General Services and Urban Services Districts

FY 2014 Ad Valorem Tax Rates

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FY 2014 Ad Valorem Tax Rate Calendar

KRS 132.0225 Deadline for Establishing Final Tax Rate

A taxing district that does not elect to attempt to set a rate that will produce more than four percent (4%) in additional revenue, exclusive of revenue from new property as defined in KRS 132.010, over the amount of revenue produced by the compensating tax rate as defined in KRS 132.010 shall establish a final tax rate within forty-five (45) days of the cabinet's certification of the county's property tax roll. Any taxing district that fails to meet this deadline shall be required to use the compensating tax rate for that year's property tax bills.

M	T	W	TH	F
JULY 22 CERTIFICATION DATE **DAY 1**	**23**	**24**	**25**	**26**
29	**30**	**31**	**AUGUST 1**	**2**
5	**6**	**7**	**8**	**9**
12	**13** **WORK SESSION** DISCUSSION AND APPROVAL OF RATES	**14**	**15** **COUNCIL MEETING** FIRST READING OF TAX RATES	**16** FIRST ADVERTISEMENT*
19 SECOND ADVERTISEMENT*	**20** **WORK SESSION**	**21**	**22**	**23**
26	**27** **WORK SESSION**	**28**	**29** **COUNCIL MEETING** PUBLIC HEARING** SECOND READING OF TAX RATES	**30**
SEPTEMBER 2	**3**	**4** **DAY 45**		

Advertisements and Public Hearings are required for a tax rate greater than the Compensating rate but equal to, or less than, the 4% rate. Tax rates greater than the 4% rate are subject to voter recall.

* Advertisements must be in two separate weeks.

** Cannot be less than 7 or more than 10 days after the 2nd advertisement.

FY 2014 Property Tax Options
General Services Fund (1101)

Based on estimated property assessments, revenues were originally budgeted at $21,251,000. The following table shows the *categories* of property for which rates must be adopted, the *options* available in setting the rates, and the *fund balance impact* of each option. These rates are not subject to voter recall, but Option 3 does require a Public Hearing. Rates are per $100 assessed valuation.

Category	Prior Year Rates	Option 1	Option 2 Compensating	Option 3 (Maximum)[1]
Real Estate	0.08	0.08	0.081	0.084
Personalty [2]	0.099	0.099	0.1061	0.1100
Motor Vehicles/Watercraft	0.088	0.088	0.088	0.088
Tobacco in Storage	0.015	0.015	0.015	0.015
Agri. Products in Storage	0.045	0.045	0.045	0.045
Insurance Companies Capital	0.15	0.15	0.15	0.15
Aircraft [3]	0.099	0.099	0.1061	0.1100
Watercraft (Non-Commercial)	0.099	0.099	0.1061	0.1100
Impact on Fund Balance: [4]		***($43,680)***	***$319,320***	***$1,051,320***

Option #1 : All rates remain the same as last year. This option provides less than the 4% revenue increase from existing real properties per House Bill 44 limits. Any revenue increases are derived from new property. **The net decrease to fund balance is $43,680.**

Option #2 : All rates are set at the **Compensating Rate**, which provides approximately the same revenue as previous years for existing property. Any revenue increases are derived from new property. **The net increase to fund balance is $319,320.**

Option #3 : All rates are set at the **Maximum Rate**, 4% above the Compensating Rate. This is the highest increase that can be generated without triggering a voter recall. **The net increase to fund balance is $1,051,320.**

General Fund Property Tax Bill
on a $165,000 house

Taxing District	Prior Rates	Compensating	Maximum (Plus 4%)
LFUCG			
General	$132.00	$133.65	$138.60

[1] The maximum rates without triggering a recall.

[2] Personalty assessments include tangible personal property only. Personal Property consists of items such as office furniture, office machines, store fixtures, professional trade/business fixtures, leasehold equipment, machinery and equipment (manufacturing and non-manufacturing), free standing signs, raw materials, inventories of all kinds, aircraft and many other personal items that may have value and utility.

[3] Tangible item not included in personalty, which may be taxed or exempted at local option.

[4] Net of the $30,320 decrease to the Library.

Urban Services Fund (1115)

The *largest* single category of revenue to the Urban Services Districts Fund is ad valorem, accounting for 89.9% of the total revenues for FY 2014. In addition to the basic services provided to all residents of Fayette County, property owners in the urban services areas have one or more of the following services available to them: refuse collection, street lights, and street cleaning. These services are funded by an additional ad valorem tax paid only by the property owners in the respective districts.

Based on estimated property assessments, revenues were originally budgeted at $32,457,000 for FY 2014. The following chart outlines the categories of property for which rates must be set and the proposed rate for each. Option 4 is subject to voter recall, and Options 3 and 4 require a Public Hearing. Rates are per $100 assessed valuation.

