



LEXINGTON

Ad Valorem Options FY 2026





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 21	22 CERTIFICATION DATE DAY 1	23	24	25
28	29	30	31	AUGUST 1
4	5	6	7	8
11	12 WORK SESSION PRESENTATION & SET RATES	13	14 COUNCIL MEETING FIRST READING	15 FIRST ADVERTISEMENT*
18	19 WORK SESSION SECOND ADVERTISEMENT*	20	21	22
25	26 WORK SESSION	27	28 COUNCIL MEETING PUBLIC HEARING** SECOND READING	29
SEPTEMBER 1 LABOR DAY	2	3	4 DAY 45	5





Taxing Districts

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





What is Ad Valorem?

- An ad valorem tax is a tax based on the assessed value of an item, such as real estate or personal property.
- Calculation: Rate for every \$100 value of property owned.
 - \$260,000 home would be $260,000/100 = 2,600 * \text{Tax Rate}$
- More information can be found on the Sheriff's Website: [Property Tax FAQ | Fayette County Sheriff's Office, Lexington, KY \(fayettesheriff.com\)](https://www.fayettesheriff.com/PropertyTaxFAQ)





Tax Rates in Selected Kentucky Cities – FY 2025

City	City Rate	County Rate	Total City/County
Versailles	0.0550	0.15500	0.21000
Georgetown	0.0620	0.16130	0.22330
Elizabethtown	0.1100	0.15250	0.26250
Shepherdsville	0.1204	0.18000	0.30040
Winchester	0.1230	0.20700	0.33000
Lexington *	0.1750	0.16530	0.34030
Paris	0.1070	0.23400	0.34100
Richmond	0.1210	0.22310	0.34410
Florence	0.2390	0.16850	0.40750
Bowling Green	0.2040	0.21950	0.42350
Louisville	0.3190	0.12100	0.44000
Nicholasville	0.1860	0.26500	0.45100
Owensboro	0.2610	0.23500	0.49600
Frankfort	0.1970	0.35700	0.55400
Covington	0.2770	0.28100	0.55800
Fort Thomas	0.3480	0.27600	0.62400
Ashland	0.2397	0.46800	0.70770

