

FY 2021 Johnson County Revenues

Introduction

The Johnson County Government has developed a diverse base of revenues to fund its unique operational and capital needs. Current revenue projections support a budget that meets the needs of a growing community, adequately compensates staff and maintains good stewardship of taxpayer dollars.

This section describes major revenue trends and how these affect Johnson County. Special emphasis is placed on the County's thirty two (32) major revenue sources. This set of revenues is significant in that they collectively represent approximately 75% of the County's projected revenues in FY 2021. 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 2021, the Revenue Estimating Committee determined a minimum threshold of \$500,000 for a major revenue source. The Committee identified 32 major revenue sources for FY 2021. The following information will show 32 major revenue sources for FY 2020 and FY 2021. 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 2021 budgeted revenues (excluding transfers and use of carryover). Taxes account for 50.84% of Johnson County's total revenues. Charges for Service comprise 30.11% of the revenue base. Intergovernmental Revenues, Use of Assets/Miscellaneous and Licenses & Permits represent 7.53%, 11.08%, and 0.44% of the FY 2021 revenue budget, respectively.

FY 2021 Revenue Distributions

Revenue Category	FY 2021 Budget	% of Total
Taxes	\$ 428,917,547	50.84%
Charges for Service	\$ 254,055,876	30.11%
Intergovernmental	\$ 63,542,203	7.53%
Use of Assets/Miscellaneous	\$ 93,443,989	11.08%
Licenses & Permits	\$ 3,675,318	0.44%
Total	\$ 843,634,933	100.00%

Revenues outlined in this section are those funds which the County has budgeted to collect in FY 2020. These revenues exclude transfers and use of carryover. Revenues are categorized into the following groups:

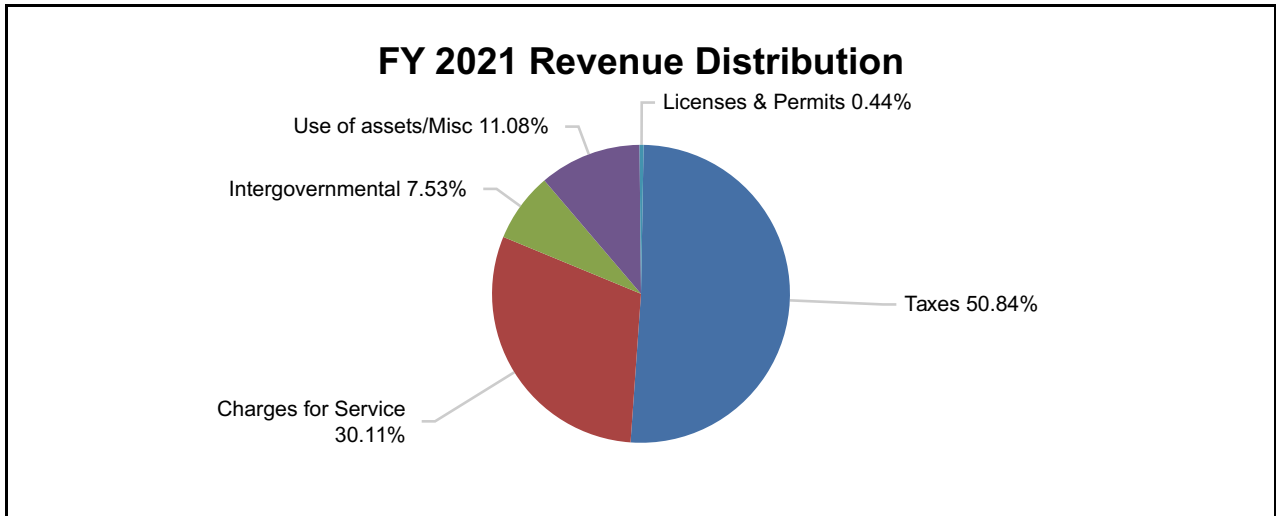
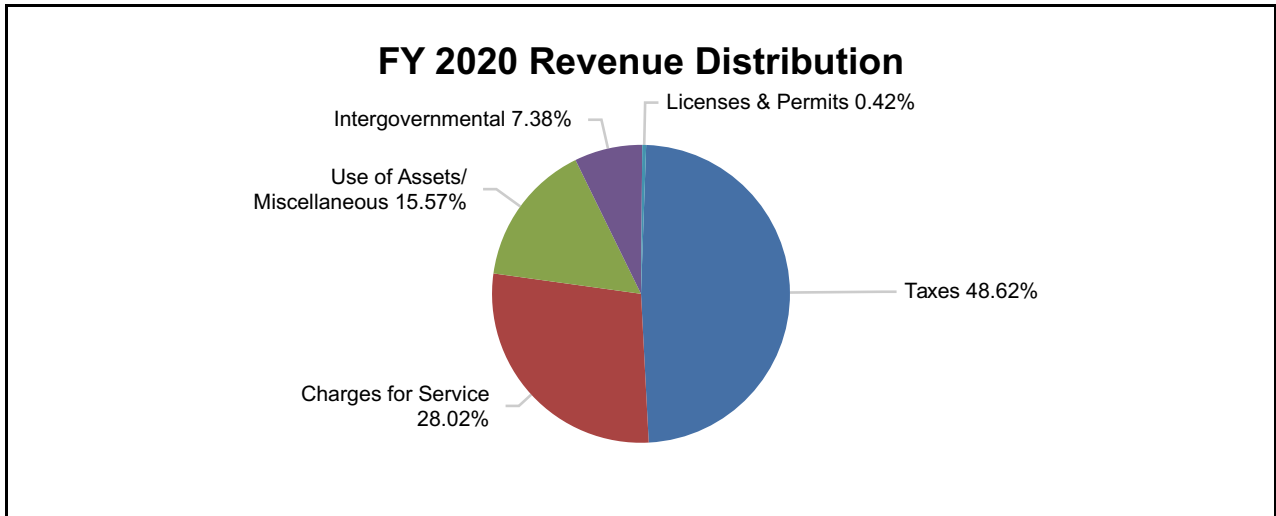
Taxes - This group is comprised of ad valorem support (property taxes), sales taxes, motor vehicle, delinquent, and several other taxes including minerals, liquor, recreational vehicles, car rentals, and compensating use taxes. Taxes represent the largest source of revenue for the County.

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 was 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.



2019 Through 2021 Revenue Breakdown

The table on the following page summarizes Actual 2019, Estimated 2020 and Budget 2021 revenues for Johnson County (excluding transfers and use of carryover).