Category	Prior Year Rates	Option 1 (Prior Rates)	Option 2 (Compensating)	Option 3 (Maximum) [5]	Option 4 (Cost of Service)
Refuse Collection	.1431	.1431	.1420	.1470	.1431
Street Lights	.0210	.0210	.0210	.0218	.0319
Street Cleaning	.0094	.0094	.0100	.0100	.0097
Public Service Companies	.1735	.1735	.1730	.1788	.1847
Insurance Companies Capital	.0920	.0920	.0920	.0920	.0920
Impact on Fund Balance:		***$29,000***	***($74,000)***	***$1,027,000***	***$2,209,000***

Option #1: All rates remain the same as last year. This option provides less than the 4% revenue increase from existing real properties per House Bill 44 limits. **The net increase to fund balance is $29,000.**

Option #2: All rates are set at the **Compensating Rate**, which provides approximately the same revenue as previous years for existing property. Any revenue increases are derived from new property. **The net decrease to fund balance is $74,000.**

Option #3: Increase rates to those that give a 4% revenue increase from existing real properties per House Bill 44 limits. **The net increase to fund balance is $1,027,000.**

Option #4: Increase rates for Street Lights and Street Cleaning to Cost of Service rates and maintain current rate for Refuse Collection. These increases are subject to referendum vote. **The net increase to fund balance is $2,209,000.**

Urban Fund Property Tax Bill on a $165,000 house

Taxing District	Prior Rates	Compensating	Maximum (Plus 4%)	Cost of Service
Refuse Collection	$236.12	$234.30	$242.55	$236.12
Street Lights	34.65	34.65	35.97	52.64
Street Cleaning	15.51	16.50	16.50	15.95
TOTAL	**$286.28**	**$285.45**	**$295.02**	**$304.70**

[5] The maximum rates without triggering a recall.

FY 2014 Property Tax Information

- Fayette County property tax rates must be established for the following categories no later than September 4, 2013.[6]
    - Real Estate
    - Personalty
    - Motor Vehicles/Watercraft
    - Tobacco in Storage
    - Agricultural Products in Storage
    - Insurance Companies Capital
    - Aircraft
    - Inventory in Transit
- The total assessed value of taxable property in Fayette County for the 2013 tax year is more than $26.4 billion. Real estate assessments account for approximately $22.9 billion of the total, and various personal property categories make up the difference.
- Real estate assessments have increased by nearly 1.4% since last year, with 0.7% due to new growth and 0.8% due to reassessments.
- There are 107,678 parcels of taxable property included in this year's assessment, which break down as follows:

Residential	97,642
Commercial	7,594
Farm	2,442
Totals	107,678

- The General Services Fund (1101) realty tax rate could be raised to 0.084 and still comply with House Bill 44, which limits revenue growth from reassessments to 4% (see page 1).
- The personalty tax rate is limited by the rate set on realty and is not subject to voter recall. The maximum rate allowed for this category is .1100 (assuming realty is increased to .0840).
- The maximum rate allowed for motor vehicle and watercraft is .0880 and is not subject to voter recall.[7]
- Rates for *tobacco in storage*, *agricultural products*, and *insurance companies capital* are at the maximum allowed by law.
- Per KRS 173.360, the LFUCG provides an annual appropriation to the Lexington Public Library based on a funding level of five cents (5¢) on each one hundred dollars ($100) worth of property assessed for local taxation. **The appropriation is not affected by a change in the tax rates adopted by the LFUCG**. Because the actual growth in real property assessments is less than the budgeted amount, *the Library is entitled to $13,713,930, a decrease of $30,320 from the FY 2014 Adopted Budget.*
- *Aircraft (recreational/non-commercial)* may be taxed or exempted at local option. If this category was exempted from taxation, the Library would still be entitled to funds based on the assessment.

[6] Intangible personal property may be taxed only by the state.
[7] The maximum rate is based on the allowed 1983 personalty rate, which was .0880.

Tax Facts

- LFUCG levies two categories of taxes on real property: (1) a county-wide tax (General Services District) for the support of the general operations of the government; and (2) Urban Services taxes paid by residents receiving one or more of the government services of refuse collection, street lights, and street cleaning.
- State real estate rates have decreased 45.5% since FY 1983 (see page 13).
- Fayette County School Board real estate rates have increased by 64.4% since FY 1983.
- LFUCG General Services real estate rates have decreased 9% since FY 1983.
- LFUCG property tax rates on realty are lower than those levied in most other cities/counties in Kentucky (see pages 17-18). Prior to FY 2001, the LFUCG levied the same rate on personal property (including motor vehicles and watercraft) as was levied on real property (8.10¢ per $100 assessed valuation).
- The **Homestead Exemption** ($36,000 for the 2013 tax year) is available to homeowners who are at least 65 years old during the tax period or have been classified as totally disabled by any public or private retirement system. The total value of property exempted from the tax rolls is $680 million for the 2013 tax year. This represents taxpayer savings of over $544,000 (at the current tax rate). An additional 626 homes qualified for the exemption this year, bringing the total number of Fayette County exemptions to 19,078 (see page 14).
- The **Agricultural Use Exemption** is for farm properties that have at least 10 contiguous acres. The agricultural use value is based on the agricultural capability of the land plus any improvements located on the land.

General Fund Realty Rates Adopted vs. Allowed, FY 1994 - 2013

The chart below illustrates the General Services (Fund 1101) real estate rates adopted by the LFUCG, versus allowed rates, from FY 1994–2012. The FY 2001 and FY 2002 rollback provided a 4% revenue increase from existing properties.

The 1979 Special Session of the General Assembly enacted House Bill 44 to provide property tax relief in a time of rapidly increasing assessments. The basic provisions of House Bill 44 establish three options in setting the tax rates for realty:

(1) A compensating tax rate can be set so that revenue from existing property remains the same. Additional revenue over last year would come only from new property.

(2) The rate may be set (either lowered or raised, depending on the assessment change) so that the total revenue from existing property increases up to 4%. This requires public notice and a public hearing. Additional revenue would come from new property.

(3) A rate may be set that provides an increase in revenue from existing property of more than 4%. This rate would be subject to voter recall (see page 7).

