

Ad Valorem Options FY 2017

Council Work Session

August 16, 2016

Department of Finance

Budgeting

Overview

- Required Ad Valorem Dates
- Taxing Districts
- Real Estate Values
- Taxing Options
 - General Services Fund
 - Urban Services Fund
 - Special District Tax Rates
- Questions



Required Ad Valorem Dates

(KRS 132.0225)

M	T	W	TH	F
JULY 18	19	20 CERTIFICATION DATE DAY 1	21	22
25	26	27	28	29
AUGUST 1	2	3	4	5
8	9	10	11	12
15	16 WORK SESSION DISCUSSION AND APPROVAL OF RATES	17	18 COUNCIL MEETING FIRST READING OF TAX RATES	19 FIRST ADVERTISEMENT*
22 SECOND ADVERTISEMENT*	23 WORK SESSION	24	25	26
29	30 COUNCIL MEETING PUBLIC HEARING** SECOND READING OF TAX RATES	31	SEPTEMBER 1	2 DAY 45



Taxing Districts

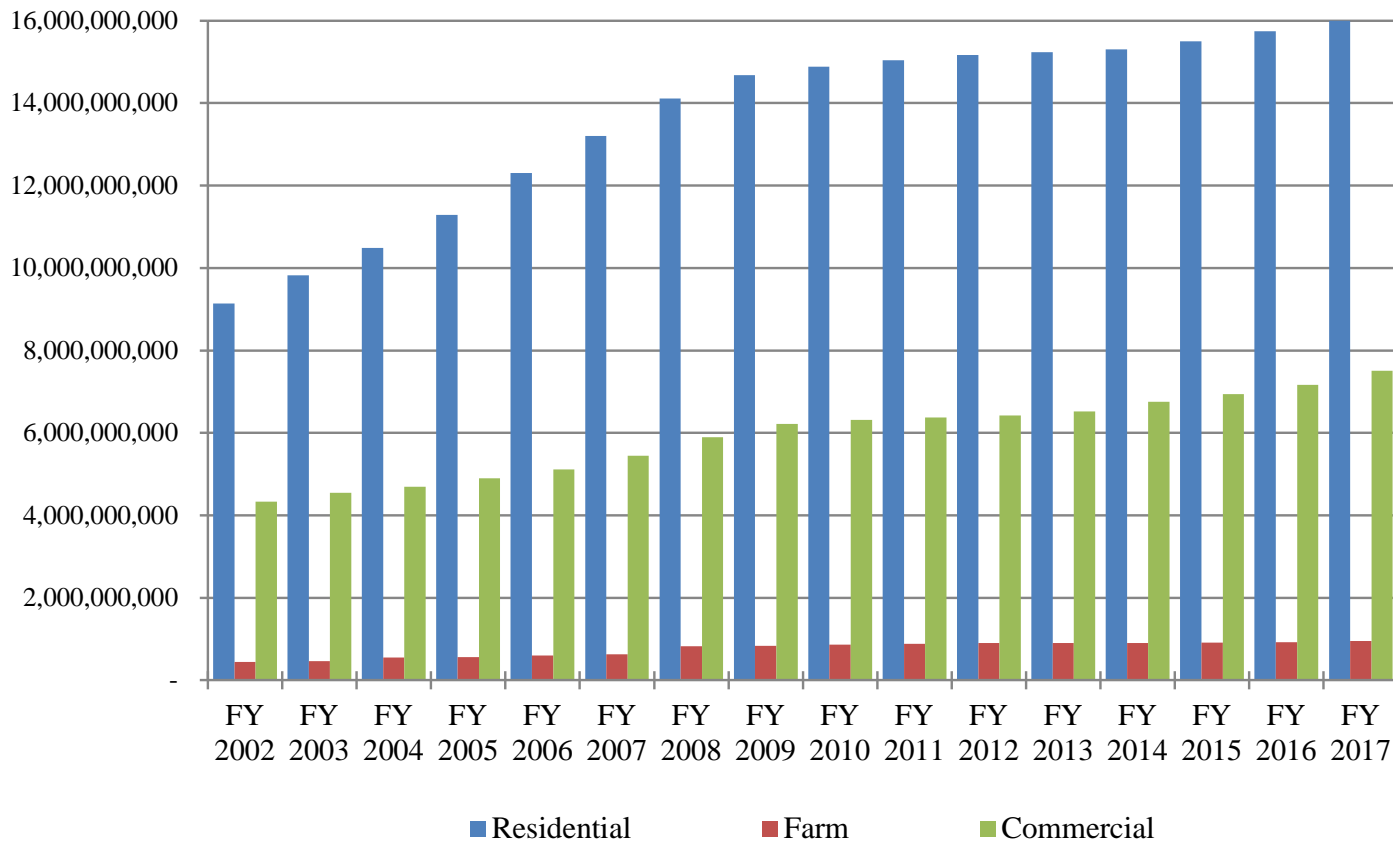
- **LFUCG Taxing Districts**
 - General Services
 - Urban Services
 - Street Lights
 - Refuse
 - Street Cleaning
- **Special Taxing Districts**
 - Soil and Water Conservation District
 - Agricultural Extension Service
 - Health Department



