

General Services and Urban Services Districts

FY 2021 Ad Valorem Tax Rates

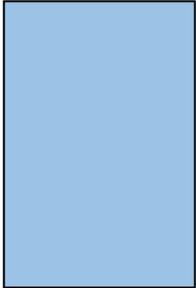


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FY 2021 Ad Valorem Tax Rate Calendar

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 department's certification of the county's property tax roll. A city that does not elect to have city ad valorem taxes collected by the sheriff as provided in KRS 91A.070(1) shall be exempt from this deadline. Any nonexempt 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 |
|------------------|---|----|---|--|
| AUGUST 17 | 18 | 19 | 20 CERTIFICATION DATE DAY 1 | 21 |
| 24 | 25 | 26 | 27 | 28 |
| 31 | SEPTEMBER 1 PRESENTATION & SET RATES WORK SESSION | 2 | 3 FIRST READING COUNCIL MEETING | 4 FIRST ADVERTISEMENT* |
| HOLIDAY 7 | 8 SECOND ADVERTISEMENT* | 9 | 10 | 11 |
| 14 | 15 WORK SESSION PUBLIC HEARING** SECOND READING COUNCIL MEETING | 16 | 17 | 18 |
| 21 | 22 WORK SESSION | 23 | 24 COUNCIL MEETING | 25 |
| 28 | 29 | 30 | October 3 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.

** Public Hearing cannot be less than 7 or more than 10 days after the 2nd advertisement.

FY 2021 Property Tax Options General Services Fund (1101)

Based on estimated property assessments, revenues were originally budgeted at \$26,975,990. 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 requires a Public Hearing. Rates are per \$100 assessed valuation.

| Category | Prior Year Rates | Option 1 | Option 2 | Option 3 ¹ |
|---|------------------|------------------|------------------|-----------------------|
| Real Estate | .08 | .08 | .081 | .084 |
| Personalty ² | .0892 | .0890 | .0901 | .0934 |
| Motor Vehicles/Watercraft | .088 | .088 | .088 | .088 |
| Tobacco in Storage | .015 | .015 | .015 | .015 |
| Agri. Products in Storage | .045 | .045 | .045 | .045 |
| Insurance Companies Capital | .15 | .15 | .15 | .15 |
| Aircraft ³ | .0892 | .0890 | .0901 | .0934 |
| Watercraft (Non-Commercial) | .0892 | .0890 | .0901 | .0934 |
| Abandoned Property ⁴ | 1.00 | 1.00 | 1.00 | 1.00 |
| Impact on Fund Balance: ⁵ | | \$235,040 | \$505,040 | \$1,475,040 |

Option #1: All rates remain the same as last year. The net increase to fund balance is \$235,040. **THIS IS THE OPTION RECOMMENDED BY THE ADMINISTRATION.**

Option #2: All rates are set at the **Compensating Rate**, which provides approximately the same revenue as previous years for existing property. The net increase to fund balance is \$152,840.

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 \$1,122,840.

General Fund Property Tax Bill on a \$190,000 house

| Taxing District | Option 1 | Option 2 | Option 3 |
|-----------------|-----------------|-----------------|-----------------|
| General | \$152.00 | \$153.90 | \$159.60 |
| TOTAL | \$152.00 | \$153.90 | \$159.60 |

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 FY 2016 was the first year to collect an additional "Abandoned Property" ad valorem tax. The revenue generated from this tax is not included in the Fund Balance impact calculation.

⁵ Net of the \$566,940 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 91.3% of the total revenues for FY 2021. 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 \$42,237,500 for FY 2021. The following chart outlines the categories of property for which rates must be set and the proposed rate for each. Options 3 and 4 require a Public Hearing and Option 4 for Refuse Collection and Street Lights are subject to voter recall. Rates are per \$100 assessed valuation.

| Category | Prior Year Rates | Option 1 | Option 2 | Option 3 ⁶ | Option 4 (Cost of Service) |
|--------------------------------|------------------|--------------------|--------------------|-----------------------|----------------------------|
| Refuse Collection | .1426 | .1426 | .1434 | .1491 | 0.1540 |
| Street Lights | .0213 | .0213 | .0215 | .0223 | 0.0310 |
| Street Cleaning | .0097 | .0097 | .0098 | .0101 | 0.0092 |
| Public Service Companies | .1736 | .1736 | .1747 | .1815 | .1942 |
| Insurance Companies Capital | .0920 | .0920 | .0920 | .0920 | .0920 |
| Impact on Fund Balance: | | (\$552,000) | (\$282,000) | \$1,388,000 | \$4,576,000 |

Option #1: All rates remain the same as last year. **The net decrease to fund balance is \$552,000. THIS IS THE OPTION RECOMMENDED BY THE ADMINISTRATION.**

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 \$282,000.**

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 \$1,388,000.**

Option #4: Increase rates to Cost of Service rates. All rates for under this option are subject to voter recall. **The net increase to fund balance is \$4,576,000.**

Urban Fund Property Tax Bill on a \$190,000 house

| Taxing District | Option 1 | Option 2 | Option 3 | Option 4 Cost of Service |
|-------------------|-----------------|-----------------|-----------------|--------------------------------|
| Refuse Collection | \$270.94 | \$272.46 | \$283.29 | \$292.60 |
| Street Lights | 40.47 | 40.85 | 42.37 | 58.90 |
| Street Cleaning | 18.43 | 18.62 | 19.19 | 17.48 |
| TOTAL | \$329.84 | \$331.93 | \$344.85 | \$368.98 |

⁶ The maximum rates without triggering a recall.