	AS SET BY STATE			
Year	Compensating Rate	Compensating +4% Rate	LFUCG Adopted Rate	Action Taken
FY 1994	0.0810	0.0840	0.0810	Compensating Rate, No Tax Increase
FY 1995	0.0810	0.0840	0.0810	Compensating Rate, No Tax Increase
FY 1996	0.0790	0.0820	0.0810	Less Than 4%, No Tax Increase
FY 1997	0.0790	0.0820	0.0810	Less Than 4%, No Tax Increase
FY 1998	0.0790	0.0820	0.0810	Less Than 4%, No Tax Increase
FY 1999	0.0790	0.0820	0.0810	Less Than 4%, No Tax Increase
FY 2000	0.0780	0.0810	0.0810	+4% Rate (No Change in Rate)
FY 2001	0.0770	0.0800	0.0800	+4% Rate -- Roll-Back
FY 2002	0.0760	0.0790	0.0790	+4% Rate -- Roll-Back
FY 2003	0.0760	0.0790	0.0790	+4% Rate (No Change in Rate)
FY 2004	0.0770	0.0800	0.0800	+4% Rate – Tax Increase
FY 2005	0.0780	0.0810	0.0800	Less Than 4%, No Tax Increase
FY 2006	0.0770	0.0810	0.0800	Less Than 4%, No Tax Increase
FY 2007	0.0780	0.0810	0.0800	Less Than 4%, No Tax Increase
FY 2008	0.0770	0.0800	0.0800	+4% Rate (No Change in Rate)
FY 2009	0.0790	0.0820	0.0800	Less Than 4%, No Tax Increase
FY 2010	0.0810	0.0840	0.0800	Less Than 4%, No Tax Increase
FY 2011	0.0810	0.0840	0.0800	Less Than 4%, No Tax Increase
FY 2012	0.0810	0.0840	0.0800	Less Than 4%, No Tax Increase
FY 2013	0.0810	0.0840	0.0800	Less Than 4%, No Tax Increase

Urban Fund Realty Rates Adopted by Service, FY 1994 – 2013

The chart below illustrates the Urban Services (Fund 1115) real estate rates adopted by the LFUCG, by service provided, from FY 1994–2013.

Year	Refuse Collection	Street Lights	Street Cleaning	Total Tax Rate
FY 1994	0.1750	0.0311	0.0094	0.2155
FY 1995	0.1750	0.0311	0.0094	0.2155
FY 1996	0.1750	0.0311	0.0094	0.2155
FY 1997	0.1750	0.0311	0.0094	0.2155
FY 1998	0.1750	0.0311	0.0094	0.2155
FY 1999	0.1750	0.0311	0.0094	0.2155
FY 2000	0.1750	0.0311	0.0094	0.2155
FY 2001	0.1750	0.0311	0.0094	0.2155
FY 2002	0.1750	0.0311	0.0094	0.2155
FY 2003	0.1750	0.0311	0.0094	0.2155
FY 2004	0.1750	0.0260	0.0094	0.2104
FY 2005	0.1600	0.0210	0.0094	0.1904
FY 2006	0.1600	0.0210	0.0094	0.1904
FY 2007	0.1600	0.0210	0.0094	0.1904
FY 2008	0.1590	0.0210	0.0094	0.1894
FY 2009	0.1590	0.0210	0.0094	0.1894
FY 2010	0.1431	0.0210	0.0094	0.1735
FY 2011	0.1431	0.0210	0.0094	0.1735
FY 2012	0.1431	0.0210	0.0094	0.1735
FY 2013	0.1431	0.0210	0.0094	0.1735

Recall Procedures [8]

If an urban-county government levies a tax rate which will produce revenue from real property, exclusive of revenue from new property, that is more than 4% over the amount of revenue produced by the compensating tax rate, the portion which exceeds the 4% is subject to a recall vote or reconsideration by the taxing district.

1. Within 7 days after adoption of the tax rate, the urban-county government must publish a display advertisement in the newspaper of largest circulation in the county.

2. The advertisement shall be not less than 12 column inches and contain:

   - The fact that the urban-county government has adopted such rate.

   - The fact that the part of the rate which will produce revenue from real property (exclusive of new) in excess of 4% over the amount produced by the compensating tax rate is subject to recall.

   - The name, address and phone number of county clerk with note that such official will provide information on petition to initiate recall of the tax rate.

3. The tax rate subject to recall goes into effect 45 days after its passage.

4. During the 45 day period a petition signed by 10% of the voters in the last Presidential election may be presented to the county clerk or authorized deputy or to the urban-county government or legislative body of a taxing district and the tax rate is suspended from going into effect.

5. The county clerk determines whether the petition contains enough signatures of qualified voters to suspend the effect of the tax rate levy.

6. The urban-county government may cause cancellation of the recall vote by amending the tax levy to produce no more revenue from real property than 4% over the amount produced by the compensating tax rate on real property, provided such action is taken within 15 days of presentation of the petition.

7. The urban-county government shall submit to voters at next regular election questions as to whether voters are “for” or “against” the tax levy. The amount subject to recall shall not go into effect unless a majority of the votes cast are “for” its passage.

[8] Per KRS 132.027 and KRS 132.017.

Supplemental Information

Background Information

The following information was copied from COUNTY GOVERNMENT IN KENTUCKY, Informational Bulletin #115, prepared by the Legislative Research Commission, Frankfort, Ky., November 1996. It is provided to give some background on property taxes and certain statutory limitations.

