6,432,543	7,877,526
Miscellaneous			
	28,908,082	45,744,205	51,407,861
Total Major Revenues (indicated with "**")	\$429,768,541	\$448,494,719	\$497,347,691
Total Revenues (excluding transfers)	\$533,720,972	\$584,162,945	\$647,853,082
Major Revenues as a Percent of Total	80.52%	76.78%	76.77%

Major Revenue Sources

The following table provides a summary of the Estimated 2015 and Budget 2016 amounts for the major revenue sources. As demonstrated, there are 30 major revenue sources projected to contribute 75% of total revenues in FY 2016. Following the table is a description of each of the 30 revenues.

Revenue Source	Estimated FY 2015	Budget FY 2016	% Change
Ad Valorem Tax	\$179,985,152	\$218,245,729	21.3%
Delinquent Real Property Tax	1,715,257	2,996,969	74.7%
Interest on Delinquent Taxes	1,750,000	1,500,000	-14.3%
Motor Vehicle Tax	19,863,616	20,473,430	3.1%
Local Sales Tax (1/2 percent)	13,973,202	14,252,666	2.0%
Local Use Tax	2,611,911	2,716,388	4.0%
Public Safety Sales Tax (1/4 percent)	17,800,432	18,334,445	3.0%
Public Safety Use Tax	3,379,910	3,616,503	7.0%
Public Safety Sales Tax #2 (1/4 percent)	17,800,432	18,334,445	3.0%
Public Safety Use Tax #2	3,379,910	3,616,503	7.0%
Stormwater Sales Tax (1/10 percent)	11,529,186	11,990,354	4.0%
Stormwater Use Tax	2,166,298	2,317,939	7.0%
911 Fund	4,000,000	4,000,000	0.0%
Special Highway Tax	10,565,948	10,830,585	2.5%
Community Development Block Grant	1,633,363	1,641,363	0.5%
Section 8 Rental Assistance	11,353,000	12,200,000	7.5%
Contractor Licensing Fees	1,084,671	1,104,916	1.9%
Heritage Trust Fund Fees	448,250	448,250	0.0%
Med-Act User Fees	7,429,717	7,579,951	2.0%
Motor Vehicle Registration Fees	3,791,757	3,867,592	2.0%
Mortgage Registration Fees	13,000,000	9,750,000	-25.0%
Recording Fees	2,000,000	2,640,000	32.0%
Police Protection Charges	800,000	800,000	0.0%
Prisoner Boarding Charges	1,175,000	1,175,000	0.0%
Parks Enterprise	18,399,319	20,512,542	11.5%
Wastewater-Capital Finance Charges	35,051,700	39,108,300	11.6%
Wastewater-Connection Fees	5,800,000	5,800,000	0.0%
Wastewater-User Charges	49,501,413	50,863,224	2.8%
Wastewater-System Availability Charge	4,124,200	4,124,200	0.0%
Investment Interest	2,381,075	2,506,397	5.3%
Total Revenues	\$448,494,719	\$497,347,691	10.9%

1. Ad Valorem Tax

The Ad Valorem Tax is the largest single revenue source available to Kansas counties. These revenues are derived from taxes levied on real property, personal property, and state assessed utilities. The Johnson County Appraiser values real and personal properties, while the State of Kansas assigns values to state assessed utilities.

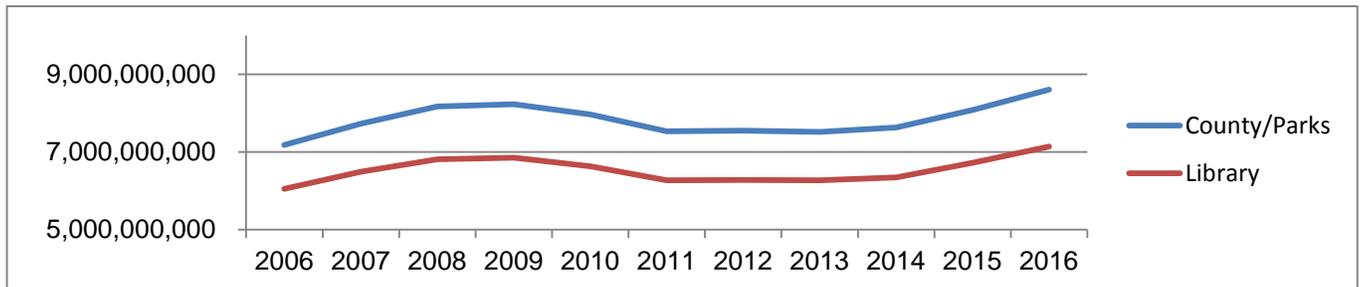
The Ad Valorem Tax generates \$218,245,729 for the FY 2016 Budget. Ad Valorem Taxes are generated from the County’s assessed valuation, which is \$8.61 billion for the FY 2016 Budget. Sales transactions and prices are getting stronger and the revaluation of all real property reflects an increase. Assessed valuation by taxing district is reflected in the following table.

Comparison of FY 2015 and FY 2016 Assessed Valuation by Taxing District

Taxing District:	2015 Assessed Valuation	2016 Assessed Valuation*	\$ Increase	% Increase
County	8,084,290,606	8,605,551,084	521,260,478	6.45%
Park & Recreation	8,084,290,606	8,605,551,084	521,260,478	6.45%
Library	6,725,103,898	7,141,119,635	416,015,737	6.19%

*The assessed valuation for FY 2016 is an estimate. The final assessed valuation for FY 2016 will be published by the County Clerk in mid-December.

2006 – 2016 Assessed Valuation by Taxing District



2. Sales Tax

The average total sales tax rate in Johnson County for FY 2016 is 8.944%. The State will levy 6.50% while cities levy between 0% - 2.0%, excluding special districts. In FY 2016, Johnson County will levy four Countywide sales taxes totaling 1.10%.

Local	0.50%	<i>Effective October 1, 1975</i>
Stormwater	0.10%	<i>Effective July 1, 1990</i>
Public Safety	0.25%	<i>Effective July 1, 1998</i>
Public Safety II	0.25%	<i>Effective January 1, 2009</i>
Total	1.10%	

The Research Triangle Sales tax of 0.125% (*effective April 1, 2009*) is not included in the total of 1.10% because it is a pass through sales tax with the total being immediately distributed to the Johnson County Education Research Triangle Authority.