FY 2021 Property Tax Information

- Fayette County property tax rates must be established for the following categories no later than October 3, 2020.⁷
 - 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 2020 tax year is more than \$32.8 billion. Real estate assessments account for approximately \$29.1 billion of the total, and various personal property categories make up the difference.
- Real estate assessments, excluding PSC realty, have increased 2.2% since last year.
- There are 110,089 parcels of taxable property included in this year’s assessment, which break down as follows:

| | |
|---------------|----------------|
| Residential | 98,982 |
| Commercial | 9,076 |
| Farm | 2,031 |
| Totals | 110,089 |

- The General Services Fund (1101) realty tax rate cannot be raised over .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 .0934 (assuming realty is set at the maximum 0.084 rate).
- The maximum rate allowed for motor vehicle and watercraft is .0880 and is not subject to voter recall.⁸
- 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 assessments is less than the budgeted amount, *the Library is entitled to \$17,320,060, a decrease of \$566,940 from the FY 2021 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.

⁷ Intangible personal property may be taxed only by the state.

⁸ 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 11).
- Fayette County School Board real estate rates have increased by 97.6% 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 16-17). 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** (\$39,300 for the 2020 tax year) is available to homeowners who are at least 65 years old during the tax period or have been classified as totally disabled under a program authorized or administered by an agency of the United States government or any retirement system located within or outside of Kentucky. The total value of property exempted from the tax rolls is \$881 million for the 2020 tax year. This represents taxpayer savings of over \$705,000 (at the current tax rate). An additional 114 homes qualified for the exemption this year, bringing the total number of Fayette County exemptions to 22,213 (see page 12).
- 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.
- In December 2013, the Vacant Property Review Commission began identifying properties that are vacant and blighted, developing programs and policies to return these properties to productive use, and crafting recommendations to policy makers regarding vacant and blighted property. The Vacant Property Review Commission recommends an **Abandoned Property** rate of \$1.00 per \$100 of assessed value for properties classified by the Commission as “abandoned urban property.” This recommendation has been reviewed by the Department of Law and is in accordance with applicable laws.

General Fund Realty Rates Adopted vs. Allowed, FY 1994 – 2020

The chart below illustrates the General Services (Fund 1101) real estate rates adopted by the LFUCG, versus allowed rates, from FY 1994–2020. 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).

| Year | AS SET BY STATE | | LFUCG Adopted Rate | Action Taken |
|---------|-------------------|-----------------------|--------------------|------------------------------------|
| | Compensating Rate | Compensating +4% Rate | | |
| FY 1994 | .0810 | .0840 | .0810 | Compensating Rate, No Tax Increase |
| FY 1995 | .0810 | .0840 | .0810 | Compensating Rate, No Tax Increase |
| FY 1996 | .0790 | .0820 | .0810 | Less Than 4%, No Tax Increase |
| FY 1997 | .0790 | .0820 | .0810 | Less Than 4%, No Tax Increase |
| FY 1998 | .0790 | .0820 | .0810 | Less Than 4%, No Tax Increase |
| FY 1999 | .0790 | .0820 | .0810 | Less Than 4%, No Tax Increase |
| FY 2000 | .0780 | .0810 | .0810 | +4% Rate (No Change in Rate) |
| FY 2001 | .0770 | .0800 | .0800 | +4% Rate -- Roll-Back |
| FY 2002 | .0760 | .0790 | .0790 | +4% Rate -- Roll-Back |
| FY 2003 | .0760 | .0790 | .0790 | +4% Rate (No Change in Rate) |
| FY 2004 | .0770 | .0800 | .0800 | +4% Rate – Tax Increase |
| FY 2005 | .0780 | .0810 | .0800 | Less Than 4%, No Tax Increase |
| FY 2006 | .0770 | .0810 | .0800 | Less Than 4%, No Tax Increase |
| FY 2007 | .0780 | .0810 | .0800 | Less Than 4%, No Tax Increase |
| FY 2008 | .0770 | .0800 | .0800 | +4% Rate (No Change in Rate) |
| FY 2009 | .0790 | .0820 | .0800 | Less Than 4%, No Tax Increase |
| FY 2010 | .0810 | .0840 | .0800 | Less Than 4%, No Tax Increase |
| FY 2011 | .0810 | .0840 | .0800 | Less Than 4%, No Tax Increase |
| FY 2012 | .0810 | .0840 | .0800 | Less Than 4%, No Tax Increase |
| FY 2013 | .0810 | .0840 | .0800 | Less Than 4%, No Tax Increase |
| FY 2014 | .0810 | .0840 | .0800 | Less Than 4%, No Tax Increase |
| FY 2015 | .0800 | .0830 | .0800 | Less Than 4%, No Tax Increase |
| FY 2016 | .0800 | .0830 | .0800 | Less Than 4%, No Tax Increase |
| FY 2017 | .0790 | .0820 | .0800 | Less Than 4%, No Tax Increase |
| FY 2018 | .0770 | .0800 | .0800 | +4% Rate (No Change in Rate) |
| FY 2019 | .0790 | .0820 | .0800 | Less Than 4%, No Tax Increase |
| FY 2020 | .0780 | .0810 | .0800 | Less Than 4%, No Tax Increase |