TAXATION AND REVENUE

Taxes Generally

Counties must levy an ad valorem tax on all property subject to county taxation (KRS 68.090). Most counties raise most of their local tax funds through ad valorem taxes on real and personal property. Those counties which have chosen to impose an occupational license tax usually collect more from that tax than they do from ad valorem taxes. The occupational tax is not suitable for many counties, however, because of commuting out of the county for employment. There are other limited sources of local revenue which the fiscal court may tap, such as license fees and franchise taxes.

Property Taxes

The property tax is based on or measured by the value of property as a marketable item. Thus it is known as an ad valorem tax.

Constitutional Limitations

The 1891 Constitution categorically states that the tax rate of counties for other than school purposes shall not, at any time, exceed the rate of $.50 on the $100 valuation of property (Constitution, Section 157). However, few counties approach the $.50 Constitutional limit on the tax levy because the compensating and four percent tax rate limits of KRS 68.245 keep the levy well below the Constitutional limit in most counties.

Statutory Limitations

The l965 Court of Appeals ruling in *Russman v. Luckett* directed that real property be assessed at 100% of its real market value, in accordance with Section 172 of the Constitution. Until that time, both real and personal property had been assessed at well below their market value, and counties, as well as other taxing units, had set their tax rates near their constitutional limits. In the face of large increases in assessments, and having no assurance that local tax rates would be reduced, the General Assembly, during the 1965 Special Session, enacted legislation to protect taxpayers from large property tax increases (Acts 1965, First Extraordinary Session, Chapter 2.).

The immediate effect of this legislation was to require local taxing authorities to roll back or reduce their tax rates to a point where they would produce approximately the same amount of revenue as raised the preceding year, exclusive of net assessment growth and any tax levies adopted by the voters. Since 1966 the effect of the rollback law has been to keep tax rates at a fairly constant level. Increases in local government revenue have been limited to new property added to the tax rolls and growth in the assessment of old property due to increases in property values and inflation.

During the mid-1970's, increases in the assessment of real property were sizable -- from 12 to 15% per year. Thus, while the tax rates remained about the same, real property owners received larger tax bills, because of the increase in the value of their property. The 1979 Special Session of the General

Assembly sought, through House Bill 44, to give taxpayers some relief from such increases.

The relief took the form of retaining the ceiling established by the rollback law -- prohibiting a county from realizing more revenue from real property taxes than the preceding year, except through increases in assessments and new property. Below this ceiling the General Assembly placed some additional restrictions on revenue growth from increases in old property assessments.

The law required the state local finance office to calculate several different tax rates for each county. One of these rates was simply the current year's tax rate and, under House Bill 44, the current year's rate became the maximum permissible tax rate for the next year. Under no circumstances could a county's tax exceed this limit.

A second rate, known as a compensating tax rate, was also calculated. This was a "zero-growth" rate, which, when applied to current assessments of real property that were on the tax rolls the previous year, would produce the same amount of revenue as the previous year. When property values rose, the compensating rate would be lower than the maximum tax rate.

The third and last rate that was calculated was called the 4% rate. This rate, when applied to the current year's assessment of real property on the tax books last year, would produce 4% more revenue than the county realized the previous year.

Under the law a county could not, under any circumstances, set a tax rate that exceeded the maximum tax rate. A county was free to set a tax rate below the maximum tax rate. However if the rate levied exceeded the compensating rate ("zero-growth" rate), this fact had to be advertised and a public hearing held.

Furthermore, if the rate exceeded the 4% rate, the portion exceeding 4% was subject to a recall by the voters, through a petition and referendum process (KRS 68.245 and 132.017).

In the 1990 Session of the General Assembly, all references to the maximum tax rate were deleted from the statutes. Language describing the utilization of the compensating and 4% rates was left intact. The effect of these amendments is that county officials must administer the property tax laws in the manner they have become accustomed to since the passage of HB 44 in 1979, but without the constraint of the maximum tax rate.

Thus, in periods of low growth or decline in property values, fiscal courts will be able to realize up to 4% growth in revenues from property on the tax rolls the previous year, and more if the electorate does not challenge the increase through petition and referendum (KRS 68.245, 132.017).

Definitions of Tax Categories

Real Property

Land and improvements.

Tangible Personal Property

Personal Property consists of items such as office furniture, office machines, store fixtures, professional trade and business fixtures, leasehold equipment, machinery and equipment both manufacturing and non-manufacturing, free-standing signs, raw materials, inventories of all kinds, aircraft and many other personal items that may have value and utility.

Intangible Personal Property

Intangible personal property is property that represents evidence of value or the right to value under law and custom. Examples of intangible personal property are bonds, notes, accounts receivables, trusts, mortgages, insurance left on deposit, money in safe deposit boxes, and other items which represent evidence of value. Intangible personal property is subject to a state rate only.

Motor Vehicles/Watercraft

The assessment and collection of property taxes on motor vehicles has been handled through the use of a centralized system since January 1, 1984. Prior to that date, motor vehicles were included in the personal property assessments. Boats were included in the centralized motor vehicle system January 1, 1990. The tax rate on motor vehicles and watercraft cannot exceed the rate that could have been set by a local district on the January 1, 1983 assessments (FY 1984).

Tobacco and Agricultural Products in Storage

Cities and counties may impose a property tax not exceeding 1½¢ on each $100 of the fair cash value of all unmanufactured tobacco and not exceeding 4½¢ on each $100 of the fair cash value of all other unmanufactured agricultural products, subject to taxation within their limits that are not actually on hand at the plants of manufacturing concerns for the purpose of manufacture, nor in the hands of the producer to whom the products have been conveyed for the purpose of sale.