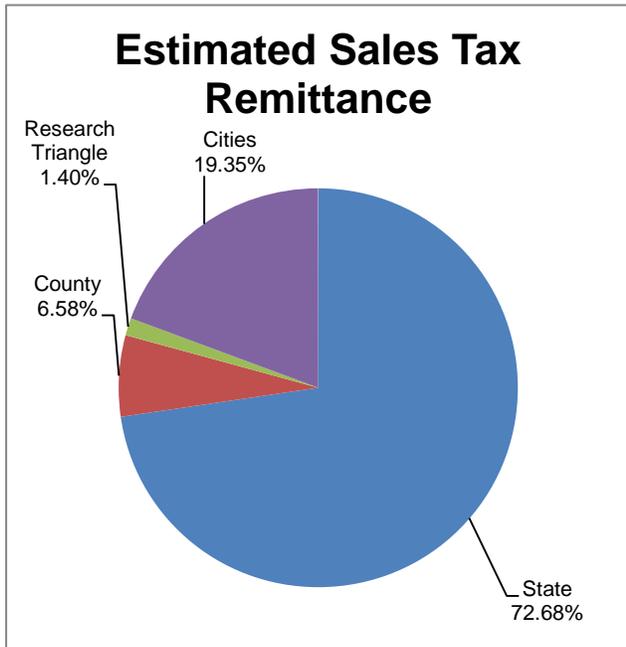
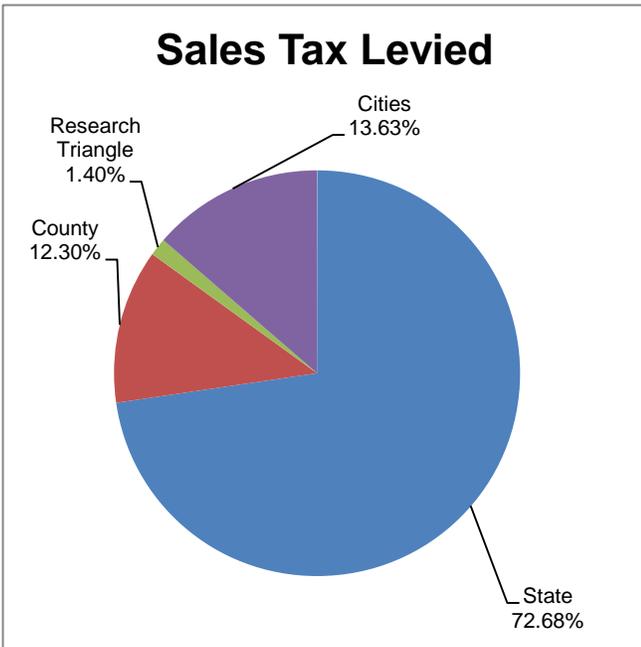
The County levies a rate of 1.10%, excluding the Research Triangle Sales Tax; however, an estimated 53.50% is retained by the County. The variation is due to a population and ad valorem ratio of the Local Sales Tax and the Public Safety Sales Taxes remitted to the cities.

	Rate	Ratio	Retained
Local	0.50%	24.66%	12.33%
Stormwater	0.10%	100.00%	10.00%
Public Safety	0.25%	62.33%	15.58%
Public Safety II	0.25%	62.33%	15.58%
Total	1.10%		53.50%

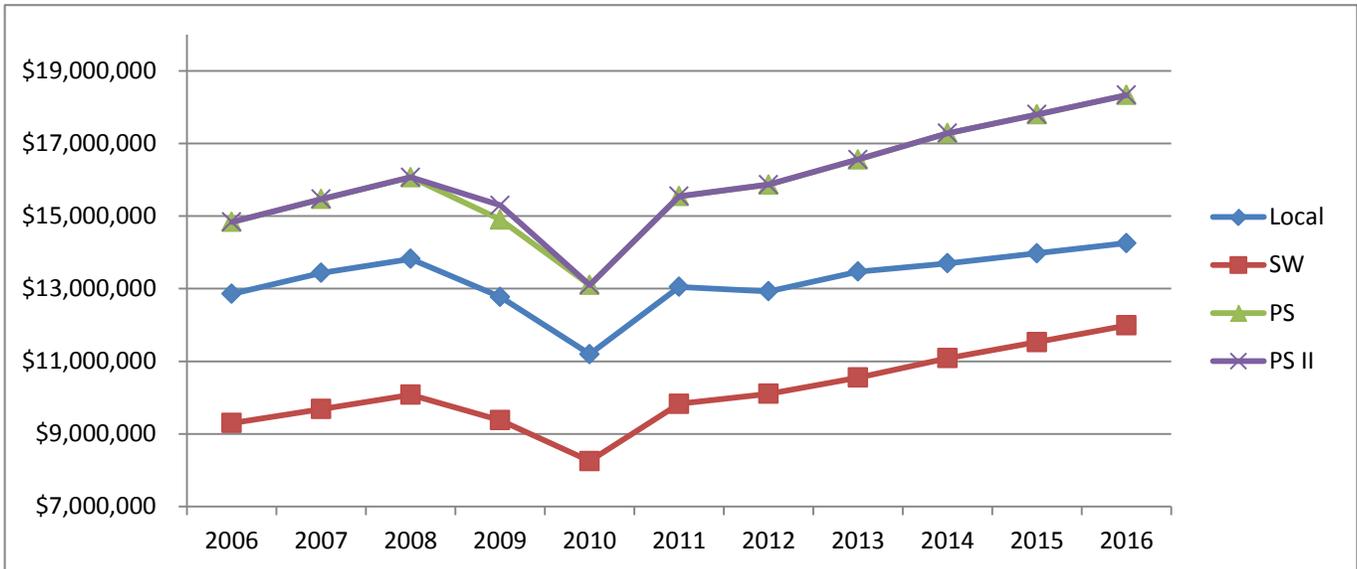
Comparison of Sales Taxes Levied and Retained

The "Sales Taxes Levied" pie chart includes the amounts levied by the various jurisdictions. In contrast, the "Estimated Sales Tax Remittance" chart includes the sales taxes that are received by each entity. The "County" share of remittance represents the taxes that fund County programs and services. Fluctuations in annual growth rates for each of the four sales taxes are demonstrated in the table on the following page.

	Rate	Levied	Retained
State	6.500%	72.68%	72.68%
County	1.100%	12.30%	6.58%
Research Triangle	0.125%	1.40%	1.40%
Cities	1.219%	13.63%	19.35%
Total	8.944%	100.00%	100.00%



Actual/Projected Sales Tax and Growth Rates



Local Sales Tax – The first sales tax is referred to as the Local Sales Tax and equals one-half of one cent (0.50%). Local Sales Tax revenues are distributed to the County and each of the cities in the County according to a state-mandated formula based upon population and ad valorem tax. The County receives approximately 24.66% of these revenues, while cities within Johnson County receive approximately 75.34%. The Local Sales Tax is General Fund revenue and can be used to support general government services. The County's share of the FY 2015 Local Sales Tax receipts are projected to increase 2.0% from the FY 2014 Actuals. FY 2016 is budgeted at \$14,252,666 a 2.0% increase over the FY 2015 Estimated.