Urban Fund Realty Rates Adopted by Service, FY 1994 – 2020

The chart below illustrates the Urban Services (Fund 1115) real estate rates adopted by the LFUCG, by service provided, from FY 1994–2020.

| Year | Refuse Collection | Street Lights | Street Cleaning | Total Tax Rate |
|-------------|--------------------------|----------------------|------------------------|-----------------------|
| FY 1994 | .1750 | .0311 | .0094 | .2155 |
| FY 1995 | .1750 | .0311 | .0094 | .2155 |
| FY 1996 | .1750 | .0311 | .0094 | .2155 |
| FY 1997 | .1750 | .0311 | .0094 | .2155 |
| FY 1998 | .1750 | .0311 | .0094 | .2155 |
| FY 1999 | .1750 | .0311 | .0094 | .2155 |
| FY 2000 | .1750 | .0311 | .0094 | .2155 |
| FY 2001 | .1750 | .0311 | .0094 | .2155 |
| FY 2002 | .1750 | .0311 | .0094 | .2155 |
| FY 2003 | .1750 | .0311 | .0094 | .2155 |
| FY 2004 | .1750 | .0260 | .0094 | .2104 |
| FY 2005 | .1600 | .0210 | .0094 | .1904 |
| FY 2006 | .1600 | .0210 | .0094 | .1904 |
| FY 2007 | .1600 | .0210 | .0094 | .1904 |
| FY 2008 | .1590 | .0210 | .0094 | .1894 |
| FY 2009 | .1590 | .0210 | .0094 | .1894 |
| FY 2010 | .1431 | .0210 | .0094 | .1735 |
| FY 2011 | .1431 | .0210 | .0094 | .1735 |
| FY 2012 | .1431 | .0210 | .0094 | .1735 |
| FY 2013 | .1431 | .0210 | .0094 | .1735 |
| FY 2014 | .1431 | .0210 | .0097 | .1738 |
| FY 2015 | .1431 | .0210 | .0097 | .1738 |
| FY 2016 | .1431 | .0210 | .0097 | .1738 |
| FY 2017 | .1431 | .0210 | .0097 | .1738 |
| FY 2018 | .1426 | .0210 | .0097 | .1733 |
| FY 2019 | .1426 | .0210 | .0097 | .1733 |
| FY 2020 | .1426 | .0213 | .0097 | .1736 |

Recall Procedures ⁹

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 will determine within 30 days 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.

⁹ 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., October 2019. 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). An ad valorem tax is one based on the monetary value of the object being taxed. Most counties raise the majority of their local tax funds through ad valorem taxes on real and personal property. Those counties that have chosen to impose an occupational license tax usually collect more from that tax than from ad valorem taxes. The occupational tax is not suitable for many counties, however, because significant numbers of residents commute out of the county for work. License fees and franchise taxes are other sources of local revenue available to the fiscal court.

Property Tax - Constitutional Limitations

The constitution says the tax rate of counties for nonschool purposes shall never exceed 50 cents on the \$100 valuation of property (Ky. Const., sec. 157). Few counties approach this limit on the tax levy because the compensating and 4 percent tax rate limits of KRS 68.245 keep the levy well below that level in most counties. However, the use of countywide special districts often increases the actual cumulative tax rate through imposition of special district taxes.

Statutory Limitations

The 1965 Court of Appeals ruling in *Russman v. Luckett* directed that real property be assessed at 100 percent of its real market value, in accordance with Section 172 of the constitution. In the 1970s, dramatic fluctuations in the value of real property caused owners of that property to pay higher taxes on it. The 1979 General Assembly passed HB 44, by which name this statutory construct is still known, to place some controls on the amount of taxes the property owners would be responsible for paying if the value of property were to again increase drastically.