Revenues by Category	Actual FY 2019	Estimated FY 2020	Budget FY 2021
Taxes			
Ad Valorem Tax*	\$260,996,524	\$276,386,640	\$290,939,572
Delinquent Real Property Tax*	3,081,641	909,305	2,182,332
Interest on Delinquent Taxes*	2,500,591	2,500,000	2,500,000
Motor Vehicle Tax*	26,003,886	24,724,374	25,495,885
911 Fund*	5,011,185	5,497,784	5,907,740
Local Sales Tax (1/2 percent)*	15,345,081	14,004,349	14,284,436
Local Use Tax*	3,341,950	3,786,430	3,900,023
Public Safety Sales Tax (1/4 percent)*	18,958,733	17,327,318	17,673,864
Public Safety Use Tax*	4,128,674	4,677,787	4,818,121
Public Safety Sales Tax #2 (1/4 percent)*	18,958,732	17,327,318	17,673,864
Public Safety Use Tax #2*	4,128,674	4,677,787	4,818,121
Public Safety Sales Tax #3 (1/4 percent)*	18,928,770	17,327,318	17,673,864
Public Safety Use Tax #3*	4,128,633	4,677,787	4,818,121
Stormwater Sales Tax (1/10 percent)*	12,097,996	11,054,128	11,275,210
Stormwater Use Tax*	2,634,555	2,984,951	3,074,500
Other Taxes	2,548,716	1,828,574	1,881,894
Subtotal	402,794,341	409,691,850	428,917,547
Intergovernmental			
Special Highway Tax*	12,550,511	12,000,000	10,600,000
Community Development Block Grant*	950,756	1,314,688	1,520,937
Section 8 Rental Assistance*	9,886,227	10,950,000	12,150,375
Federal/State/Local Government Grants	32,206,129	37,918,560	39,270,891
Subtotal	55,593,623	62,183,248	63,542,203
Licenses & Permits			
Contractor Licensing Fees*	1,288,697	1,104,318	1,181,203
Other Licenses & Permits	2,463,700	2,456,617	2,494,115
Subtotal	3,752,397	3,560,935	3,675,318
Charges for Service			
Heritage Trust Fund Fees*	478,043	450,000	450,000
Med-Act User Fees*	10,738,645	10,539,659	11,572,123
Motor Vehicle Registration Fees*	4,864,418	4,900,892	4,937,645
Mortgage Registration Fees*	13,070	0	0
Recording Fees*	6,784,409	6,300,000	6,300,000
Police Protection Charges*	1,025,466	925,000	1,050,000
Prisoner Boarding Charges*	1,076,012	750,300	1,314,889
Parks Enterprise*	21,836,652	28,749,780	29,199,366
Wastewater-Capital Finance Charges*	41,408,101	47,854,803	55,081,900
Wastewater-Connection Fees*	6,815,528	6,200,000	6,200,000
Wastewater-User Charges*	70,421,632	69,215,241	65,783,751
Wastewater-System Availability Charge*	4,075,377	4,124,200	4,124,200
Other Charges for Service	49,075,593	56,079,969	68,042,002
Subtotal	218,612,946	236,089,844	254,055,876
Use of Assets			
Investment Interest*	18,699,634	7,140,947	2,444,402
Other Use of Assets	5,486,036	4,735,621	4,079,487
Subtotal	24,185,670	11,876,568	6,523,889
Miscellaneous			
	26,573,108	119,312,043	86,920,100
Total Major Revenues (indicated with "**")	613,158,803	620,383,104	640,946,444
Total Revenues (excluding transfers)	731,512,085	842,714,488	843,634,933
Major Revenues as a Percent of Total	83.82%	73.62%	75.97%

Major Revenue Sources

The following table provides a summary of the Estimated 2020 and Budget 2021 amounts for the major revenue sources. As demonstrated, there are 32 major revenue sources projected to contribute approximately 75% of total revenues in FY 2021. Following the table is a description of each of the 32 revenues.

Revenue Source	Estimated FY 2020	Budget FY 2021	% Change
Ad Valorem Tax	\$ 276,386,640	\$ 290,939,572	5.3%
Delinquent Real Property Tax	909,305	2,182,332	140.0%
Motor Vehicle Tax	24,724,374	25,495,885	3.1%
Special Highway Tax	12,000,000	10,600,000	(11.7)%
Local Sales Tax (1/2 percent)	14,004,349	14,284,436	2.0%
Local Use Tax	3,786,430	3,900,023	3.0%
Public Safety Sales Tax (1/4 percent)	17,327,318	17,673,864	2.0%
Public Safety Use Tax	4,677,787	4,818,121	3.0%
Public Safety Sales Tax #2 (1/4 percent)	17,327,318	17,673,864	2.0%
Public Safety Use Tax #2	4,677,787	4,818,121	3.0%
Public Safety Sales Tax #3 (1/4 percent)	17,327,318	17,673,864	2.0%
Public Safety Use Tax #3	4,677,787	4,818,121	3.0%
Stormwater Sales Tax (1/10 percent)	11,054,128	11,275,210	2.0%
Stormwater Use Tax	2,984,951	3,074,500	3.0%
Investment Interest	7,140,947	2,444,402	(65.8)%
Interest on Delinquent Taxes	2,500,000	2,500,000	0.0%
911 Fund	5,497,784	5,907,740	7.5%
Contractor Licensing Fees	1,104,318	1,181,203	7.0%
Heritage Trust Fund Fees	450,000	450,000	0.0%
Med-Act User Fees	10,539,659	11,572,123	9.8%
Motor Vehicle Registration Fees	4,900,892	4,937,645	0.7%
Mortgage Registration Fees	0	0	0.0%
Recording Fees	6,300,000	6,300,000	0.0%
Police Protection Charges	925,000	1,050,000	13.5%
Sheriff & Corrections Prisoner Boarding Charges	750,300	1,314,889	75.2%
Parks Enterprise	28,749,780	29,199,366	1.6%
Wastewater-Capital Finance Charges	47,854,803	55,081,900	15.1%
Wastewater-Connection Fees	6,200,000	6,200,000	0.0%
Wastewater-User Charges	69,215,241	65,783,751	(5.0)%
Wastewater-System Availability Charge	4,124,200	4,124,200	0.0%
Community Development Block Grant	1,314,688	1,520,937	15.7%
Section 8 Rental Assistance	10,950,000	12,150,375	11.0%
Total Revenues	\$ 620,383,104	\$ 640,946,444	3.3%

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.