Insurance Companies Capital

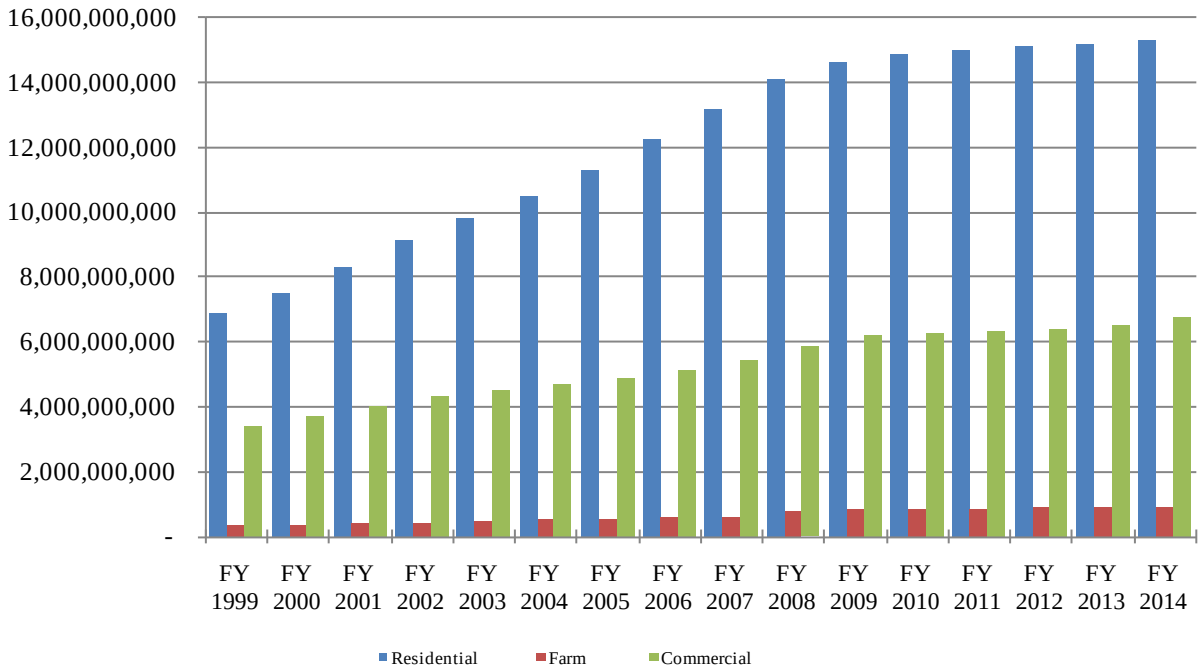
A tax on the fair cash value of intangible personal property (referred to as "capital" in the State Statute) of a domestic life insurance company. The county and the city in which the principal office of the company is located may impose a tax of 15¢ per $100 of "taxable capital". The LFUCG "county" or General Service's rate is 15¢. The "city" or Urban Service's rate has not changed since merger and is 9.2¢.

Public Service Companies

A public service company is generally construed to mean any individual, partnership, or corporation engaged in the business of providing service to the public under certain regulated or semi-regulated conditions imposed by federal and/or state laws. "Regulated" means that the operations are confined to a specific area or route, are subject to restrictions on rates that may be charged for their services, or are restricted on the amount they may earn on investments. A few examples of the types of public service companies subject to tax assessment are: *Railway company, gas company, water company, electric power company, commercial air carriers, and cable television company.*

Real Estate Assessments By Category
Fayette County: FY 1999 – FY 2014

Growth, by categories of residential, farm, and commercial properties, is illustrated below. This information was compiled from data provided by the Fayette County PVA, which does not include public service companies assessments or oil, mineral, and timber rights. The total real estate assessment for FY 2014 is $23,239,872,222 with these categories included. The total assessment for Residential, Farm and Commercial totals $22,956,949,200.



General Services District

Year	Residential	Farm	Commercial	TOTAL	% Change
FY 1999	6,920,396,727	373,289,300	3,404,514,910	10,698,200,937	5.7%
FY 2000	7,522,124,780	395,463,600	3,724,821,400	11,642,409,780	8.8%
FY 2001	8,283,396,092	412,230,800	4,037,025,704	12,732,652,596	9.4%
FY 2002	9,141,865,110	446,553,400	4,326,254,800	13,914,673,310	9.3%
FY 2003	9,823,997,246	465,697,000	4,543,167,072	14,832,861,318	6.6%
FY 2004	10,486,255,531	545,897,300	4,695,549,138	15,727,701,969	6.0%
FY 2005	11,287,422,600	559,828,600	4,897,577,600	16,744,828,800	6.5%
FY 2006	12,304,134,800	596,790,100	5,110,109,000	18,011,033,900	7.6%
FY 2007	13,207,007,700	624,912,200	5,444,972,200	19,276,892,100	7.0%
FY 2008	14,116,472,700	819,013,400	5,890,069,400	20,825,555,500	8.0%
FY 2009	14,681,278,300	836,737,800	6,219,161,800	21,737,177,900	4.4%
FY 2010	14,887,509,900	866,958,400	6,310,733,400	22,065,201,700	1.5%
FY 2011	15,043,326,400	880,218,800	6,377,418,000	22,300,963,200	1.1%
FY 2012	15,164,243,100	898,982,400	6,421,876,600	22,485,102,100	0.8%
FY 2013	15,235,648,200	897,667,200	6,523,119,000	22,656,434,400	0.8%
FY 2014	15,299,695,300	899,945,700	6,757,308,200	22,956,949,200	1.3%
FY 2013 - 2014	0.4%	0.3%	3.6%		