The essence of HB 44 is that the state local finance officer in the Department for Local Government notes a compensating tax rate for each local government (KRS 68.245). That rate takes into account the amount of growth in terms of property value of the current year. The rate is adjusted to provide approximately the same amount of revenue to the local government from the previous tax year. New construction is not included in this calculation (KRS 132.010). Using that compensating tax rate as a base, the local government can apply any constitutionally allowable rate to the property; however, if the tax rate that the local government decides to levy is anticipated to realize more than 4 percent revenue beyond the amount collected from the previous year (excluding new construction), then the particular rate calculated to realize more than 4 percent revenue is subject to recall as provided in KRS 132.017 (KRS 68.245). Any tax rate in excess of the compensating tax rate must be discussed in a public hearing (KRS 68.245).

Definitions of Tax Categories

Real Property and Personal Property

All real and personal property in the state, including property of nonresidents and corporations doing business in the state, is subject to the county ad valorem property tax at rates set by the fiscal court, plus any additional levies unless exempted by the constitution or by statute (KRS 132.190). Agricultural and horticultural land is assessed for ad valorem tax purposes according to its value for agricultural and horticultural use (Ky. Const., sec. 172A). Persons who are at least 65 years old or considered by a public or private retirement system to be totally disabled pay ad valorem taxes only on that portion of their homestead's assessed valuation in excess of \$39,300 for the 2019 and 2020 tax years, as published by the Office of Property Valuation in the Department of Revenue (indexed the first quarter of every odd year to the cost of living), except for assessments for special benefits (Ky. Const., sec. 170; KRS 132.810).

Public Service Companies

All public carriers and utility companies, such as gas companies, water companies, electric companies, pipelines, and railroads, must pay taxes to the county in which their operating property is located. The Kentucky Department of Revenue performs the assessment of these taxes for the counties. Bus lines, common carrier truck companies, and taxicab companies are exempt from this tax (KRS 136.120). The Department of Revenue informs the county of the assessed value of operating property owned by a particular company, and the county applies its ad valorem tax rate and bills the main office of the company.

Watercraft

Watercraft, as defined by KRS 136.1802, are taxed by the state and are subject to local taxes. The Department of Revenue collects the revenue attributable to local taxes and distributes it to the appropriate local governments (KRS 136.1801 to 136.1806).

Life Insurance Capital

The county in which the principal office of a domestic life insurance company is located may impose a tax of 15 cents on each \$100 of "taxable capital," as determined by the Department of Revenue (KRS 136.320).

Distilled Spirits

Distilled spirits stored in bonded warehouses are taxable by the county, subject to the constitutional limit of 50 cents per \$100, plus any additional voted tax levies. The Department of Revenue assesses the stored spirits as of January 1 of each year, and the tax is due and payable the following September 15 (KRS 132.160).

Agricultural Products

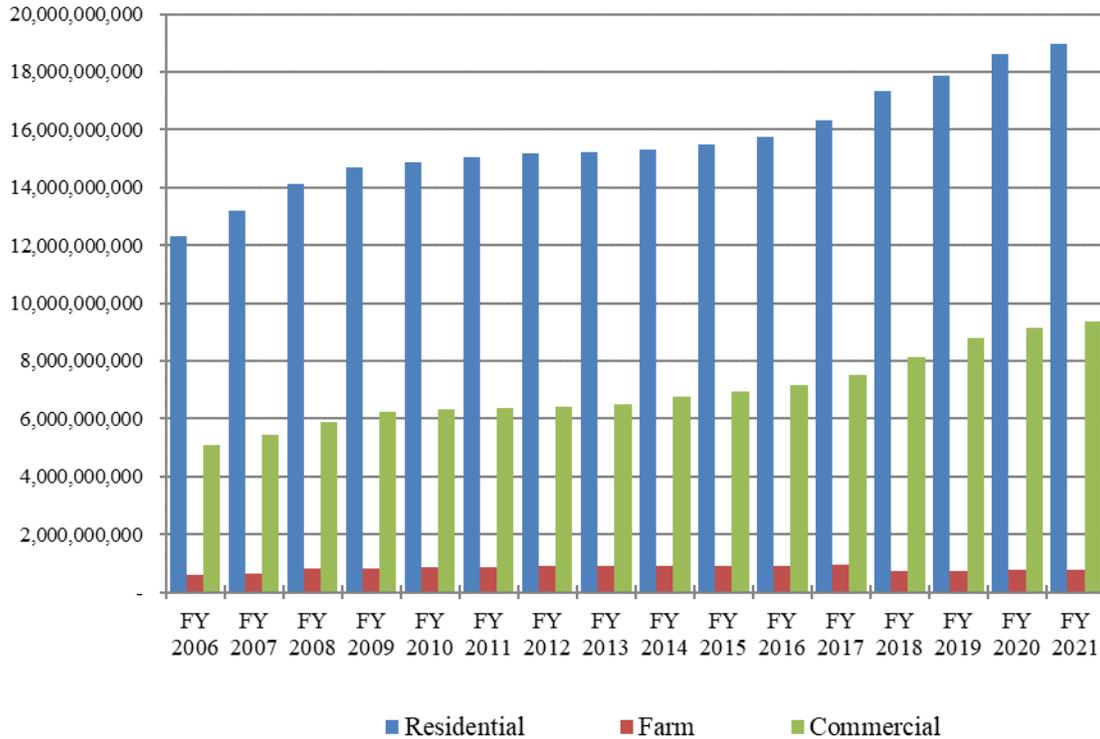
Counties may impose an ad valorem tax not exceeding 1.5 cents on each \$100 of the fair cash value of all unmanufactured tobacco and not exceeding 4.5 cents on each \$100 of the fair cash value of all other unmanufactured agricultural products, excluding livestock and domestic fowls, that are neither on hand at manufacturing plants nor in the hands of the producer or agents to whom the products have been conveyed or assigned for the purpose of sale (KRS 132.200). Consult KRS 132.200 for a complete list of exemptions.