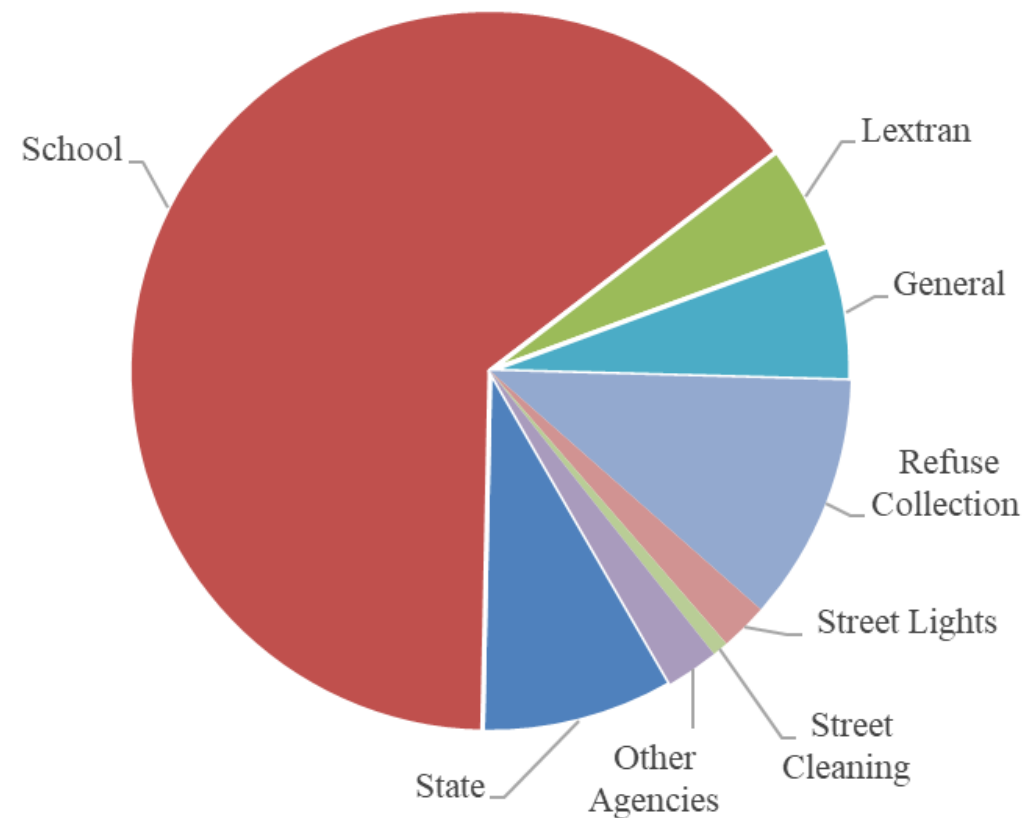




Comparison of Realty Tax Rates

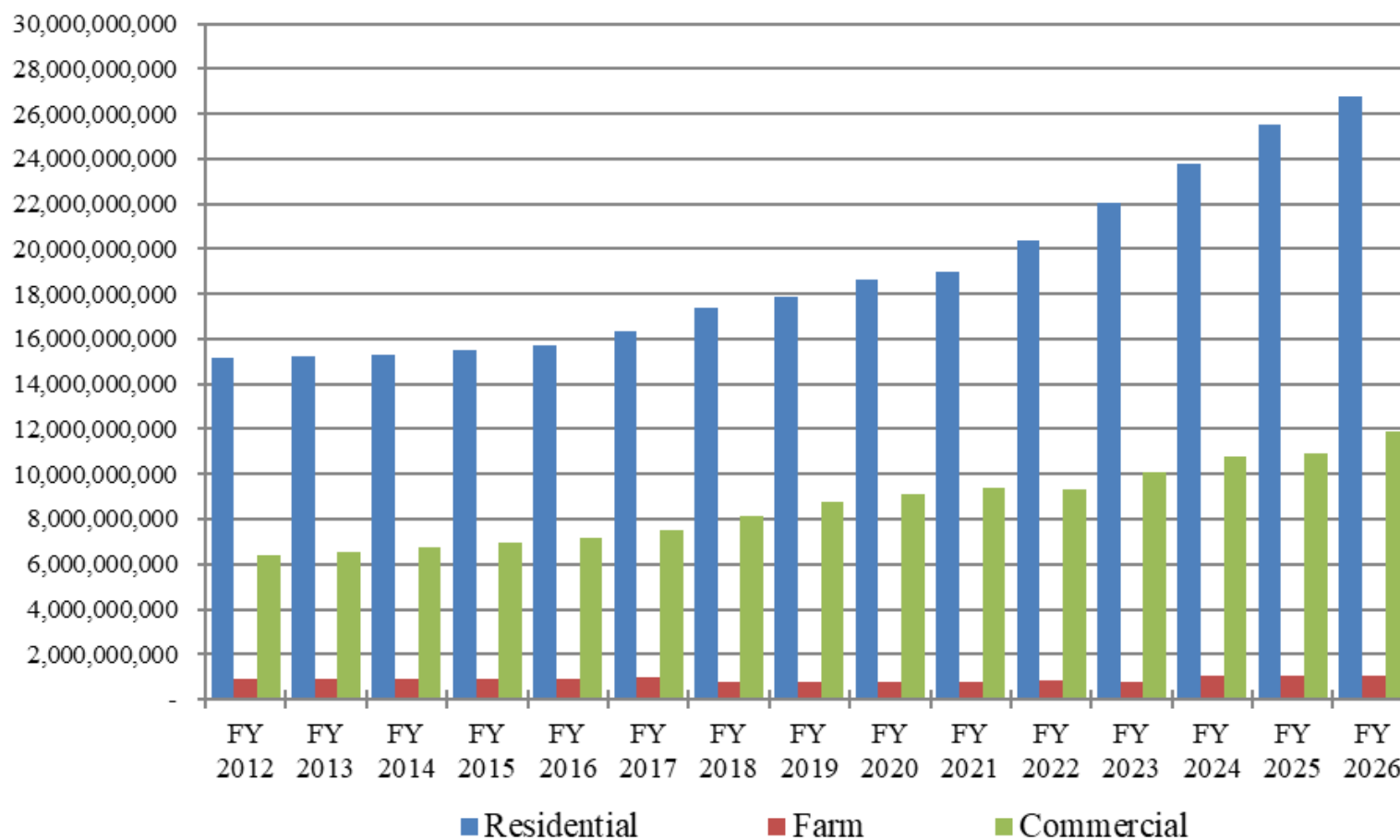
Fayette County Tax Rates, 2024 (FY 2025)