Comparison of Realty Tax Rates
State, School, and LFUCG

The Lexington-Fayette Urban County Government, the Commonwealth of Kentucky, and the Fayette County School Board levy property taxes each year. The tax bill received by Fayette County taxpayers includes amounts for each of these entities.[9]

Fayette County Tax Rates, 2012 (FY 2013)

Taxing District	Tax Rate [10]	Tax Paid on $150,000 Property	Percent of Total Property Tax Bill
State	.1220	$ 183.00	11.6%
School	.674	$1,011.00	64.2%
LFUCG			
General	.0800	$ 120.00	7.6%
Refuse Collection	.1431	$ 214.65	13.6%
Street Lights	.0210	$ 31.50	2.0%
Street Cleaning	.0094	$ 14.10	0.9%
TOTAL	1.0495	$1,574.25	100.0%

[9] In FY 1983, the total Fayette County tax rate was $.9561. By FY 2013 the total rate had increased by 9.8%. The rates for the Lexington-Fayette Urban County Government were 16.4% lower than in FY 1983, the state rates were lower by 45.5%, and School Board rates were higher by 64.4%.

[10] Per $100 assessed value.

Homestead Exemptions

The homestead exemption, originally established under a constitutional amendment in 1971 and prescribed in KRS 132.810, is $36,000 for FY 2014. To qualify for the homestead exemption, a person must be at least 65 years old during the tax period or have been classified as totally disabled by any public or private retirement system.

Prior to enactment of constitutional amendment Number 2 in November 1998, only taxpayers disabled under Social Security or Railroad Retirement were eligible for the disability exemption. Eligible property must also be owned, occupied, and maintained by the taxpayer as a personal residence on the January 1 assessment date.

History of Fayette County Homestead Exemptions And General Fund Taxpayer Savings

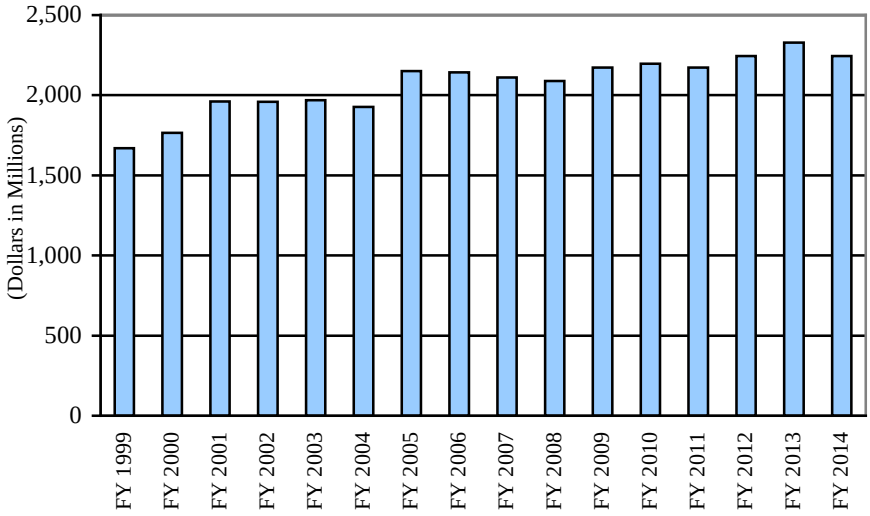
Fiscal Year	General Fund Real Estate Rate	Exemptions Per Residence	Number of Homes	Value of Homestead Exemptions[11]	Change in Exemptions	Taxpayer Savings
1989	.0820	17,100	8,811	150,659,920	9,313,020	123,541
1990	.0810	17,100	9,644	177,456,367	26,796,447	143,740
1991	.0810	18,400	10,135	186,487,267	9,030,900	151,055
1992	.0810	18,400	10,675	216,711,950	30,224,683	175,537
1993	.0810	20,300	10,998	223,262,350	6,550,400	180,843
1994	.0810	20,300	11,353	247,490,000	24,227,650	200,467
1995	.0810	21,800	11,607	253,028,986	5,538,986	204,953
1996	.0810	21,800	11,937	275,754,612	22,725,626	223,361
1997	.0810	23,100	12,211	282,065,828	6,311,216	228,473
1998	.0810	23,100	12,455	303,897,000	21,831,172	246,157
1999	.0810	24,400	13,231	305,397,505	1,500,505	247,372
2000	.0810	24,400	13,411	333,271,200	27,873,695	269,950
2001	.0800	25,400	13,463	336,449,100	3,177,900	269,159
2002	.0790	25,400	13,833	365,448,700	28,999,600	288,704
2003	.0790	26,800	14,003	370,331,680	4,882,980	292,562
2004	.0790	26,800	14,409	396,908,900	26,577,220	313,558
2005	.0800	28,000	14,581	403,508,000	6,599,100	322,806
2006	.0800	29,400	14,835	430,778,800	27,270,800	344,623
2007	.0800	29,400	15,208	441,992,000	11,213,200	353,594
2008	.0800	31,400	15,676	487,026,500	45,034,500	389,621
2009	.0800	31,400	16,120	502,532,500	15,506,000	402,026
2010	.0800	33,700	16,763	559,042,100	56,509,600	447,234
2011	.0800	33,700	17,338	578,481,700	19,439,600	462,785
2012	.0800	34,000	17,645	594,290,900	15,809,200	475,433
2013	.0800	34,000	18,452	621,556,500	27,265,600	497,245
2014	.0800	36,000	19,078	679,909,400	58,352,900	543,928

[11] The total value of homestead exemptions does not equal the maximum allowed exemption times the number of properties. This is because some of the properties are valued at less than the maximum exemption amount.