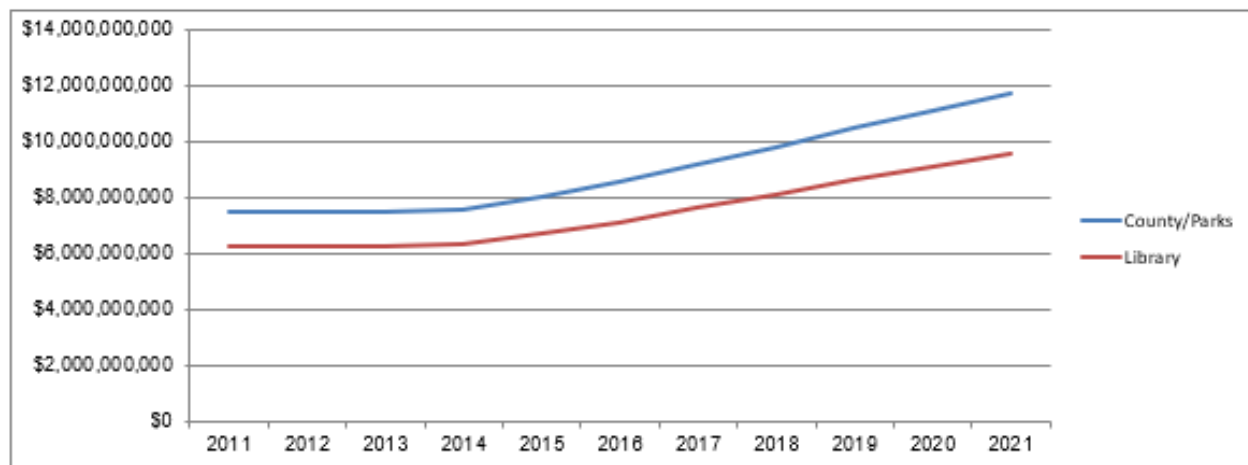
The Ad Valorem Tax generates \$290,939,572 for the FY 2021 Budget. Ad Valorem Taxes are generated from the County's assessed valuation, which is \$11.7 billion for the FY 2021 Budget. Sales transactions and prices are getting stronger and the revaluation of all real property reflects an increase. Assessed valuation by taxing district is reflected in the following table.

Comparison of FY 2020 and FY 2021 Assessed Valuation by Taxing District

Taxing District:	2020 Assessed Valuation	2021 Assessed Valuation*	\$ Increase	% Increase
County	11,150,320,050	11,735,195,992	584,875,942	5.25%
Park & Recreation	11,150,320,050	11,735,195,992	584,875,942	5.25%
Library	9,120,558,467	9,608,793,442	488,234,975	5.35%

*The assessed valuation for FY 2021 is an estimate. The final assessed valuation for FY 2021 will be published by the County Clerk in mid-December.

2011 - 2021 Assessed Valuation by Taxing District



Sales Tax

The projected average total sales tax rate in Johnson County for FY 2021 is 9.294%. The State will levy 6.50% while cities levy between 0% - 2.0%, excluding special districts. In FY 2021, Johnson County will levy five Countywide sales taxes totaling 1.35%.

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, 1995</i>
Public Safety II	0.25%	<i>Effective January 1, 2009</i>
Public Safety III	0.25%	<i>Effective April 1, 2017</i>
Total	1.35%	

The Research Triangle Sales tax of 0.125% (*effective April 1, 2009*) is not included in the total of 1.35% because it is a pass through sales tax with the total being immediately distributed to the Johnson County Education Research Triangle Authority.

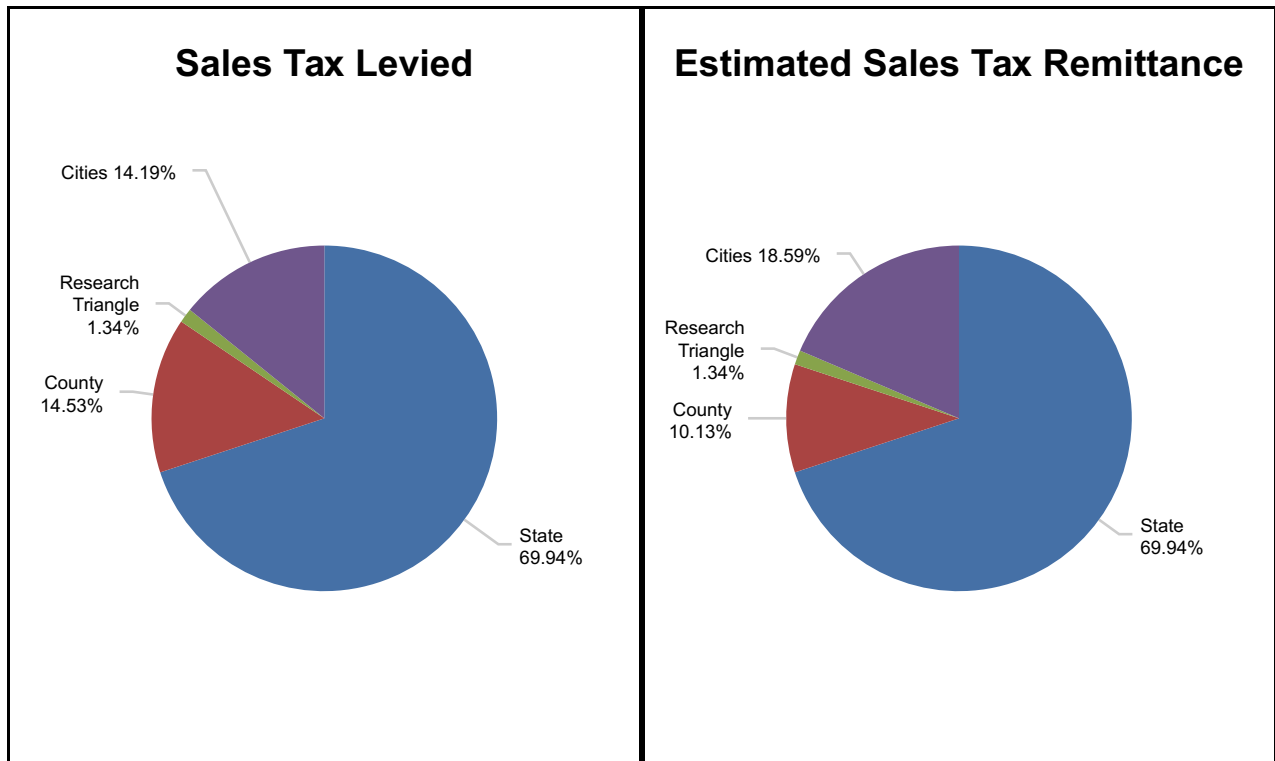
The County levies a rate of 1.35%, excluding the Research Triangle Sales Tax; however, an estimated 69.74% is retained by the County. The variation is due to a population and ad valorem ratio of the Local Sales Tax and the Public Safety Sales Taxes remitted to the cities.