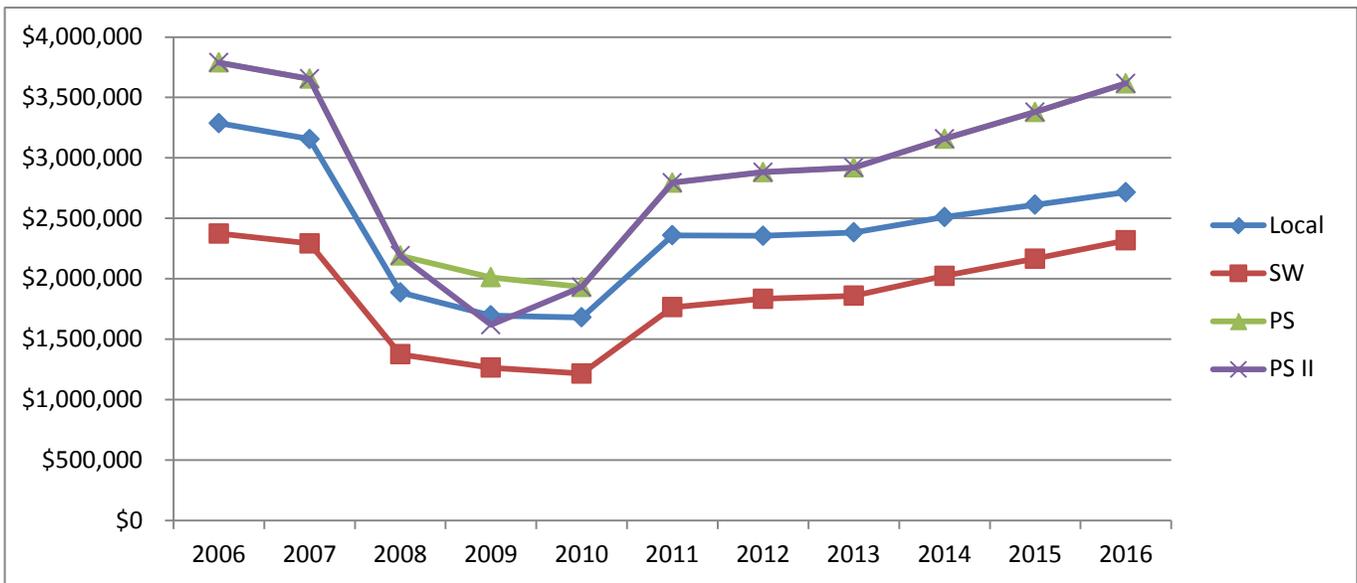
Stormwater Sales Tax – The second sales tax is known as the Stormwater Sales Tax and equals one-tenth of one cent (0.10%). All of the funds from this tax are remitted to the County to be used for the construction of stormwater management projects. Because the Stormwater Sales Tax is not formula based, projections are based on expected growth rates in taxable sales. Projections indicate that Stormwater Sales Tax receipts will increase 4% in FY 2016 compared to the 2015 Estimated. The County's share of this revenue source is budgeted at \$11,990,354 for FY 2016.

Public Safety Sales Tax – Equaling one-quarter of one cent (0.25%), the third sales tax is commonly referred to as the Public Safety Sales Tax because the County's share of the revenues has been specifically dedicated for public safety purposes. The Public Safety Sales Tax went into effect on July 1, 1995 and is distributed to the County and cities under a formula which differs from the one applied to the Local Sales Taxes. The first 50% of the proceeds of the one-quarter cent tax go directly to the County with the second 50% of the proceeds distributed with the same methodology as the Local Sales Tax. In general, the County receives approximately 62.33% of these revenues, while cities receive approximately 37.67%. Projections indicate that Public Safety Sales Tax receipts will increase 3.0% in Fiscal Years 2015 and 2016. The County's share of this revenue source is estimated at \$17,800,432 for FY 2015 and budgeted at \$18,334,445 for FY 2016.

Public Safety Sales Tax II – The fourth sales tax is the Public Safety Sales Tax II approved August 5th, 2008 and effective January 1, 2009, and equals one-quarter of one cent (0.25%). This sales tax is referred to as the Public Safety Sales Tax II because the County's share of the revenues has been specifically dedicated for public safety purposes. The County's share is computed with the same formula as the Public Safety Sales Tax I. In general, the County receives approximately 62.33% of these revenues, while cities receive approximately 37.67%. Projections indicate that Public Safety Sales Tax II receipts will increase 3.0% in Fiscal Years 2015 and 2016. The County's share of this revenue source is estimated at \$17,800,432 for FY 2015 and budgeted at \$18,334,445 for FY 2016.

3. Use Taxes (Local, Stormwater, and Public Safety Sales Tax I and II).

Actual/Projected Use Tax and Growth Rates



The Use Tax is a tax applied to goods purchased outside of the State. The tax is imposed on the use, storage, or consumption of tangible personal property in the State. The two different kinds of use tax are the retailers' use tax and the consumers' use tax. The out-of-state retailer remits the use tax on behalf of their Kansas customer for the retailers' use tax, while the purchaser remits the use tax on purchases originating out-of-state for the consumers' use tax.