Personalty Assessments
Fayette County: FY 1999 – FY 2014

General Services District

Year	Total Personalty	% Change	
FY 1999	1,668,829,944		
FY 2000	1,764,651,201	5.7%	A
FY 2001	1,960,708,761	11.1%	
FY 2002	1,957,658,156	-0.2%	B
FY 2003	1,968,793,874	0.6%	B
FY 2004	1,925,902,590	-2.2%	
FY 2005	2,151,421,301	11.7%	C
FY 2006	2,142,841,463	-0.4%	
FY 2007	2,110,619,831	-1.5%	
FY 2008	2,089,408,340	-1.0%	
FY 2009	2,172,046,129	4.0%	
FY 2010	2,197,198,759	1.2%	
FY 2011	2,173,198,119	-1.1%	
FY 2012	2,244,544,557	3.3%	
FY 2013	2,327,833,452	3.7%	
FY 2014	2,245,545,073	-3.5%	



Personalty assessments include tangible personal property only. Tangible personal property consists of items that have value and utility themselves, such as automobiles, airplanes, construction equipment, manufacturing machinery, merchandise, livestock, and other materials and goods.

Notes:

A. Aircraft (recreational/non-commercial) was separated from personalty in FY 2000, and local governments now have the option to tax or exempt this category from taxation. Inventory in transit was added for local tax option.

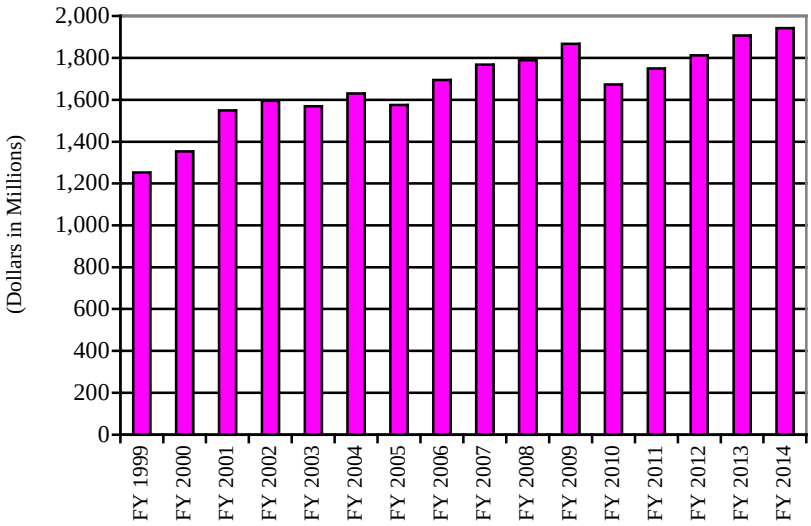
B. FY 2002 and FY 2003 assessments were down state-wide, which was be attributed to the economy.

C. There was a large increase in the personal property assessments of Public Service Companies.

Motor Vehicle and Watercraft Assessments
Fayette County: FY 1999 – FY 2014

General Services District

Year	Motor Vehicles & Watercraft	% Change	
FY 1999	1,251,963,750		A
FY 2000	1,352,870,679	8.1%	
FY 2001	1,549,218,050	14.5%	
FY 2002	1,595,914,353	3.0%	
FY 2003	1,570,055,171	-1.6%	
FY 2004	1,629,889,151	3.8%	
FY 2005	1,574,969,478	-3.4%	
FY 2006	1,694,976,831	7.6%	
FY 2007	1,768,686,661	4.3%	
FY 2008	1,790,160,720	1.2%	
FY 2009	1,867,359,987	4.3%	
FY 2010	1,673,164,212	-10.4%	
FY 2011	1,749,651,556	4.6%	
FY 2012	1,812,027,836	3.6%	
FY 2013	1,907,014,389	5.2%	
FY 2014	1,942,208,626	1.8%	



Notes:

A. The 1998 Kentucky General Assembly enacted legislation (HB 74) retroactive to January 1, 1998, amending KRS 132.485 to base motor vehicle taxable value for ad valorem property tax purposes on the average trade-in value listed in the standard manual prescribed by the Kentucky Revenue Cabinet, resulting in a reduction of motor vehicle taxable value for FY 1999.

Tax Rates in Selected Kentucky Cities

Comparison of City/County Rates for the 2012 Tax Year

Rate of Tax in Dollars per $100 Assessed Value

City	City Rate	County Rate	Total City/County
Georgetown	0.065	0.171	0.236
Lexington *	0.1735	0.171733	0.345233
Nicholasville	0.186	0.167	0.353
Winchester	0.146	0.224	0.37
Richmond	0.151	0.252	0.403
Bowling Green	0.206	0.217	0.423
Louisville	0.3666	0.1255	0.4921
Owensboro	0.2593	0.244	0.5033
Frankfort	0.209	0.314	0.523
Covington	0.299	0.32	0.619
Ashland	0.3553	0.49	0.8453

Comparison of Total Tax Rates for the 2012 Tax Year

Rate of Tax in Dollars per $100 Assessed Value

City	City/ County Rate	State Rate	School Rate	Total Rate
Georgetown	0.236	0.122	0.453	0.811
Winchester	0.37	0.122	0.536	1.028
Nicholasville	0.353	0.122	0.629	1.104
Richmond	0.403	0.122	0.583	1.108
Lexington *	0.345233	0.122	0.674	1.141233
Frankfort	0.523	0.122	0.596	1.241
Bowling Green	0.423	0.122	0.731	1.276
Louisville	0.4921	0.122	0.7	1.3141
Owensboro	0.5033	0.122	0.821	1.4463
Ashland	0.8453	0.122	0.629	1.5963
Covington	0.619	0.122	1.117	1.858