Unmined Minerals

Unmined coal is subject to local taxes and must be taxed at the same rate as other real property. It should be assessed at 100 percent of real value, and the county's real property rate should be applied to that assessment. Assessments are based on information returned by property owners. In some instances the mineral resources will be assessed separately from the interest in the real property; in other instances, they will not (KRS 132.820).

Real Estate Assessments By Category Fayette County: FY 2006 – FY 2021

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 2021 is \$29,141,722,482 with these categories included. The total assessment for Residential, Farm and Commercial totals \$29,139,991,900.



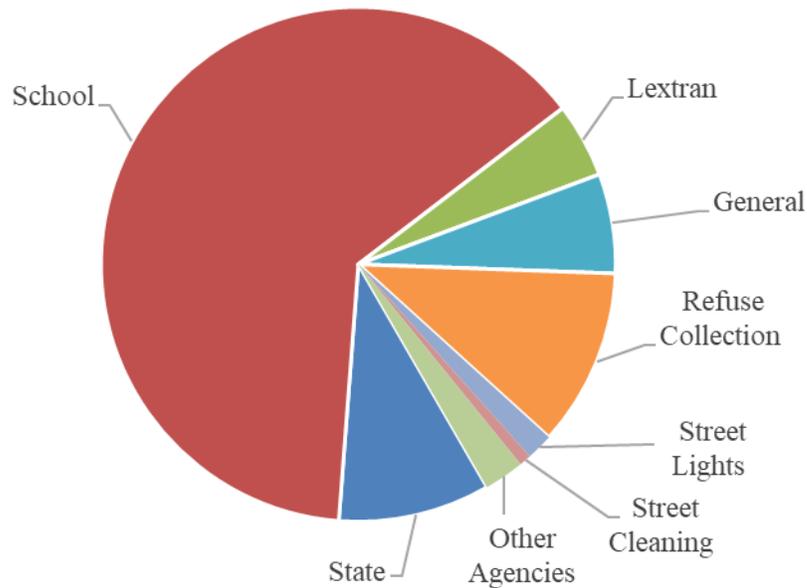
| Year | Residential | Commercial | Farm | TOTAL | % Change |
|--------------|----------------|---------------|-------------|----------------|----------|
| FY 2006 | 12,304,134,800 | 5,110,109,000 | 596,790,100 | 18,011,033,900 | 7.6% |
| FY 2007 | 13,207,007,700 | 5,444,972,200 | 624,912,200 | 19,276,892,100 | 7.0% |
| FY 2008 | 14,116,472,700 | 5,890,069,400 | 819,013,400 | 20,825,555,500 | 8.0% |
| FY 2009 | 14,681,278,300 | 6,219,161,800 | 836,737,800 | 21,737,177,900 | 4.4% |
| FY 2010 | 14,887,509,900 | 6,310,733,400 | 866,958,400 | 22,065,201,700 | 1.5% |
| FY 2011 | 15,043,326,400 | 6,377,418,000 | 880,218,800 | 22,300,963,200 | 1.1% |
| FY 2012 | 15,164,243,100 | 6,421,876,600 | 898,982,400 | 22,485,102,100 | 0.8% |
| FY 2013 | 15,235,648,200 | 6,523,119,000 | 897,667,200 | 22,656,434,400 | 0.8% |
| FY 2014 | 15,299,695,300 | 6,757,308,200 | 899,945,700 | 22,956,949,200 | 1.3% |
| FY 2015 | 15,497,091,000 | 6,935,829,200 | 911,673,200 | 23,344,593,400 | 1.7% |
| FY 2016 | 15,741,024,300 | 7,162,151,100 | 919,465,700 | 23,822,641,100 | 2.0% |
| FY 2017 | 16,346,595,000 | 7,509,401,500 | 948,410,300 | 24,804,406,800 | 4.1% |
| FY 2018 | 17,358,419,900 | 8,117,423,200 | 746,351,800 | 26,222,194,900 | 5.7% |
| FY 2019 | 17,859,281,500 | 8,789,535,000 | 752,367,000 | 27,401,183,500 | 4.5% |
| FY 2020 | 18,607,797,200 | 9,147,947,500 | 767,150,400 | 28,522,895,100 | 4.1% |
| FY 2021 | 18,979,626,100 | 9,375,806,000 | 784,559,800 | 29,139,991,900 | 2.2% |
| FY 2020-2021 | 2.0% | 2.5% | 2.3% | 2.2% | |