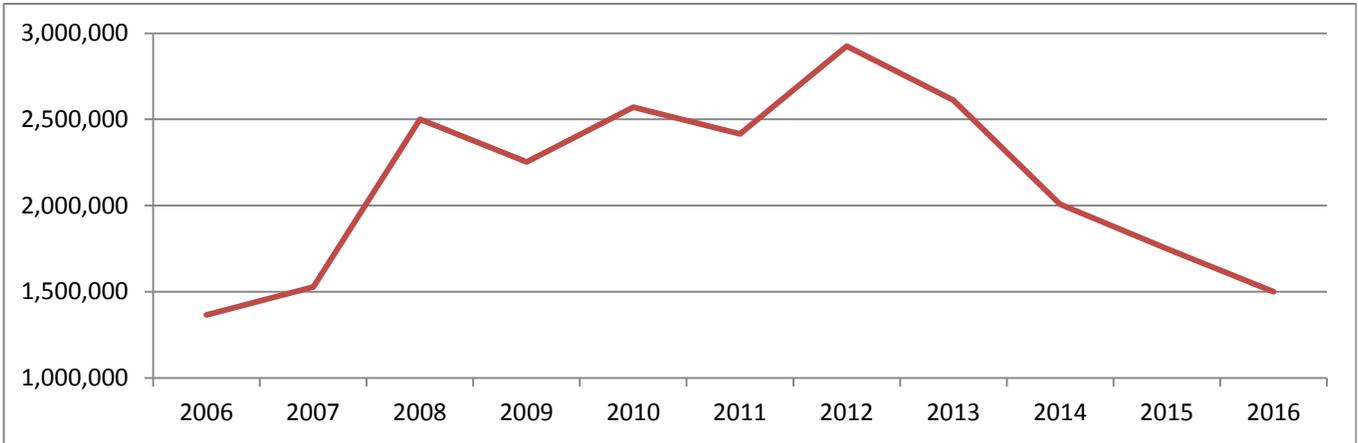
The County experienced decreased revenues from Use Taxes beginning with FY 2008 due to large refunds issued by the Kansas Department of Revenue. These refunds continued through 2010, thus reducing revenues until all refund issues were resolved. According to the Kansas Department of Revenue all major refunds impacting Use Taxes have been completed. The additional inclusions to the use tax as well as the refunds have caused wide fluctuations over the last ten years and cause revenue trend lines to be skewed as represented by the graph below. FY 2016 projections reflect increases of 6.3%.

4. Interest on Delinquent Taxes

This revenue reflects interest and penalty payments on unpaid ad valorem or special assessment taxes which include delinquent real estate, personal property, motor vehicle and current year real estate and personal property tax payments that are paid after the due date. This revenue is recognized immediately when the property owner pays the late tax. All of the revenues from this source are credited to the General Fund.

The 2015 and 2016 interest rate is 4% for delinquencies under \$10,000 (a 2% reduction from 6% to 4% per Senate Bill 231 passed in legislation in 2014). The 2016 interest rate is 10% for delinquent taxes over \$10,000, a 2% reduction from 12% in 2015). Collections of Interest on Delinquent Taxes for FY 2015 and FY 2016 are projected at \$1,750,000 and \$1,500,000, respectively, with the assumption the Treasurer's Office has fewer outstanding delinquent taxes to collect and factoring in the 2% interest rate reduction (for delinquent taxes over \$10,000) for FY 2015. This is a decrease of \$258,269 or 12.86% below the FY 2014 Actual of \$2,008,269. This is a volatile revenue source, and fluctuates from year to year. This revenue peaked at \$2,924,948 in 2012 and the County anticipates this revenue source to continually decrease as the economy recovers and there will be less to collect in the future. The graph on the following page provides a ten-year history of Interest on Delinquent Taxes revenue.

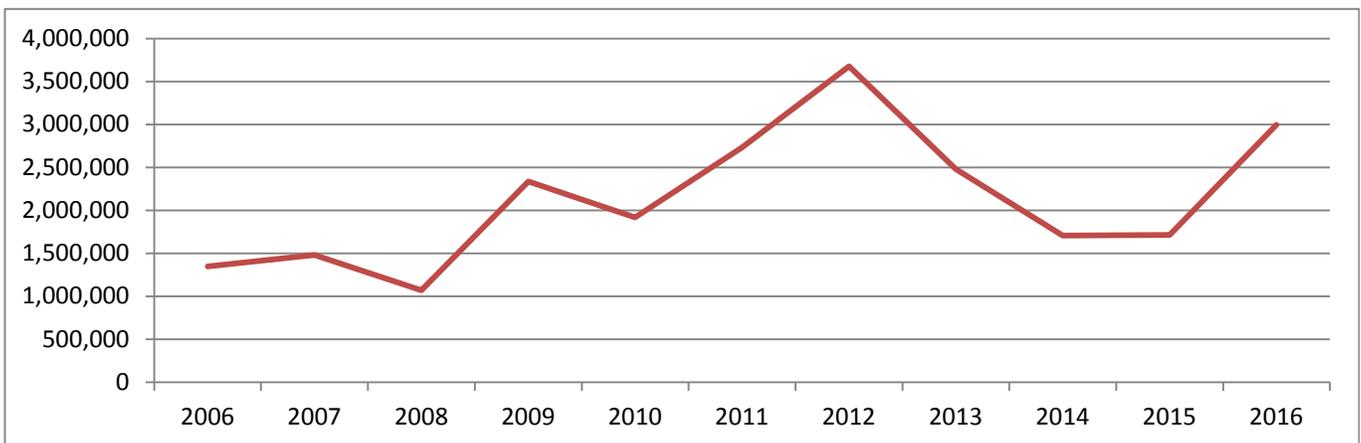
Interest on Delinquent Taxes



5. Delinquent Real Property Tax

Delinquent Real Property Tax revenues are collected after the close of the current tax year, which closes on the Tuesday following the first Monday in September. Any collections of real estate taxes after this cutoff date are recorded as delinquent and distributed as such. Through FY 2015, Delinquent Real Property tax collections were distributed once annually. This distribution was comprised of the collections for the previous calendar year and normally occurs as part of the January 20th distribution. Effective FY 2016, Delinquent Real Property tax collections will be distributed five times annually, mirroring the same distribution as Motor Vehicle taxes. The distribution dates, effective FY 2016, are January 20, March 20, June 5, September 20, and October 31. FY 2012 revenue peaked at \$3,676,135 due to an increase in delinquent taxes from the slow recovery of the economic downturn. FY 2014 was \$1,705,582 and FY 2015 is Estimated at \$1,715,257. FY 2016 is budgeted at \$2,996,969, an 75% spike as distributions will include 2 years (2015 and 2016) due to the distribution change mentioned above.