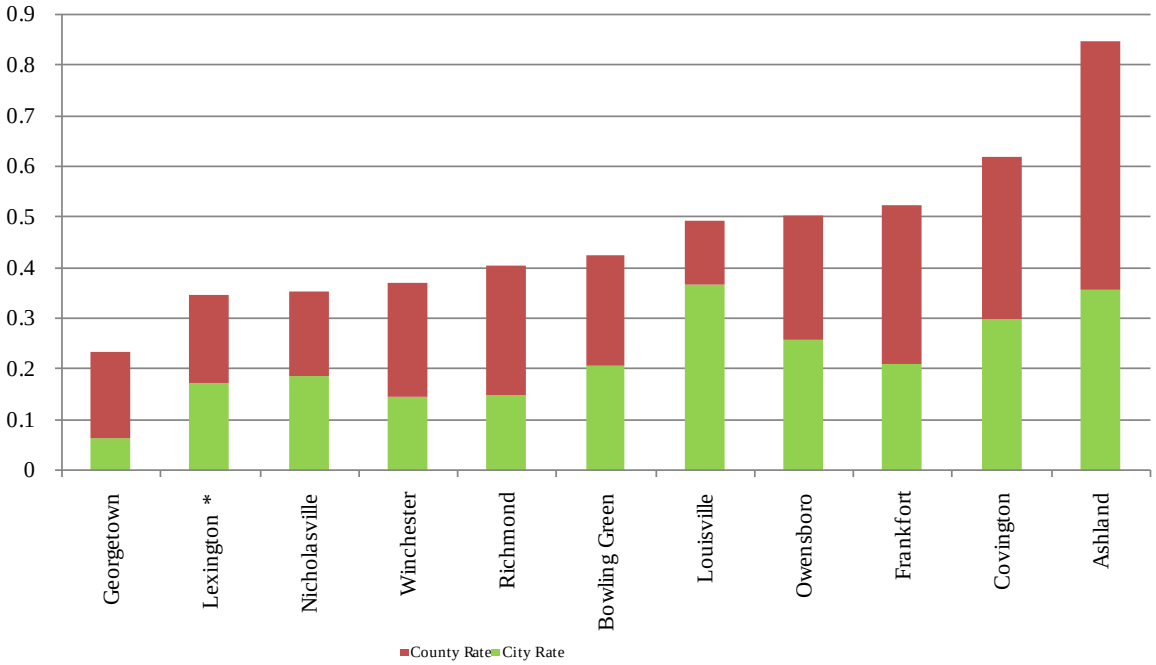
Source: Kentucky Revenue Cabinet, Department of Property Taxation

Note: The tax rates listed here are real property rates only. This does not reflect the total tax burden for households.

*** For comparison purposes the Lexington "City" rate is the Full Urban Services rate and the "County" rate is the combination of the General Services, Health Department, LexTran, Extension, and Soil Conservation rates.**

City/County Tax Rates in Selected Kentucky Cities

2012 Tax Year



* For comparison purposes the Lexington "City" rate is the Full Urban Services rate and the "County" rate is the combination of the General Services, Health Department, LexTran, Extension, and Soil Conservation rates.

Library Funding Statute

173.360 Annual appropriations, amounts -- Powers and duties of board as to funds.

(1) After the legislative body of a governmental unit has made provisions for library service according to any of the methods set forth in KRS 173.310, the legislative body shall appropriate money annually to furnish such service. In library regions it shall not be less than three cents ($0.03), nor more than ten cents ($0.10) on each one hundred dollars ($100) worth of property assessed for local taxation. In counties containing a city of the first class it shall be not more than fifteen cents ($0.15) on each one hundred dollars ($100) worth of property assessed for local taxation. **In all other governmental units it shall be not less than five cents ($0.05) nor more than fifteen cents ($0.15) on each one hundred dollars ($100) worth of property assessed for local taxation.** In those instances where county library service has been established on the initiative of the fiscal court and when an appropriation of less than the minimum amount required by this subsection is proposed, the minimum amount of support for county library service may be determined annually through a mutual agreement of the county library board, the county fiscal court, and the state Department for Libraries and Archives. This agreement shall be reflected in the records of the legislative body of the governmental unit making the appropriation.

(2) All funds for the library shall be deposited monthly to the credit of the library board. These funds shall not be used for any but library purposes. The treasurer of the library board shall be required to execute bond with good and sufficient surety thereon for the faithful performance of his duties, the amount of the bond to be fixed by the board. If the bond has a corporate surety the premium shall be paid from the library fund. The board shall have exclusive control of expenditures, subject to an examination of accounts as may be required by the legislative body, and money shall be paid only upon vouchers approved by the board. The board shall not make expenditures or incur indebtedness in any year in excess of the amount of money appropriated and available for library purposes, except where a library board is the owner of real estate not used for library purposes, in which case they may borrow money secured solely by that property. Principal and interest on indebtedness on real estate owned by a library board not used for library purposes is not chargeable to the library funds derived from taxation.

History: Amended 1964 Ky. Acts ch. 55, sec. 3. -- Amended 1960 Ky. Acts ch. 61, sec. 2. -- Created 1944 Ky. Acts ch. 160, sec. 7.

Division of Budgeting
Lexington-Fayette Urban County Government
200 East Main Street
Lexington, Kentucky 40507
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Paid For With Lexington-Fayette Urban County Government Funds