Comparison of Realty Tax Rates

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.¹⁰

Fayette County Tax Rates, 2019 (FY 2020)

| Taxing District | Tax Rate | Tax Paid on \$190,000 Property | Percent of Total Property Tax Bill |
|-------------------|---------------|--------------------------------|------------------------------------|
| State | 0.1220 | \$231.80 | 9.5% |
| School | 0.8100 | \$1,539.00 | 63.4% |
| Lextran | 0.0600 | \$114.00 | 4.7% |
| LFUCG | | | |
| General | 0.0800 | \$152.00 | 6.3% |
| Refuse Collection | 0.1426 | \$270.94 | 11.2% |
| Street Lights | 0.0213 | \$40.47 | 1.7% |
| Street Cleaning | 0.0097 | \$18.43 | 0.8% |
| Extension | 0.0035 | \$6.65 | 0.3% |
| Health | 0.0280 | \$53.20 | 2.2% |
| Soil/Water | 0.0006 | \$1.14 | 0.0% |
| TOTAL | 1.2777 | \$2,427.63 | 100% |



¹⁰ In FY 1983, the total Fayette County tax rate was \$.9561. By FY 2020 the total rate had increased by 24.0%. The rates for the Lexington-Fayette Urban County Government (General and Urban) were 21.3% lower than in FY 1983, the state rates were lower by 45.5%, and School Board rates were higher by 97.6%.

Homestead Exemptions

The homestead exemption, originally established under a constitutional amendment in 1971 and prescribed in KRS 132.810, is \$39,300 for FY 2021. 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 under a program authorized or administered by an agency of the United States government or any retirement system located within or outside of Kentucky.

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. Every person filing an application for exemption under the homestead exemption provision must own and maintain the property for which the exemption is sought as his personal residence.

| Fiscal Year | General Fund Real Estate Rate | Exemptions Per Residence | Number of Homes | Value of Homestead Exemptions¹¹ | Change in Exemptions | Taxpayer Savings |
|--------------------|--------------------------------------|---------------------------------|------------------------|---|-----------------------------|-------------------------|
| 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 |
| 2015 | .0800 | 36,000 | 19,581 | 697,941,500 | 18,032,100 | 558,353 |
| 2016 | .0800 | 36,900 | 19,940 | 729,415,700 | 31,474,200 | 583,533 |
| 2017 | .0800 | 36,900 | 20,556 | 752,662,000 | 23,246,300 | 602,130 |
| 2018 | .0800 | 37,600 | 21,148 | 789,589,700 | 36,927,700 | 631,672 |
| 2019 | .0800 | 37,600 | 21,528 | 803,398,400 | 13,808,700 | 642,719 |
| 2020 | .0800 | 39,300 | 22,099 | 862,345,600 | 58,947,200 | 689,876 |
| 2021 | .0800 | 39,300 | 22,213 | 881,386,100 | 19,040,500 | 705,109 |

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.

Property Exempt From Taxation

The Kentucky Constitution list specific properties exempted from both state and local taxes under Section 170 and a portion of Section 171. Following is a list of the categories of property exempt from taxation in Fayette County and the assessment of those properties as of January 1, 2020.

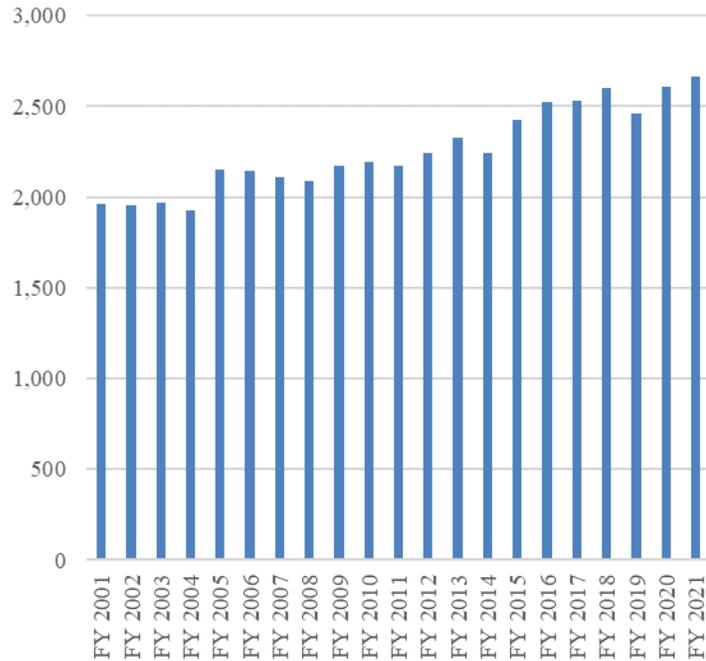
| Category | # of Parcels | Assessment |
|----------------------|--------------|-----------------|
| Educational | 556 | \$2,439,362,119 |
| Hospitals | 44 | 709,761,100 |
| Religious | 536 | 554,551,621 |
| LFUCG | 887 | 471,042,096 |
| State | 174 | 431,232,831 |
| Federal | 7 | 290,642,400 |
| Non-Profit Charities | 408 | 235,415,465 |
| Other | 30 | 176,115,700 |
| Cemetery | 10 | 22,168,500 |
| Total | 2,652 | \$5,330,291,832 |