Delinquent Real Property Tax

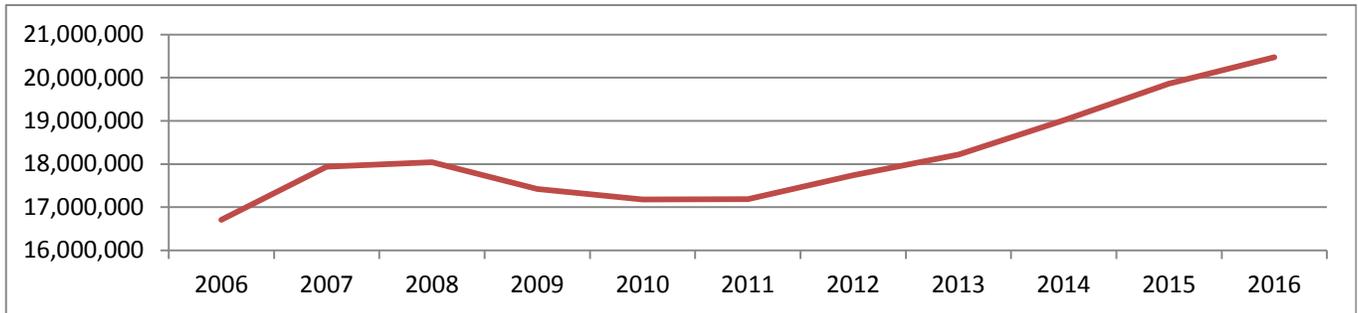


6. Motor Vehicle Tax

The Motor Vehicle Tax is applied to vehicles registered in Johnson County. The assessment rate is 20%. Motor vehicle values depreciate by 15% each year, and depreciation reductions are offset by taxpayers that trade in older vehicles for new vehicles, and new vehicles brought into the County. The County Treasurer collects and distributes this tax to all taxing subdivisions according to a state-mandated formula. Motor Vehicle taxes are distributed five times annually. The distribution dates are January 20, March 20, June 5, September 20, and October 31. The chart on the following page provides a ten-year history of the motor vehicle tax.

The Motor Vehicle Tax is levied upon all Vehicles registered in Johnson County and is distributed amongst the various taxing authorities including Johnson County funds, Library funds and the Parks & Recreation funds. Motor Vehicle Tax revenue projections are \$19,863,616 for 2015 and \$20,473,430 for 2016. This is based on a 4.5% increase in the market value of Motor Vehicles for both 2015 and 2016. The assessment rate of 20% has remained constant since 2001, so increases are commensurate with market value growth.

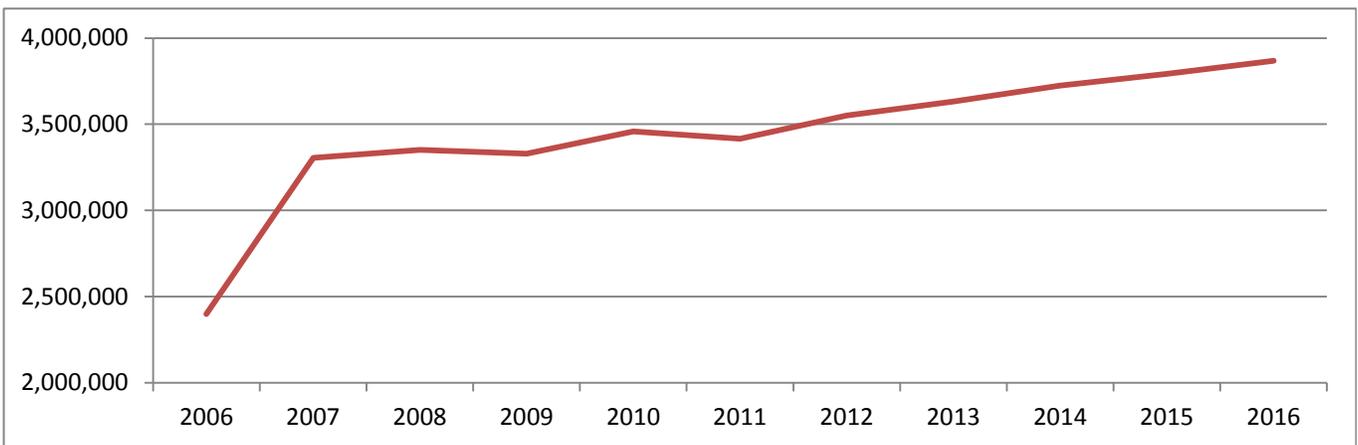
Motor Vehicle Tax



7. Motor Vehicle Registration Fee

This revenue source is composed of fees for administration of the State’s annual motor vehicle registration and license fees. The State’s annual registration fee is applied to all motor vehicles registered in the County and is based upon classifications of motor vehicles according to weight. During the 2006 legislative session, the State increased the fee from \$3.00 to \$5.00 beginning in FY 2007 which created an increase of 37.75% for FY 2007. Motor Vehicle Registration Fees are \$3,791,757 for FY 2015 and \$3,867,592 for 2016. Projections are based on the number of vehicles registered in the County, and the required registration fee for the vehicles. The Motor Vehicle Registration Fee is credited to the General Fund.

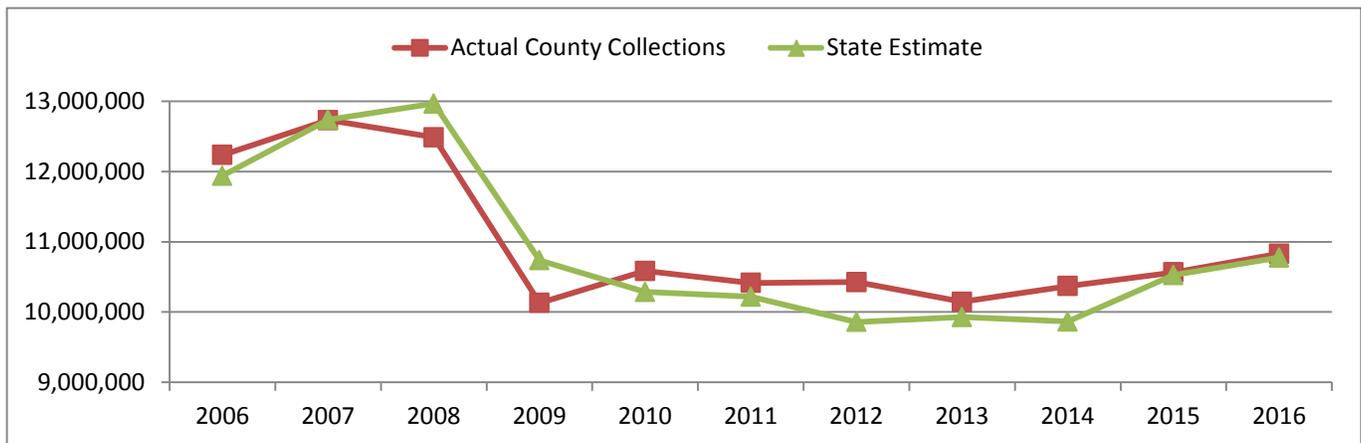
Motor Vehicle Registration Fee



8. Special Highway Fund

This revenue source represents funds received from the State Gasoline Tax and other fuel taxes. 43% of the receipts are remitted to cities while the remaining 57% is distributed to counties. Johnson County dedicated a portion of its share for the County Assistance Road System (CARS) Program. Special Highway revenue projections are \$10,565,948 for 2015 and \$10,830,585 for 2016. Beginning in July of FY 2011 the state began a 5 year payback process to counties that were under-funded through erroneous calculations in the distribution method. This payback will impact Johnson County by a negative \$115,948 for each quarterly remittance through May 2016. The County compares the State estimate of the revenues to the actual County collections. A conservative estimate is then projected based on these two factors. Revenues from this source are credited to the Public Works Fund. The following chart shows the State's estimates for FY 2006 – FY 2016, and the County's actual collections for FY 2005 – FY 2014 and estimates for FY 2015 – FY 2016.