Taxing District	Tax Rate	Tax Paid on \$260,000 Property	Percent of Total Property Tax Bill
State	0.1090	\$283.40	9.1%
School	0.8090	\$2,103.40	64.1%
Lextran	0.0600	\$156.00	4.7%
LFUCG			
General	0.0760	\$197.60	6.0%
Urban			
Refuse Collection	0.1390	\$361.40	11.0%
Street Lights	0.0270	\$70.20	2.1%
Street Cleaning	0.0090	\$23.40	0.7%
Extension	0.0040	\$10.40	0.3%
Health	0.0243	\$63.18	1.9%
Soil/Water	0.0010	\$2.60	0.1%
TOTAL	1.2583	\$3,271.58	100.0%





Real Estate Values – General Services





Ad Valorem Tax Rate Options for Consideration

- Selecting Compensating Rate will provide approximately the same revenue as previous fiscal year for existing property
- Selecting House Bill 44 rate will provide a 4% revenue increase from existing real properties
- If we set the rate above 4% then the rates will be subject to voter recall within 45 days if petition signed by 10% of voters in the last Presidential Election (14,547)






General Services Fund (Options 1 – 3)

Category	Prior Year Rates	Option 1 (Prior Year)	Option 2 (Compensating)	Option 3 (4%)
Real Estate	.076	.076	.073	.075
Personal Property	.0891	.0891	.0886	.0911
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	.0891	.0891	.0886	.0911
Watercraft (Non-Commercial)	.0891	.0891	.0886	.0911
Abandoned Property	1	1	1	1
Revenue Impact		\$ 630,850	\$ (539,150)	\$ 303,850
Un-budgeted Library Increase		\$ (144,860)	\$ (144,860)	\$ (144,860)
Impact on Fund Balance:		\$ 485,990	\$ (684,010)	\$ 158,990



 Indicates rate is subject to recall and would result in two bills



General Services – Average Tax Bill

General Fund Property Tax Bill on a
\$260,000 House

Taxing District	Option 1 (Prior Year)	Option 2 (Compensating)	Option 3 (4%)
Rate	0.076	0.073	0.075
LFUCG			
General	\$197.60	\$189.80	\$195.00
Total	\$197.60	\$189.80	\$195.00





General Services Fund – Recommendation

- The Administration recommends Option 3, which is the House Bill 44 allowable 4%.





Urban Services Fund (Options 1 – 4)

Category	Prior Year Rates	Option 1 (Prior Year)	Option 2 (Compensating)	Option 3 (4%)	Option 4 (Cost of Service)
Refuse Collection	0.139	0.139	0.132	0.137	0.146
Street Lights	0.027	0.027	0.026	0.027	0.023
Street Cleaning	0.009	0.009	0.009	0.009	0.008
Public Service Companies	0.175	0.175	0.167	0.173	0.177
Insurance Co Capital	0.092	0.092	0.092	0.092	0.092
<i>Impact on Fund Balance:</i>		<i>\$1,129,000</i>	<i>(\$1,586,000)</i>	<i>\$452,000</i>	<i>\$1,819,000</i>



Indicates rate is subject to recall and would result in two bills



Urban Services – Average Tax Bill

Urban Services Fund Property Tax Bill on
a \$260,000 House

Taxing District	Option 1 (Prior Year)	Option 2 (Compensating)	Option 3 (4%)	Option 4 (Cost of Service)
LFUCG				
Refuse Collection	\$361.40	\$343.20	\$356.20	\$379.60
Street Lights	70.20	67.60	70.20	59.80
Street Cleaning	23.40	23.40	23.40	20.80
Total	\$455.00	\$434.20	\$449.80	\$460.20





Urban Services Fund – Recommendation

- The Administration recommends Option 3, which is the House Bill 44 allowable 4%.





Special Tax Districts

Taxing District		Current Rates	Requested Rates*
<u>Soil and Water Conservation</u>	Real Property	0.001	0.001
	Extension*		
	Real Property	0.004	0.004
<u>Health</u>	Personal Property	0.0053	0.0055
	Real Property	0.0243	0.0243
	Personal Property	0.0243	0.0243

*LFUCG is only required to approve if they request above the compensating rate, and Extension has elected the Compensating Rate for FY 2026.



Questions?



LEXINGTON





Average Tax Bill

Property Tax Bill on a \$260,000 house

Taxing District	Current Rates	Proposed Rates
General	\$197.60	\$195.00
Refuse Collection	361.40	\$356.20
Street Lights	70.20	\$70.20
Street Cleaning	23.40	\$23.40
TOTAL	\$652.60	\$644.80





Comparison of Realty Tax Rates

2024 Property Tax Rates Fayette County –Urban Services Resident