Due to provisions in the Kentucky Constitution, these categories of property are exempt from taxation. However, if the properties (excluding those in the LFUCG category) were subject to taxation, the net revenue to the LFUCG General Services Fund would be approximately \$1,500,000 (after accounting for the required Library funding).

Personalty Assessments Fayette County: FY 2001 – FY 2021

General Services District

| Year | Total Personalty | % Change | |
|---------|------------------|----------|---|
| FY 2001 | 1,960,708,761 | 11.1% | |
| FY 2002 | 1,957,658,156 | -0.2% | A |
| FY 2003 | 1,968,793,874 | 0.6% | A |
| FY 2004 | 1,925,902,590 | -2.2% | |
| FY 2005 | 2,151,421,301 | 11.7% | B |
| 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% | |
| FY 2015 | 2,422,843,968 | 7.9% | |
| FY 2016 | 2,522,282,887 | 4.1% | |
| FY 2017 | 2,530,368,813 | 0.3% | |
| FY 2018 | 2,598,661,460 | 2.7% | |
| FY 2019 | 2,462,565,435 | -5.2% | |
| FY 2020 | 2,610,566,126 | 6.0% | |
| FY 2021 | 2,665,821,817 | 2.1% | |



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.

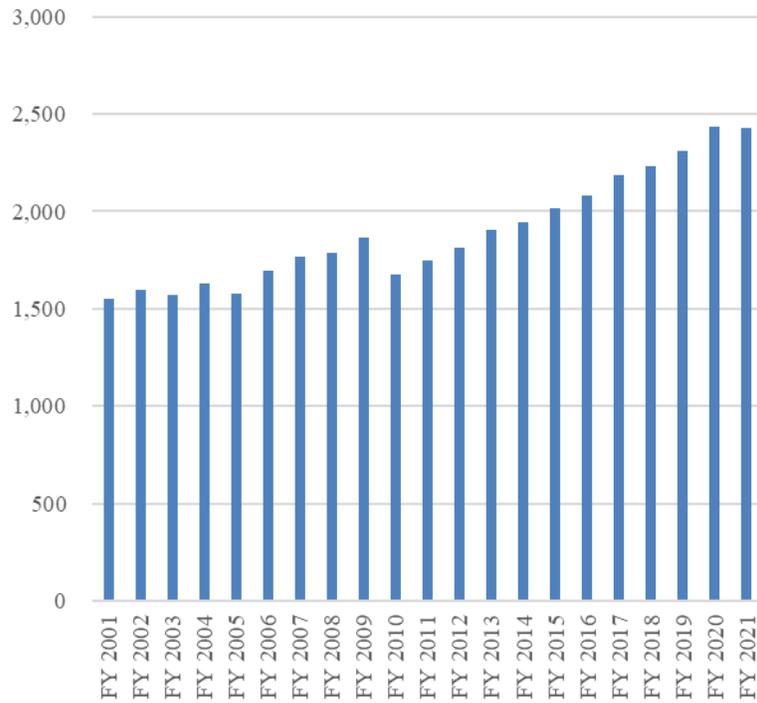
Notes:

- A. FY 2002 and FY 2003 assessments were down state-wide, which was attributed to the economy.
- B. There was a large increase in the personal property assessments of Public Service Companies.

Motor Vehicle and Watercraft Assessments Fayette County: FY 2001 – FY 2021

General Services District

| Year | Motor Vehicles & Watercraft | % Change |
|---------|-----------------------------|----------|
| 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% |
| FY 2015 | 2,017,674,715 | 3.9% |
| FY 2016 | 2,084,539,987 | 3.3% |
| FY 2017 | 2,188,353,135 | 5.0% |
| FY 2018 | 2,235,142,052 | 2.1% |
| FY 2019 | 2,313,084,847 | 3.5% |
| FY 2020 | 2,434,578,647 | 5.3% |
| FY 2021 | 2,425,657,612 | -0.4% |



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 2019 Tax Year (FY 2020)