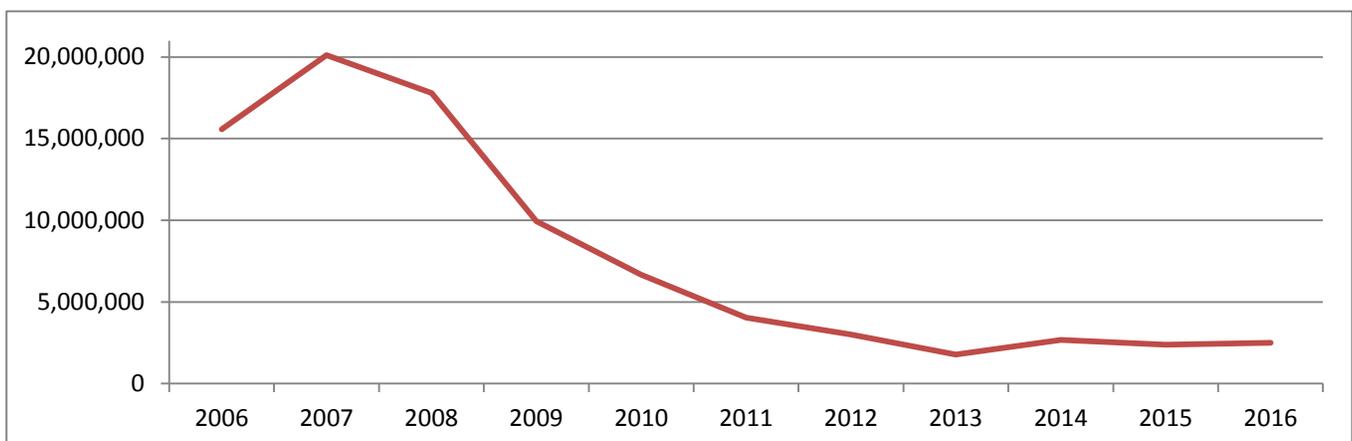
Special Highway Fund



9. Investment Interest

This revenue source reflects interest earned on public funds being held by the County Treasurer until distributed to other taxing subdivisions, as well as interest on County funds held until expended. Two factors which determine investment income are: 1) interest rates, and 2) cash balances available for investment. The average rate of return in FY 2014 was 0.55%, FY 2015 is projected to average 0.57% and the average rate of return for FY 2016 is projected to average 0.60%. The following chart provides 2006-2016 Investment Interest collections.

Investment Interest



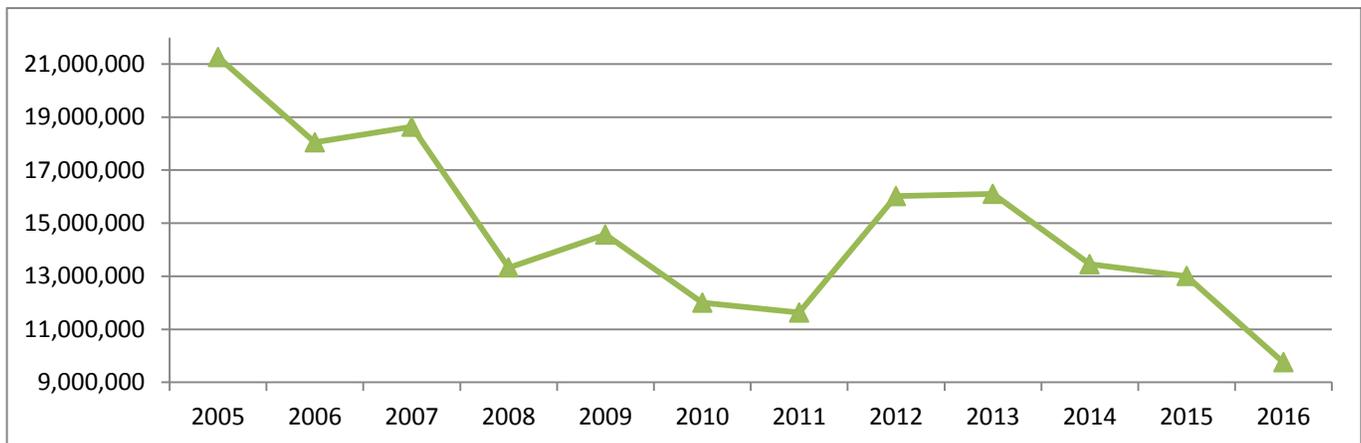
10. Mortgage Registration

This revenue source represents fees collected on recorded Johnson County mortgages and distributed to the General Fund. Effective 1-1-2015, the fee will be phased out over 5 years per Senate Bill 298 that was passed in legislative session in 2014, reduced 0.0005 of the full indebtedness of recorded mortgages each year. The mortgage registration fee will be reduced from 0.0025 of the full indebtedness of recorded mortgages in 2014 to:

2015: 0.0020 of the full indebtedness of recorded mortgages
2016: 0.0015 of the full indebtedness of recorded mortgages
2017: 0.0010 of the full indebtedness of recorded mortgages
2018: 0.0005 of the full indebtedness of recorded mortgages
2019: 0.0000 of the full indebtedness of recorded mortgages

The Mortgage Registration Fee is a highly volatile revenue source as illustrated in the chart below. The major reason for these swings is mortgage refinancing activity, interest rate fluctuations and fee reductions as part of the phase out. Fiscal Years 2008-2011 reflect the direct impact of the downturn in the housing and banking industry. A recovery is shown in Fiscal Years 2012-2014. FY 2015 and FY 2016 reflect years 1-2 of the 5-year phase-out of Mortgage Registration per Senate Bill 298 that was passed in legislative session in 2014.