	Rate	Ratio	Retained
Local	0.50%	25.40%	12.70%
Stormwater	0.10%	100.00%	10.00%
Public Safety	0.25%	62.70%	15.68%
Public Safety II	0.25%	62.70%	15.68%
Public Safety III	0.25%	62.70%	15.68%
Total	1.35%		69.74%

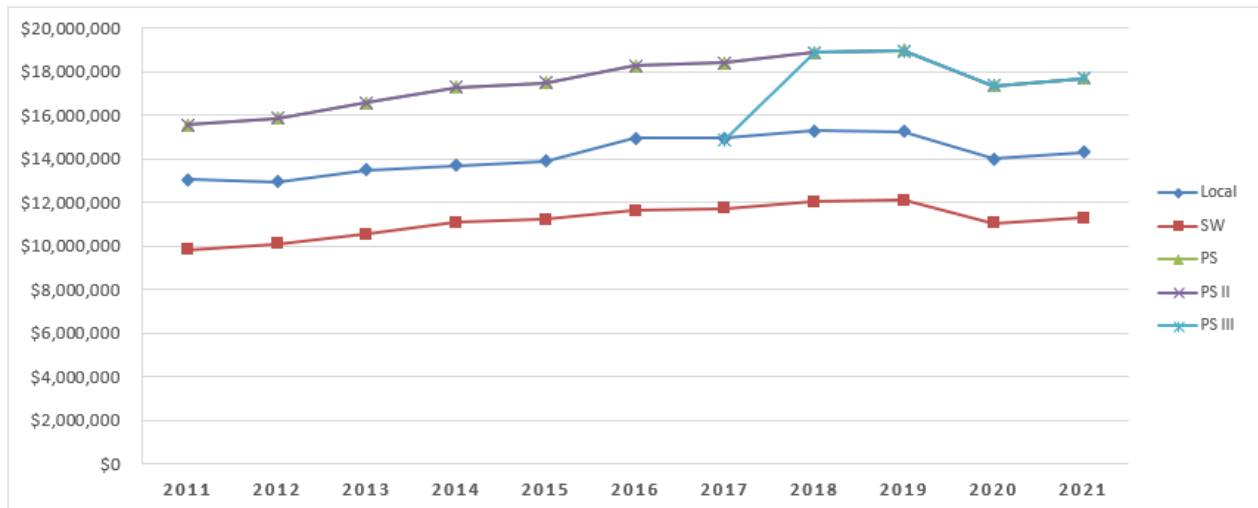
Comparison of Sales Taxes Levied and Retained

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%	69.94%	69.94%
County	1.350%	14.53%	10.13%
Research Triangle	0.125%	1.34%	1.34%
Cities	1.319%	14.19%	18.59%
Total	9.294%	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 25.4% of these revenues, while cities within Johnson County receive approximately 74.6%. The Local Sales Tax is General Fund revenue and can be used to support general government services. Estimated FY 2020 Local Sales Tax receipts of \$14,004,349 are projected to decrease about 9% from the FY 2019 Actuals of \$15,345,081 due to the Covid-19 pandemic. FY 2021 is budgeted at \$14,284,436, a 2% increase over FY 2020 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. Estimated FY 2020 Stormwater Sales Tax receipts of \$11,054,128 are projected to decrease about 9% from the FY 2019 Actuals of \$12,097,996 due to the Covid-19 pandemic. FY 2021 is budgeted at \$11,275,210, a 2% increase over FY 2020 Estimated.

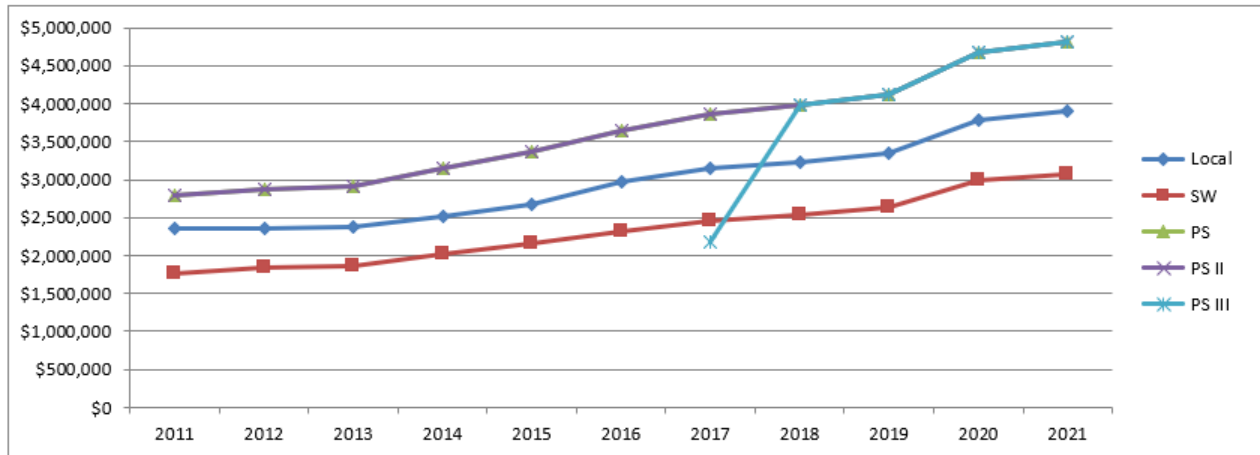
Public Safety Sales Tax - Equaling one-quarter of one cent (0.25%), the third sales tax is commonly referred to as the Public Safety Sales Tax because the County's share of the revenues has been specifically dedicated for public safety purposes. The Public Safety Sales Tax went into effect on July 1, 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. The county share of the revenue is dedicated for the purpose of paying for the costs of public safety, including the construction and operation of a medium security jail, construction of offices for the Sheriff's Department, and the construction and operation of the Juvenile Detention and Community Corrections facilities. In general, the County receives approximately 62.7% of these revenues, while cities receive approximately 37.3%. Estimated FY 2020 Public Safety Sales Tax receipts of \$17,327,318 are projected to decrease about 9% from the FY 2019 Actuals of \$18,958,733 due to the Covid-19 pandemic. FY 2021 is budgeted at \$17,673,864, a 2% increase over FY 2020 Estimated.

