

AD VALOREM OPTIONS FY 2021

Council Work Session

September 1, 2020



LEXINGTON



Overview

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



Require Ad Valorem Dates

(KRS 132.0225)

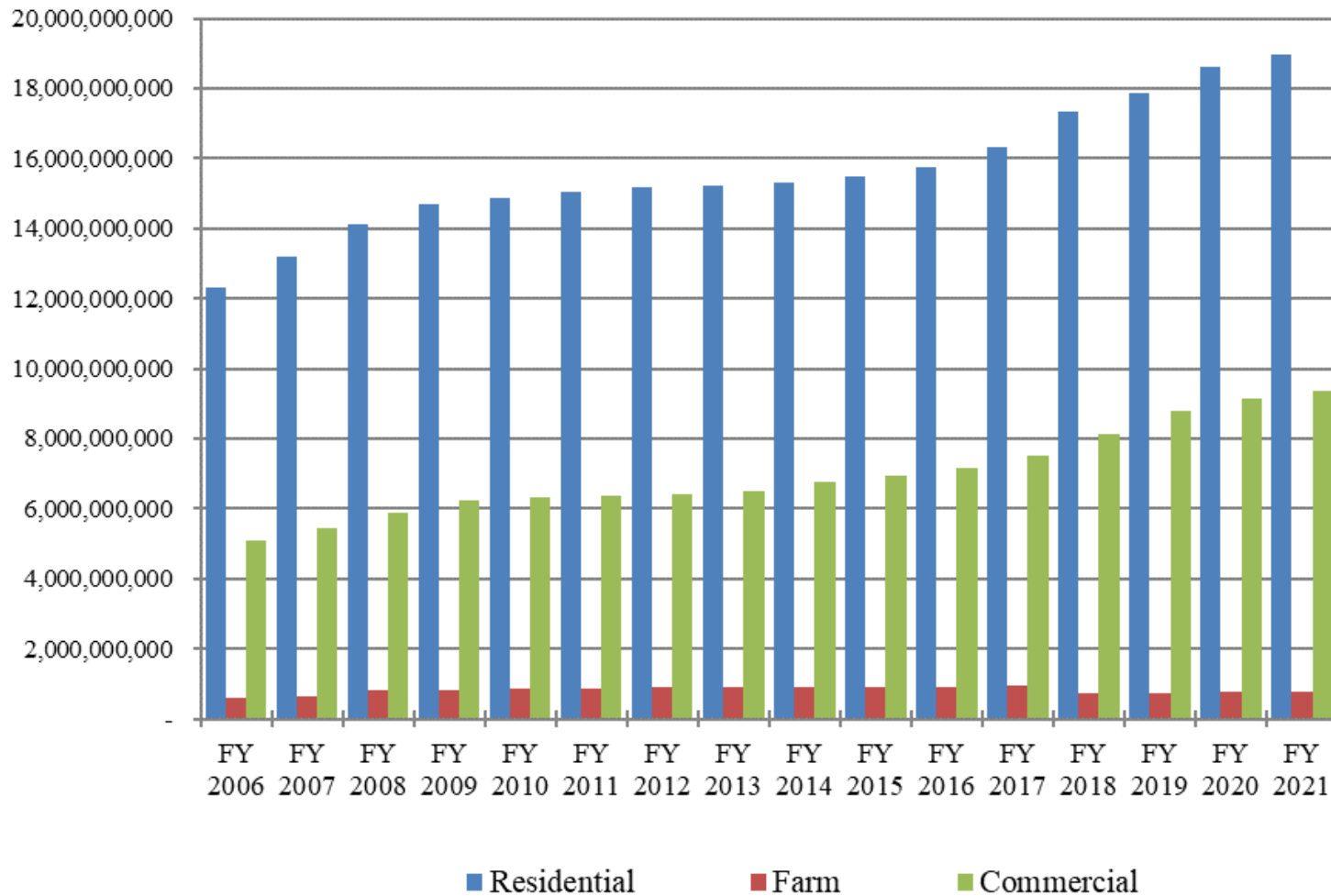
M	T	W	TH	F
AUGUST 17	18	19	20 CERTIFICATION DATE DAY 1	21
24	25	26	27	28
31	SEPTEMBER 1 PRESENTATION & SET RATES WORK SESSION	2	3 FIRST READING COUNCIL MEETING	4 FIRST ADVERTISEMENT*
HOLIDAY 7	8 SECOND ADVERTISEMENT*	9	10	11
14	15 WORK SESSION PUBLIC HEARING** SECOND READING COUNCIL MEETING	16	17	18
21	22	23	24	25
28	29	30	October 3 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