Mortgage Registration

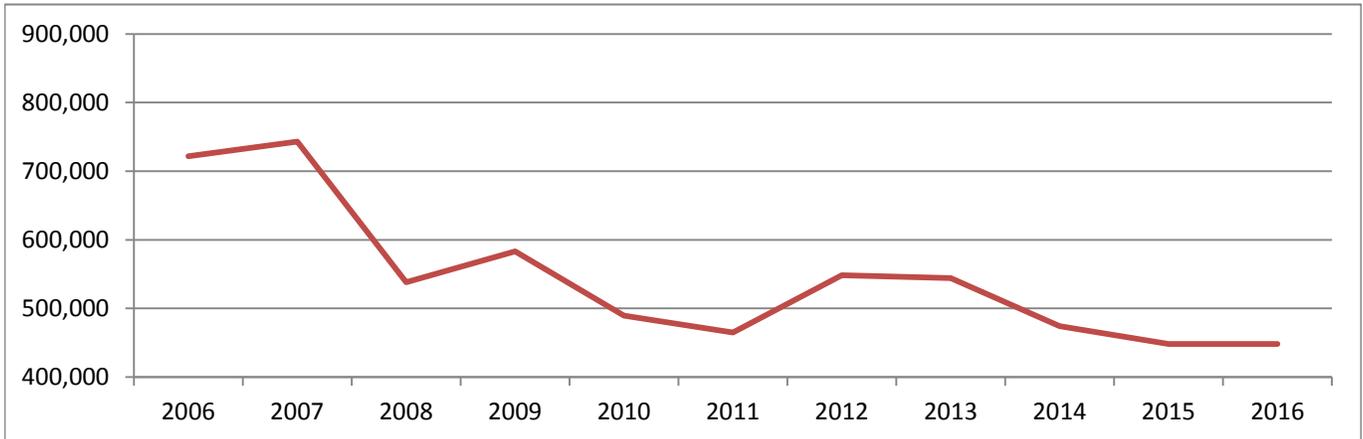


11. Heritage Trust

In 1991 the Johnson County Heritage Trust Fund was established to recognize the importance of preserving the valuable heritage and history of Johnson County. The Board of County Commissioners intends for the fund to be used to promote, recognize and/or preserve the history and heritage of Johnson County. Prior to January 1, 2015, law provided that 25/26ths of the Mortgage Registration fee revenue be retained by counties, with 1/26th coming to the state for deposit in the Heritage Trust Fund. House Bill 2643 repealed the requirement that any mortgage registration tax receipts be distributed to the Heritage Trust Fund on and after January 1, 2015. In addition, House Bill 2643 established a fee of \$1 levied beginning in calendar year 2015 and credited to the Heritage Trust Fund on the first and all subsequent pages of any deeds, mortgages, and other instruments and on release or assignments of mortgages. An annual statutory cap of \$100,000 on Heritage Trust Fund Mortgage Registration Fee distributions from Johnson County to the State of Kansas was replaced with a new cap of \$30,000 relative to the \$1 replacement fee.

Fiscal Years 2006-2014 reflects the 1/26th of the Mortgage Registration fee revenue. Effective January 1, 2015, the amount distributed to the Heritage Trust Fund is projected to be \$448,250 annually, based on \$1 for the first and all subsequent pages of any deeds, mortgages, and other instruments and on release or assignments of mortgages. This amount is projected for FY 2015 and FY 2016.

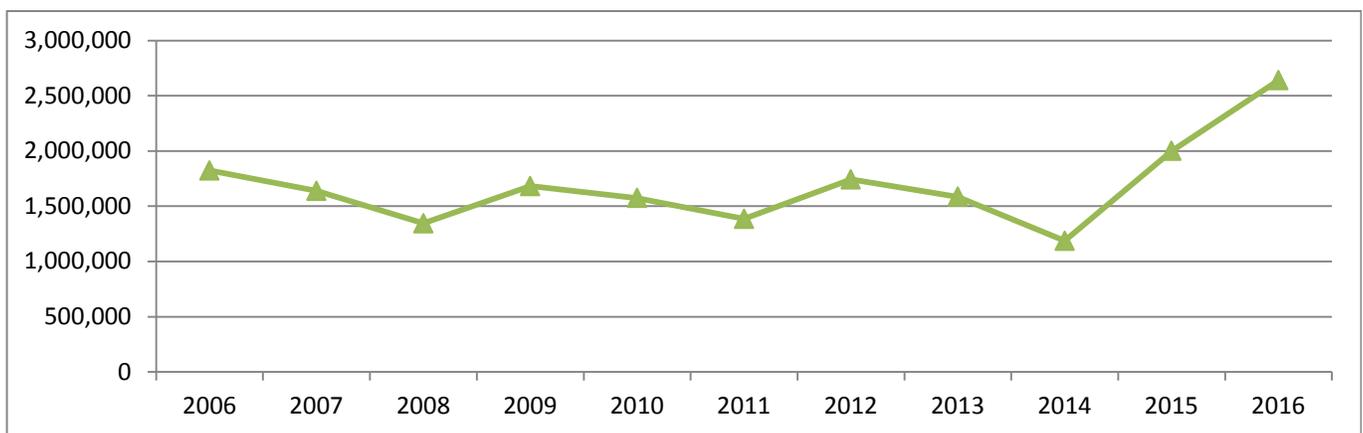
Heritage Trust



12. Recording Fee

This revenue source represents fees collected for recording documents. Documents recorded pertain to land transactions, Federal and State tax liens and Uniform Commercial Code filings. Filing fees vary according to the type of documents recorded. Revenues from this source are credited to the General Fund. Recording Fee revenue somewhat follows the same pattern as Mortgage Registration Fees. When interest rates decline, the revenue generally increases due to refinancing activity. The reverse effect occurs when interest rates increase, causing Recording Fee revenue to decrease. Effective 1-1-2015, as part of the 5-year phase-out of the Mortgage Registration Fee per Senate Bill 298 that was passed in legislative session in 2014, the recording fees are anticipated to increase annually in an attempt to recover some of the lost Mortgage Registration Fee revenue. Fiscal Years 2015-2016 reflect years 1 and 2 of the 5-year recording fee revenue increase per Senate Bill 298 that was passed in legislative session in 2014, in an attempt to recover some of the lost Mortgage Registration revenue. FY 2015 is anticipated to increase 68.6%, followed by 32% increases for 2016.

Recording Fee



13. Police Protection Charge

The Police Protection Charges revenue comes from contracted police services with the cities of Edgerton and De Soto. These contracts are over 80% of the Police Protection Charges revenue. FY 2015 and 2016 revenue is estimated at \$800,000. The flat projection reflects the expected number of offense reports and calls for service within these cities.