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 designated to fund four public safety projects including the Phase II Jail Expansion, the Youth and Family Services Building, the Crime Lab and the remodeling of the Olathe Adult Detention Center. The County's share is computed with the same formula as the Public Safety Sales Tax I. In general, the County receives approximately 62.7% of these revenues, while cities receive approximately 37.3%. Estimated FY 2020 Public Safety II Sales Tax receipts of \$17,327,318 are projected to decrease about 9% from the FY 2019 Actuals of \$18,958,732 due to the Covid-19 pandemic. FY 2021 is budgeted at \$17,673,864, a 2% increase over FY 2020 Estimated.

Public Safety Sales Tax III - The fifth sales tax is the Public Safety Sales Tax III approved November 1st, 2016 and effective April 1, 2017, and equals one-quarter of one cent (0.25%). The first distribution to the County was in June 2017. This sales tax was established to fund a new 28-courtroom courthouse and a medical examiner facility. The County's share is computed with the same formula as the Public Safety Sales Tax I & II. In general, the County receives approximately 62.7% of these revenues, while cities receive approximately 37.3%. Estimated FY 2020 Public Safety III Sales Tax receipts of \$17,327,318 are projected to decrease about 9% from the FY 2019 Actuals of \$18,928,770 due to the Covid-19 pandemic. FY 2021 is budgeted at \$17,673,864, a 2% increase over FY 2020 Estimated.

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 above. Projections for 2020 experience a higher than normal increase primarily due to increased internet shopping due to the Covid-19 pandemic. Local Use Tax actuals for FY 2019 were \$3,341,950, projections for FY 2020 increase 13.0% to \$3,786,430 and projections for FY 2021 increase 3% over 2020 to \$3,900,023. Public Safety Use Tax I and II actuals for FY 2019 were \$4,128,674, projections for FY 2020 increase 13% to \$4,677,787 and projections for FY 2021 increase 3% over 2020 to \$4,818,121. Public Safety Use Tax III actuals are \$4,128,633, projections for FY 2020 increase 13% to \$4,677,787 and projections for FY 2021 increase 3% over 2020 to \$4,818,121. Stormwater actuals for FY 2019 were \$2,634,555, projections for FY 2020 increase 13% to \$2,984,951 and projections for FY 2021 increase 3% over 2020 to \$3,074,500.

4. Interest on Delinquent Taxes

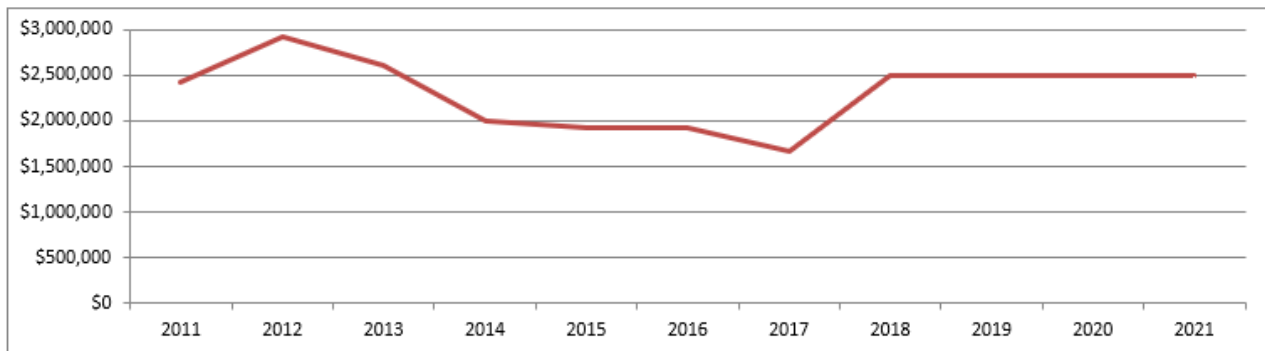
This revenue reflects interest and penalty payments on unpaid ad valorem or special assessment taxes which include delinquent real estate, personal property, motor vehicle and current year real estate and personal property tax payments that are paid after the due date. This revenue is recognized immediately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

The 2016 legislature increased the interest rate on delinquent real property taxes by five percent (5%) beginning in tax year 2017 and after. 2020 calendar year interest rates include 11% for late payment of real

property taxes, 6% for late payment of personal property taxes, 15% for late or underpayment of \$10,000 or more (real), 10% for underpayment of \$10,000 or more (personal) and 6% for late unpaid portion of advanced payments.

Collections of Interest on Delinquent Taxes for FY 2020 and FY 2021 are projected at \$2,500,000. 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 below provides a ten-year history of Interest on Delinquent Taxes revenue.

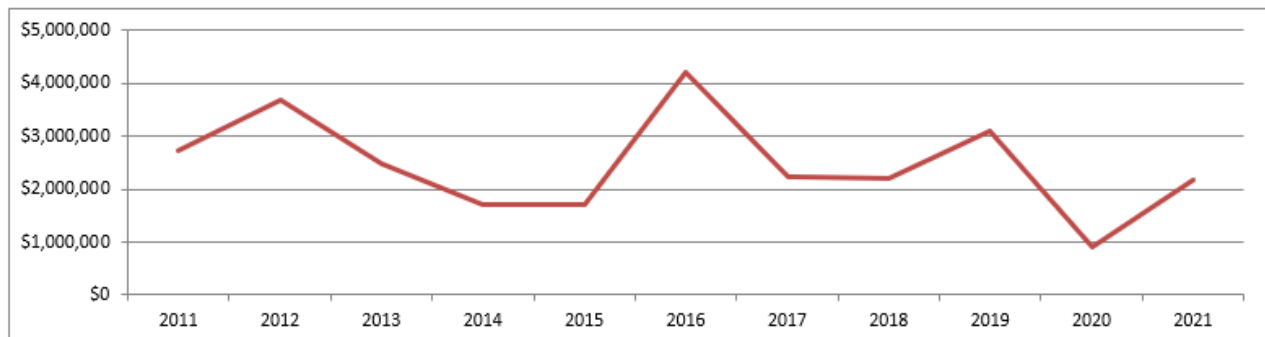
Interest on Delinquent Taxes



5. Delinquent Real Property Tax

Delinquent Real Property Tax revenues are collected after the close of the current tax year, which is the first Tuesday 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 are distributed five times annually, mirroring the same distribution as ad valorem taxes. The distribution dates, effective FY 2016, are January 20, June 5, October 31, and on or before the last business day before March 20 and September 20. FY 2012 revenue spiked at \$3,676,135 due to an increase in delinquent taxes from the slow recovery of the economic downturn. FY 2016 peaked at \$4,215,640 as distributions included 2 years (2015 and 2016) due to the distribution change mentioned above. FY 2019 was \$3,081,641. FY 2020 estimate is \$909,305 and FY 2021 is budgeted at \$2,182,332. These decreases are primarily due to anticipated property tax refunds and impacts due to the Covid-19 pandemic.