Real Estate Values

General Services

Real Estate Assessments By Category



General Services

Library Allocation

- Five cents of the general fund real estate tax goes to the library
- The impact based on certification for FY 2017 is \$286,520
 - Revised allocation of \$14,919,190



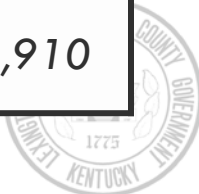
Ad Valorem Tax Rate Options for Consideration

1. Keep Rate the Same
2. Compensating Rate – provide approximately the same revenue as previous fiscal year for existing property
3. Maximum 4% Increase – highest increase that can be generated without potential for voter recall
4. Set the Rate above 4% - subject to voter recall within 45 days if petition signed by 10% of voters in the last Presidential Election (12,841)



General Services Fund (Options 1-3)

Category	Prior Year Rates	Option 1	Option 2 Compensating	Option 3 Maximum
Real Estate	0.08	0.08	0.079	0.082
Personalty	0.0915	0.0915	0.0932	0.0968
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	0.0915	0.0915	0.0932	0.0968
Watercraft (Non-Commercial)	0.0915	0.0915	0.0932	0.0968
Abandoned Property	1.00	1.00	1.00	1.00
<i>Impact on FY 2017 Budgeted Fund Balance</i>		\$178,910	(\$19,090)	\$782,910



General Services

Average Tax Bill

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

Taxing District	Option 1 Prior Rates	Option 2 Compensating	Option 3 Maximum
LFUCG General	\$132.00	\$130.35	\$135.30
TOTAL	\$132.00	\$130.35	\$135.30



Urban Services Fund (Options 1-4)

Category	Prior Year Rates	Option 1 Prior Rates	Option 2 Compensating	Option 3 Maximum	Option 4 Cost of Service
Refuse Collection	.1431	.1431	.1399	.1454	.1408
Street Lights	.0210	.0210	.0205	.0213	.0329
Street Cleaning	.0097	.0097	.0095	.0098	.0103
Public Service Companies	.1738	.1738	.1699	.1765	.1840
Insurance Companies Capital	.0920	.0920	.0920	.0920	.0920
<i>Impact on FY 2017 Budgeted Fund Balance</i>		\$555,000	(\$241,000)	\$1,108,000	\$2,692,000



Urban Services

Average Tax Bill

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

Taxing District	Option 1 Prior Rates	Option 2 Compensating	Option 3 Maximum	Option 4 Cost of Service
LFUCG				
Refuse Collection	\$236.12	\$230.84	\$239.91	\$232.32
Street Lights	34.65	33.83	35.15	54.29
Street Cleaning	16.01	15.68	16.17	17.00
TOTAL	\$286.77	\$280.34	\$291.23	\$303.60



Special Tax Districts

Taxing District	Current Rates	Requested Rates
<u>Soil and Water Conservation</u>		
Real Property	.000516*	.0006
<u>Extension</u>		
Real Property	.0035	.0035
Personal Property	.0038	.0038
<u>Health</u>		
Real Property	.028	.028
Personal Property	.028	.028

*Billed at .0005



Soil and Water Conservation

FY 2016 Adopted Rate	.000516
FY 2016 Billed Rate	.0005
FY 2016 State Calculated Rate	.001
FY 2017 Requested Rate	.0006
FY 2017 State Calculated Rate	.001



Questions?