14. Prisoner Boarding Charge

Prisoner Boarding revenue comes from both inmates in the County Detention Center as well as offenders within Corrections. The Sheriff's Office receives revenues from holding municipal prisoners and State parole violators. The charge is \$35 per day for the municipal prisoners, which amounts to approximately 30% to 90% of the cost, depending on the classification of the inmate in custody. The State legislature determines the amount of reimbursement for the State parole violators, and that amount has been on the decline for several years. The County's Corrections department receives \$120.00 per day for youth housed in the Juvenile Detention Center that are in the actual custody of the Kansas Department of Corrections - Juvenile Services Division. This amount represents about 20% of average daily cost for detention. The daily rate is set by the State of Kansas. The total revenue fluctuates because of the volatility of the number of local prisoners being held and the mix of municipal violations and district violations they are charged with each year. FY 2015 and FY 2016 are estimated at \$1,175,000.

15. 911 Fund

A fee of \$0.53 is imposed on all service capable of contacting a public safety answering point (PSAP), applying to all modes of service, including telephone, cell phone, Voice over Internet Protocol (VoIP) and prepaid wireless. The 2011 Kansas Legislature passed Senate Bill 50 which essentially replaced existing 911 statutes with a new 911 fee structure. Effective January 1, 2012, the existing authority for assessing wireline 911 taxes as well as wireless and VoIP 911 fees expired and the new uniform fee of \$.53 per month was established. The 911 fund is estimated to be \$4,000,000 for Fiscal Years 2015 and 2016. Effective October 1, 2015, the uniform fee of \$.53 per month was increased to \$.60 per month.

16. Contractor Licensing Fee

The Board of County Commissioners adopted a resolution creating the Contractor Licensing Program beginning in January 2002. A License Review Board was created, and rules and regulations were adopted for the program. Contractor licensing fees are collected from contractors obtaining their licenses in Johnson County. The registration fee for the first year is \$100, and the annual fee is \$225. This totals a startup fee of \$325 per contractor, with an on-going fee of \$225 per year. FY 2015 and FY 2016 revenues are estimated at \$1,084,671 and \$1,104,916 respectively. The estimated number of Contractor License renewals estimated for 2016 is 3,000.

17. Med-Act User Fee

MED-ACT user fees are collected when MED-ACT transports a patient to the hospital. The rates are established after an analysis of the Medicare approved rates, the rates charged by other ambulance providers, the expected insurance payments, and the taxes needed. Rates increased in the summer of 2011 by 18%. For 2013 the average charge was \$515 per trip. In 2013, 19,063 patients were transported to the hospital by MED-ACT, which does not include transports made by the Med-Act/Overland Park Fire Dept (OPFD) partnership ambulances where Overland Park charges for the service. OPFD pays MED-ACT a contractual agreed flat rate of \$55.60 for every patient transport where OPFD charges. This is the Med-Act share from the partnership arrangement. In FY 2014, collections totaled \$7,270,926 with a 66.6% collection rate. FY 2015 collections are estimated at \$7,429,717 with a collection rate projected at 66%. A medical billing service collects the revenue and gets a 5.7% collection commission. MED-ACT will write off 34% as non-collectible. FY 2016 collections are estimated at \$7,579,951 with a 6% increase in rates. Transports are projected with a 2% growth rate for FY 2016.

18. Section 8 Rental Assistance

The Section 8 Housing Choice Voucher (HCV) Program is a federally funded program designed to provide subsidies to very low and extremely low-income families, allowing them to locate decent, safe housing while maintaining their rental payments at an affordable level. The program also offers an incentive to private property owners to rent to low-income families by offering timely, consistent subsidy payments. The Housing Authority administers Section 8 (HCV) for the cities of De Soto, Edgerton, Gardner, Lenexa, Merriam, Mission, Overland Park, Prairie Village, Roeland Park, Shawnee, Springhill and Westwood areas. FY 2015 and FY 2016 are estimated at \$11,353,000 and \$12,200,000.

19. Community Development Block Grant

The Community Development Block Grant funds community development activities for low to moderate-income residents throughout Johnson County. FY 2015 and FY 2016 are estimated at \$1,633,363 and \$1,641,363 respectively.

20. Parks Enterprise Charge

The Park & Recreation Enterprise Fund includes all functions and activities of the District pertaining to recreational activities and facilities which are supported by revenues other than tax dollars, with the exception of employee fringe benefits. Projections are provided by the Park & Recreation Department. FY 2015 and FY 2016 revenues are estimated at \$18,399,319 and \$20,512,542 respectively.

21. Wastewater Capital Finance Charge

The Capital Finance Charge funds sanitary sewer capital improvements in the Consolidated Main Sewer District. This charge is combined with the Wastewater User Charge and is billed and collected in the same manner as the Wastewater User Charge. The charge may be apportioned among classes of users or graduated as to individual users based upon the present or future use required of the sewerage system and shall include consideration of, but not be limited to, the quantity, quality and rate of wastewater discharged or dischargeable to the sewerage system and may include a customer service charge component. FY 2015 and FY 2016 revenues are estimated at \$35,051,700 and \$39,108,300 respectively.

22. Wastewater Connection Fee

The Wastewater Connection Fee (a capital charge) is a one-time hookup fee to help fund new sewer construction and repairs of existing facilities and lines throughout the district. The fee was implemented in 1992 at \$1,500. It was \$3,258 from FY 2010 to FY 2013, and \$3,800 for FY 2014 for a 5/8" meter. For FY 2016, the connection fee is proposed to remain constant at \$4,400. Beginning in 2014, connection fees are collected based on meter size. Each year, the connection fee rate is established and adopted in the annual budget resolution. FY 2015 and FY 2016 revenues are estimated at \$5,800,000.

23. Wastewater System Availability Charge

The System Availability Charge recovers capital costs associated with sewer availability for those not yet connected to the system. In 2014, this per acre charge replaced the Vacant Land Equivalent Dwelling Unit methodology. This charge is \$326 per acre for FY 2015 and \$345 per acre for 2016. FY 2015 and FY 2016 revenues are estimated at \$4,124,200.

24. Wastewater User Charge

The Wastewater User Charge System was established in FY 2003 to increase reliance on user fees and decrease reliance on the mill levy. The user charge system was implemented for Johnson County Wastewater to collect charges from all users of the sewer districts based upon the proportional use of the wastewater treatment facilities by the user's class. The user charge system was established for the purpose of payment for the costs of operation and maintenance of the wastewater collection and treatment facilities of the Johnson County Unified Wastewater Districts. FY 2014 actual revenue was \$48,469,246. FY 2015 and FY 2016 revenues, net of uncollectible receivables, are estimated at \$49,501,413 and \$50,863,224 respectively.