Delinquent Real Property Tax

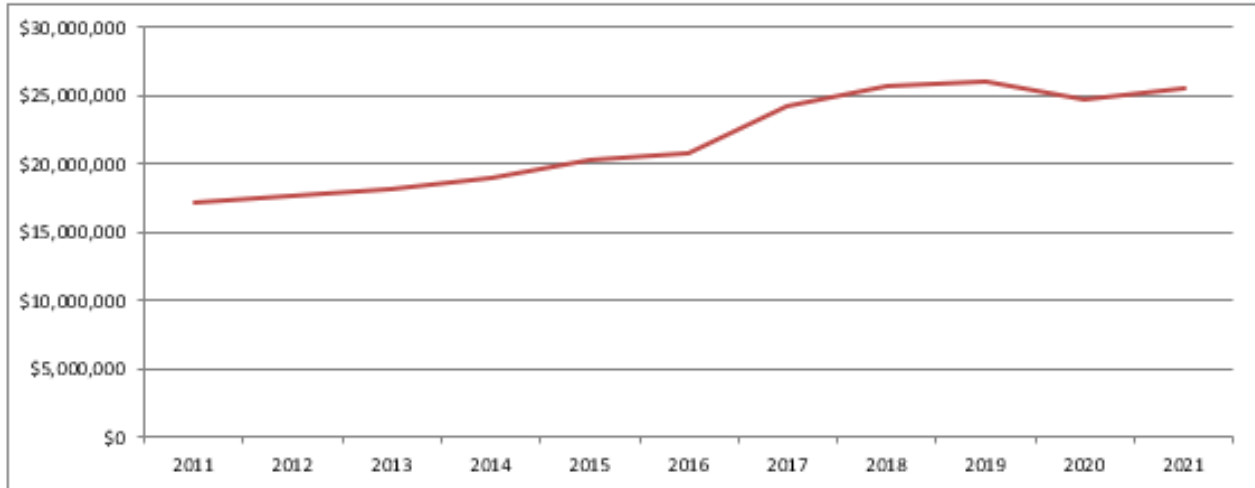


6. Motor Vehicle Tax

The Motor Vehicle Tax is applied to vehicles registered in Johnson County and is distributed amongst the various taxing authorities including Johnson County funds, Library funds and the Parks & Recreation funds. 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. Motor Vehicle Tax revenue projections are \$24,724,374 for 2020 and \$25,495,885 for 2021. 2021 is projected based on a 2.9% increase in the market value of Motor Vehicles for 2020. The assessment rate of 20% has remained constant since 2001, so increases are commensurate with market value growth. The following chart provides a history of the motor vehicle tax.

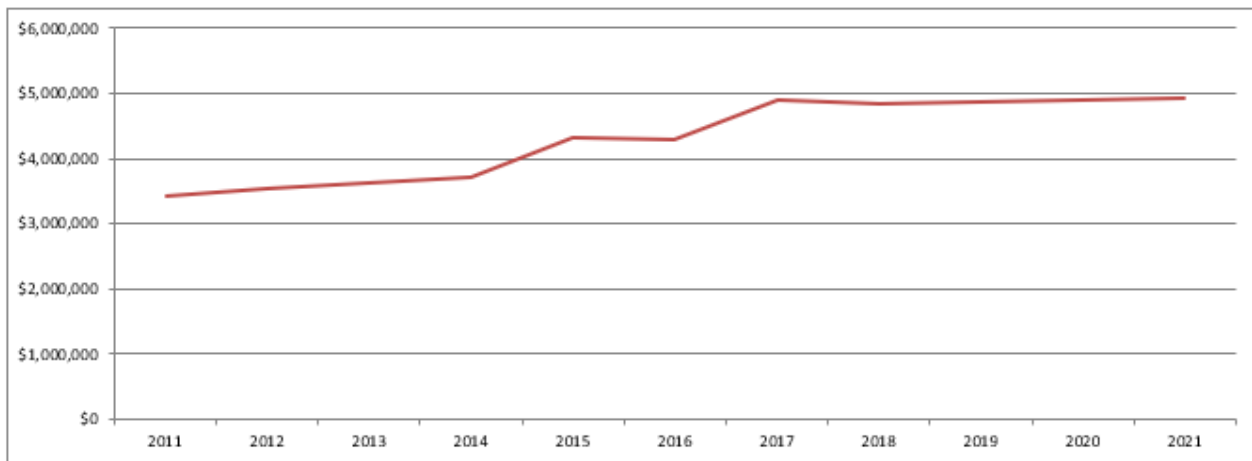
Motor Vehicle Tax



7. Motor Vehicle Registration Fee

As an agent for the State of Kansas, Johnson County collects many types of fees for various state and local authorities. While most of the fees collected are remitted directly to the State of Kansas, the County keeps a portion, consisting mostly of county service fees, license fees, title fees and facility fees. There are several miscellaneous fees included that are based on the type of transaction processed. Motor Vehicle Registration Fees for FY 2020 and FY 2021 are \$4,900,892 and \$4,937,645 respectively. Projections are based on the number of vehicles registered in the County, the types of transactions processed, and the amount of the registration fees set by Kansas Statute. The County’s portion of Motor Vehicle registration fees are credited to the General Fund.

