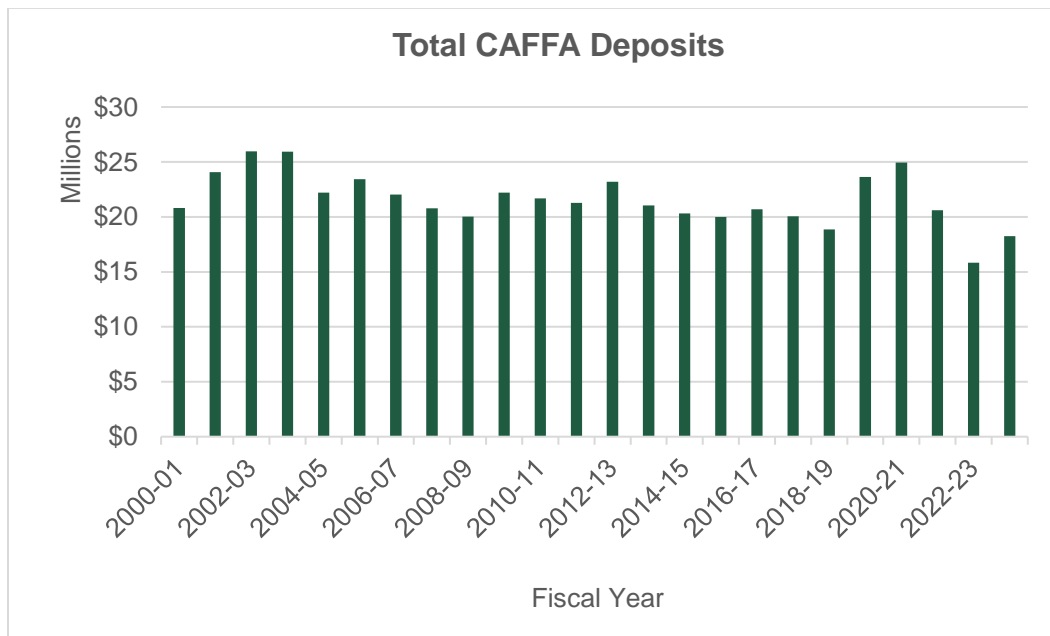


County Assessment Function Funding Assistance Account (CAFFA)

The 1989 Legislative Assembly enacted House Bill 2338 in response to statewide deterioration in the property tax system caused by a variety of factors, including a lack of local funding. This legislation established a quarterly grant program to help finance the process of county assessment and taxation (A&T). Grant funding comes from a portion of the county recording fee for certain documents and a portion of the interest paid on delinquent property taxes. Each county turns over their share of recording fees and interest paid on delinquent taxes to the Department of Revenue (DOR) which then redistributes these funds back to the counties for budgetary support of A&T. Up to 10 percent of these funds are available to help support DOR’s industrial and utility property appraisal responsibilities and other A&T system activities. Exhibit 1 shows total CAFFA deposits since FY 2000-01.

EXHIBIT 1



To receive a quarterly grant, a county must apply to DOR and provide their preliminary budget for A&T expenditures in the upcoming year. DOR reviews each application to determine if the county budget will provide the resources to adequately perform the necessary A&T functions. If the proposed budget is inadequate, the department works with the county to improve the adequacy of the budget. The DOR certifies county budgets determined to be adequate.

The CAFFA grant for each county is based on the percentage that each certified county A&T budget bears to the total of certified county A&T budgets statewide. Beginning in 1999-00, appropriations of about \$5 million per biennium from the State General Fund were added to the CAFFA distribution. The last General Fund appropriation was in 2008-09. During the 1990s, average CAFFA distributions represented approximately 22 percent of total statewide A&T costs. This percentage peaked in 2002-03 at 33 percent and averaged roughly 26 percent during the 2000s. It has since declined to an average of 15 percent over the last five years. Exhibit 2 and Exhibit 3 show this history since FY 2000-01.

EXHIBIT 2

CAFFA Deposits by Fiscal Year and Source (\$Millions)					
Fiscal Year	Delinquent Interest	Recording Fees	Legislative App.	Total Deposits	CAFFA Deposits as a Share of Cert. Expend.
2000-01	\$12.7	\$8.1	\$2.5	\$23.3	28%
2001-02	\$14.0	\$10.1	\$2.5	\$26.6	32%
2002-03	\$14.1	\$11.8	\$2.4	\$28.3	33%
2003-04	\$13.5	\$12.4	\$2.5	\$28.4	32%
2004-05	\$11.7	\$10.5	\$2.5	\$24.7	26%
2005-06	\$12.2	\$11.3	\$2.5	\$25.9	25%
2006-07	\$11.9	\$10.2	\$2.5	\$24.5	23%
2007-08	\$12.3	\$8.5	\$2.6	\$23.4	22%
2008-09	\$12.9	\$7.2	\$2.1	\$22.1	19%
2009-10	\$15.1	\$7.0		\$22.1	22%
2010-11	\$14.9	\$6.8		\$21.7	21%
2011-12	\$14.7	\$6.6		\$21.3	20%
2012-13	\$15.6	\$7.6		\$23.2	22%
2013-14	\$14.9	\$6.1		\$21.0	20%
2014-15	\$13.9	\$6.4		\$20.3	18%
2015-16	\$12.8	\$7.1		\$20.0	18%
2016-17	\$13.2	\$7.4		\$20.7	17%
2017-18	\$13.0	\$7.0		\$20.1	17%
2018-19	\$12.5	\$6.3		\$18.9	15%
2019-20	\$13.2	\$7.7		\$21.0	15%
2020-21	\$15.2	\$9.7		\$24.9	18%
2021-22	\$13.1	\$7.5		\$20.6	16%
2022-23	\$11.2	\$4.6		\$15.7	12%
2023-24	\$14.0	\$4.2		\$18.1	13%

EXHIBIT 3