Rate of Tax in Dollars per \$100 Assessed Value

| City | City Rate | County Rate | Total City/County |
|--------------------|---------------|----------------|-------------------|
| Georgetown | 0.0640 | 0.17986 | 0.24386 |
| Lexington * | 0.1736 | 0.17210 | 0.34570 |
| Winchester | 0.1460 | 0.23021 | 0.37621 |
| Richmond | 0.1450 | 0.25772 | 0.40272 |
| Bowling Green | 0.2050 | 0.21549 | 0.42049 |
| Nicholasville | 0.1860 | 0.24270 | 0.42870 |
| Louisville | 0.3577 | 0.12580 | 0.48350 |
| Owensboro | 0.2660 | 0.24659 | 0.51259 |
| Frankfort | 0.1980 | 0.36965 | 0.56765 |
| Covington | 0.3270 | 0.33722 | 0.66422 |
| Ashland | 0.2714 | 0.48871 | 0.76011 |

Comparison of Total Tax Rates for the 2019 Tax Year (FY 2020)

Rate of Tax in Dollars per \$100 Assessed Value

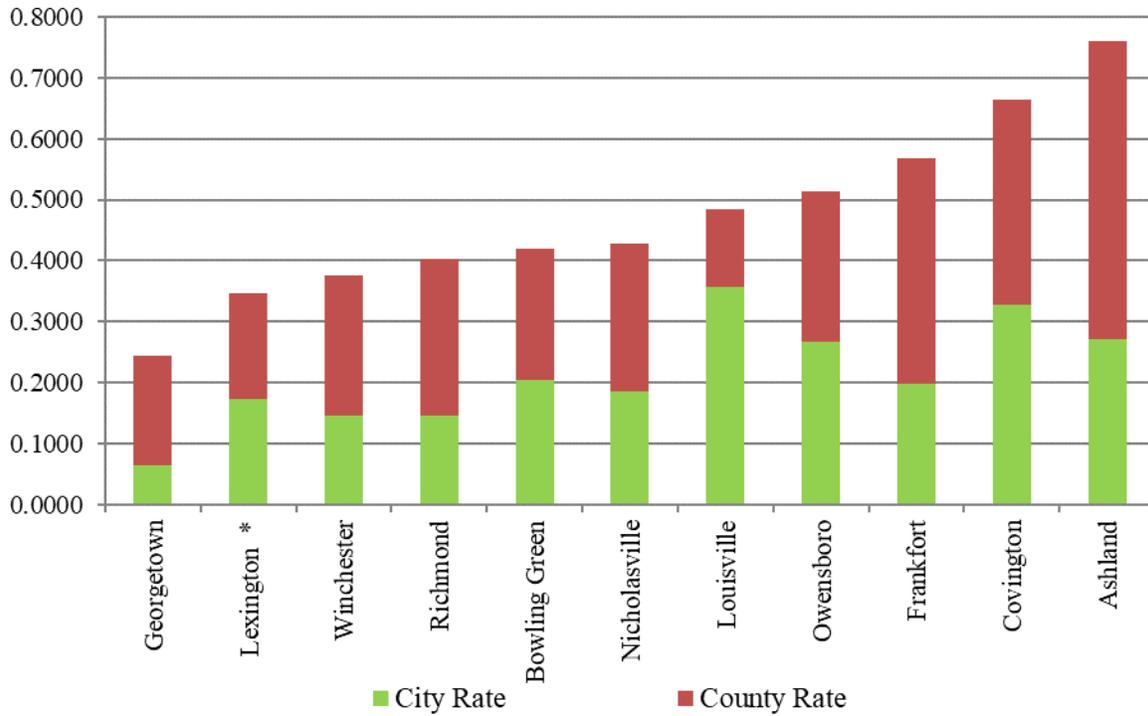
| City | City/County Rate | State Rate | School Rate | Total Rate |
|--------------------|------------------|---------------|---------------|----------------|
| Georgetown | 0.24386 | 0.1220 | 0.5710 | 0.93686 |
| Winchester | 0.37621 | 0.1220 | 0.6370 | 1.13521 |
| Richmond | 0.40272 | 0.1220 | 0.6370 | 1.16172 |
| Nicholasville | 0.42870 | 0.1220 | 0.6900 | 1.24070 |
| Lexington * | 0.34570 | 0.1220 | 0.8100 | 1.27770 |
| Louisville | 0.48350 | 0.1220 | 0.7360 | 1.34150 |
| Bowling Green | 0.42049 | 0.1220 | 0.8450 | 1.38749 |
| Frankfort | 0.56765 | 0.1220 | 0.7430 | 1.43265 |
| Owensboro | 0.51259 | 0.1220 | 0.8660 | 1.50059 |
| Ashland | 0.76011 | 0.1220 | 0.7600 | 1.64211 |
| Covington | 0.66422 | 0.1220 | 1.0760 | 1.86222 |

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 2019 Tax Year (FY 2020)



* 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
(859) 258-3060**

Paid For With Lexington-Fayette Urban County Government Funds