Motor Vehicle Registration Fee

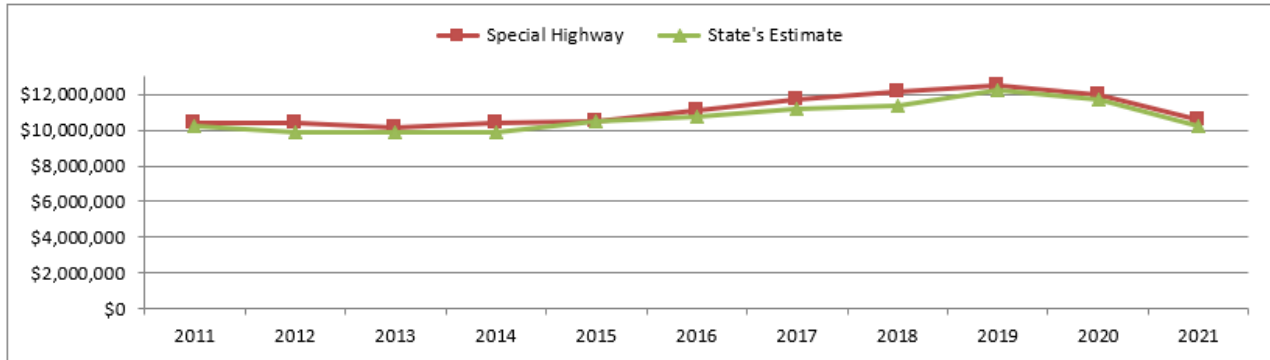


8. Special Highway Fund

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 \$12,000,000 for 2020 and \$10,600,000 for 2021. The anticipated decrease is due to sector impacts from the Covid-19 pandemic. 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 impacted 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 2011-FY 2021, and the County's actual collections for FY 2011-FY 2019 and estimates for FY 2020- FY 2021.

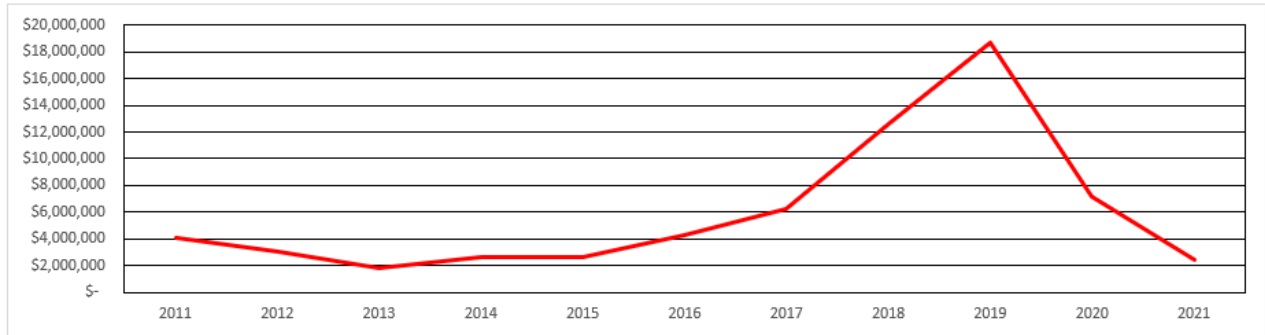
Special Highway Fund



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 actual average rate of return in FY 2019 was 2.19%. The projected average rate of return for FY 2020 is 0.85% and for FY 2021 is 0.3245%. The following chart provides 2011-2021 Investment Interest collections.

Investment Interest



10. Mortgage Registration

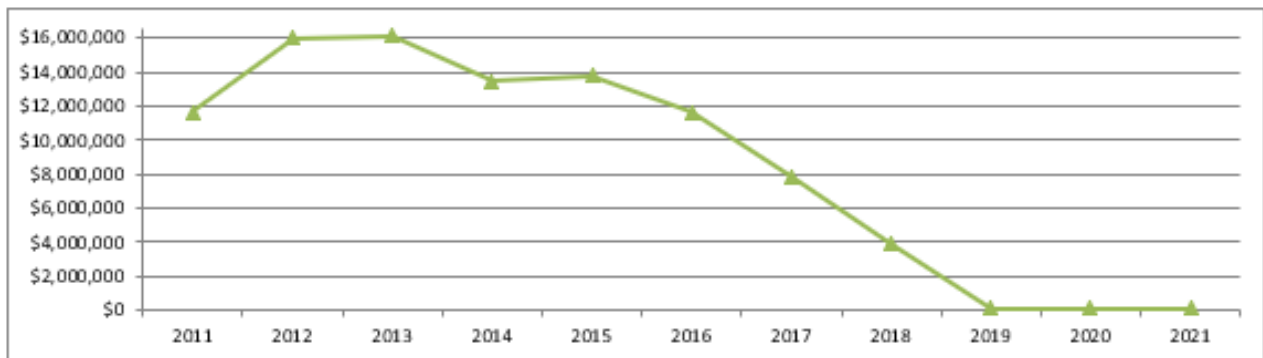
This revenue source represents fees collected on recorded Johnson County mortgages and distributed to the General Fund. Effective 1-1-2015, the fee will be phased out over 5 years per Senate Bill 298 that was passed in legislative session in 2014, reduced 0.0005 of the full indebtedness of recorded mortgages 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-FY 2017 display years 1-3 of the phaseout,

with the full indebtedness of recorded mortgages reduced to 0.0020, 0.0015 and 0.0010 respectively. FY 2018 was \$3,846,501, reflecting year 5 of the 5-year phase-out of Mortgage Registration per Senate Bill 298 that was passed in legislative session in 2014. FY 2020 and FY 2021 are budgeted at \$0.

Mortgage Registration

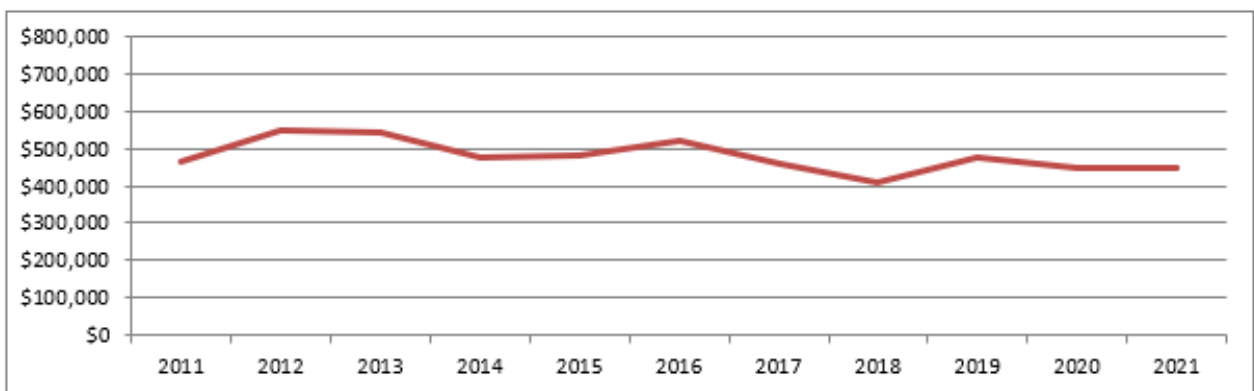


11. Heritage Trust

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 2010-2014 reflect the 1/26th of the Mortgage Registration fee revenue. FY 2015 - FY 2018, the amount distributed to the Heritage Trust Fund is projected to be \$500,000 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. Based on recent returns, \$450,000 is projected for FY 2020 and FY 2021.