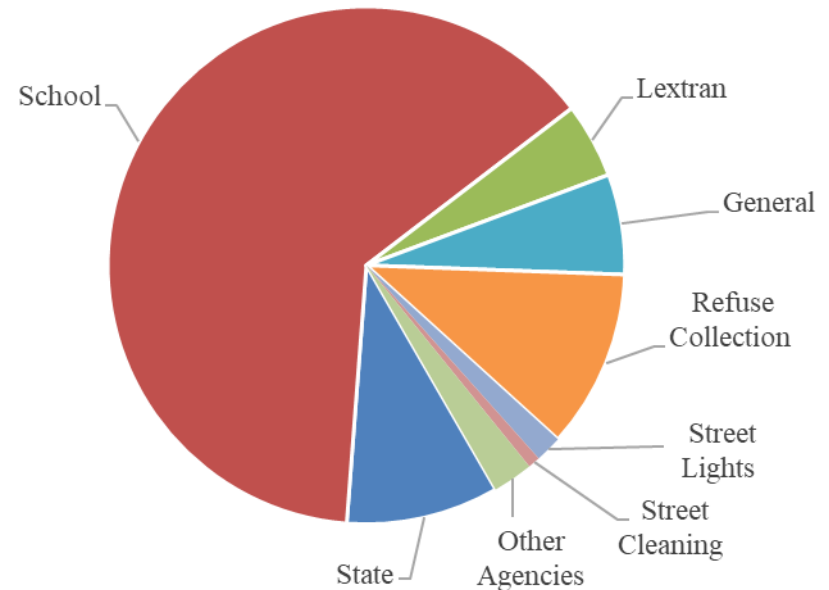
General Services – Library Allocation

- Five cents of the general fund real estate tax goes to the library
- Assessments were lower than what was originally budgeted, therefore the allocation to the library will be lowered by \$566,940.
 - Revised allocation of \$17,320,060
 - Compared to the City's allocation of \$9,324,030

Comparison of Realty Tax Rates

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%



Ad Valorem Tax Rate Options for Consideration

1. Keep the Rate the same
2. Compensating Rate – provide approximately the same revenue as previous fiscal year for existing property
3. House Bill 44 Limit – increase rates to those that give a 4% revenue increase from existing real properties
4. Set the Rate Above 4% – subject to voter recall within 50 days if petition signed by 10% of voters in the last Presidential Election (13,632)



General Services Fund (Options 1 – 3)

Category	Prior Year Rates	Option 1 (Prior Year)	Option 2 (Compensating)	Option 3 (4%)
Real Estate	0.08	0.08	0.081	0.084
Personalty	0.0892	0.0890	0.0901	0.0934
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	0.0892	0.0890	0.0901	0.0934
Watercraft (Non-Commercial)	0.0892	0.0890	0.0901	0.0934
Abandoned Property	1.00	1.00	1.00	1.00
<i>Impact on FY 2021 Budgeted Fund Balance:</i>		\$235,040	\$505,040	\$1,475,040



General Services – Average Tax Bill

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

Taxing District	Option 1 (Prior Year)	Option 2 (Compensating)	Option 3 (4%)
LFUCG			
General	\$152.00	\$153.90	\$159.60
Total	\$152.00	\$153.90	\$159.60



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	0.1426	0.1426	0.1434	0.1491	0.1540
Street Lights	0.0213	0.0213	0.0215	0.0223	0.0310
Street Cleaning	0.0097	0.0097	0.0098	0.0101	0.0092
Public Service Companies	0.1736	0.1736	0.1747	0.1815	0.1942
Insurance Companies Capital	0.0920	0.0920	0.0920	0.0920	0.0920
<i>Impact on FY 2021 Budgeted Fund Balance:</i>		<i>(\$552,000)</i>	<i>(\$282,000)</i>	<i>\$1,388,000</i>	<i>\$4,576,000</i>



Urban Services – Average Tax Bill

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

Taxing District	Option 1 (Prior Year)	Option 2 (Compensating)	Option 3 (4%)	Option 4 (Cost of Service)
LFUCG				
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



Special Tax Districts

Taxing District	Current Rates	Requested Rates*
<u>Soil and Water Conservation</u>		
Real Property	.0006	
<u>Extension</u>		
Real Property	.0035	
Personal Property	.0041	
<u>Health</u>		
Real Property	.028	
Personal Property	.028	

Questions?