Heritage Trust

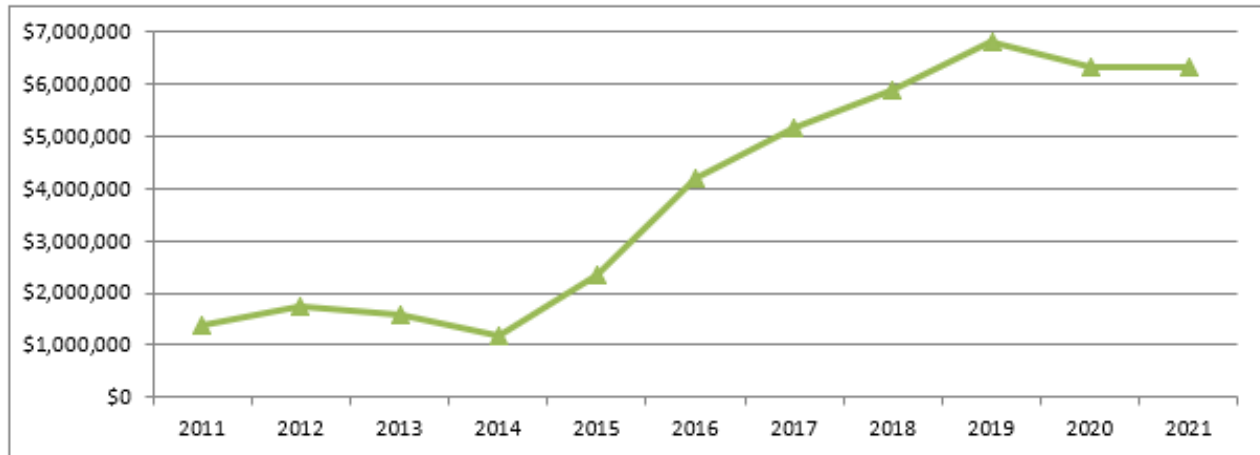


12. Recording Fee

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. FY 2015 and FY 2016 represent years one and two of the 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 2019 actuals were \$6,784,409. Fiscal Year 2020 and 2021 are estimated at \$6,300,000.

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 2020 is estimated at \$925,000 and 2021 revenue is estimated at \$1,050,000 respectively. The decreased 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 was increased from \$35 to \$50 per day beginning in 2020 for the municipal prisoners, which amounts to approximately 32% of the average cost, fluctuating 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 35% 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 2020 and FY 2021 are estimated at \$750,300 and \$1,314,889 respectively.

15. 911 Fund

A fee of \$0.90 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. Effective October 1, 2015, the uniform fee of \$.53 per month was increased to \$.60 per month. Effective October 1, 2019, the uniform fee was increased from \$.60 to \$.90 per subscriber account. Of the \$.30 increase, an additional \$.06 will go to the PSAP's (\$.60 to \$.66). PSAP's should be seeing the increased revenue from

this change in December 2019. The 911 fund is estimated to be \$5,497,784 for FY 2020 and \$5,907,740 for FY 2021.

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 2020 and FY 2021 revenues are estimated at \$1,104,318 and \$1,181,203 respectively. For FY 2020, Contractor Licensing is projecting the companies licensed at 3,200, companies relicensed at 2,600 and 17 participating jurisdictions.

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. During 2019, 29,385 patients were transported to the hospital by Med-Act, including transports made by the Med-Act/Overland Park Fire Dept (OPFD) partnership ambulances. In April 2019 Med-Act began providing billing services through its vendor to OPFD. This resulted in an annual \$1.4 million increase in collections and pass through expense. Med-Act retains \$30.00 per billed and collected transport fee. The current partnership agreement will expire at the end of 2022, at which time Med-Act will retain all collections and will assume all staffing for the 3 remaining partnership units. A medical billing service collects the revenue and charges a 4.15% collection commission. In FY 2016, collections totaled \$7,861,435 with a 65% collection rate. FY 2017 collections were \$8,005,069 with a collection rate of 65.7%. FY 2018 collections were \$8,570,873 with a collection rate of 64%. FY 2019 collections were \$10,738,645 with a collection rate of 64%. FY 2020 and FY 2021 collections are estimated at \$10,539,659 and \$11,572,123 respectively. FY 2020 revenue from transports was budgeted with an anticipated 2% growth rate. During the 2020 COVID-19 pandemic, we've seen a significant reduction in the number of transports. However, in recent weeks we have seen the number of transports trending back towards normal. Given the pandemic reduction, it is unlikely that Med-Act will meet its original revenue projection for transports in 2020. We still anticipate a 2% growth rate for FY 2021.

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, Spring Hill and Westwood areas. FY 2020 and FY 2021 are estimated at \$10,950,000 and \$12,150,375 respectively.

19. Community Development Block Grant

The Community Development Block Grant funds community development activities for low to moderate-income residents throughout Johnson County. FY 2020 and FY 2021 are estimated at \$1,314,688 and \$1,520,937 respectively.

20. Parks Enterprise Charge

The Park & Recreation Enterprise Fund includes all functions and activities of the District pertaining to recreational and culture 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 2020 and FY 2021 revenues are estimated at \$28,749,780 and \$29,199,366 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 2020 and FY 2021 revenues are estimated at \$47,854,803 and \$55,081,900 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 5/8" meter fee was implemented in 1992 at \$1,500. Connection fees will vary based on meter size and are set to remain constant at \$4,400 for a 5/8" meter for FY 2021. The connection fee rate is established and adopted in the annual budget resolution. FY 2020 and FY 2021 revenues are estimated at \$6,200,000.

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 \$380 per acre for FY 2020 and FY 2021. FY 2020 and FY 2021 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 Johnson County Wastewater. FY 2020 and FY 2021 revenues are estimated at \$69,215,241 and \$65,783,751 respectively.