

AD VALOREM OPTIONS FY 2022

Council Work Session

August 10, 2021



LEXINGTON



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 19	20 CERTIFICATION DATE DAY 1	21	22	23
26	27	28	29	30
AUGUST 2	3	4	5	6
9	10 PRESENTATION & SET RATES WORK SESSION	11	12 FIRST READING COUNCIL MEETING	13 FIRST ADVERTISEMENT*
16	17 SECOND ADVERTISEMENT* WORK SESSION	18	19	20
23	24	25	26 PUBLIC HEARING** SECOND READING COUNCIL MEETING	27
30	31	SEPTEMBER 1	2 DAY 45	25



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



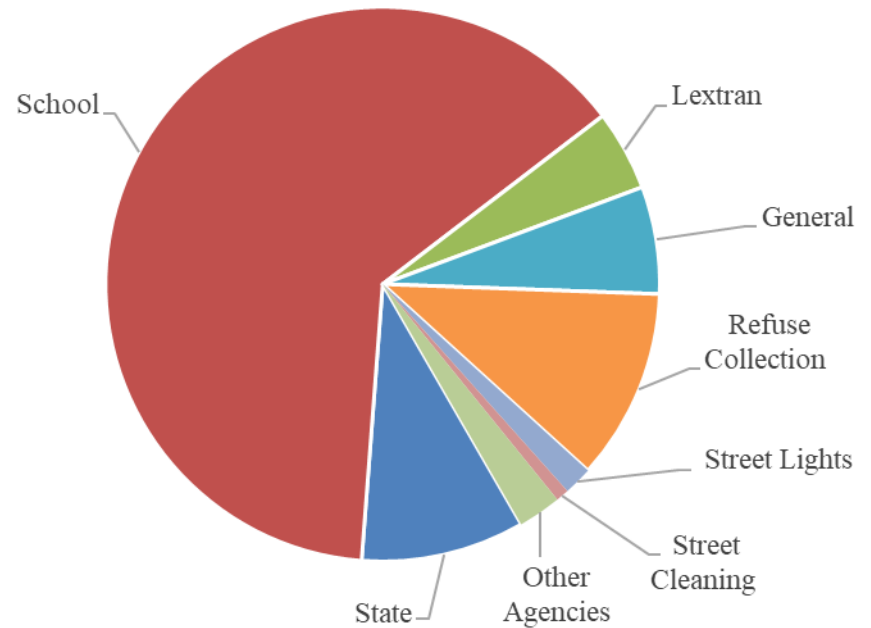
Tax Rates in Selected Kentucky Cities – FY 2021

City	City Rate	County Rate	Total City/County
Georgetown	0.0650	0.17870	0.24370
Lexington *	0.1736	0.17210	0.34570
Winchester	0.1460	0.22521	0.37121
Richmond	0.1390	0.25272	0.39172
Bowling Green	0.2050	0.21735	0.42235
Nicholasville	0.1860	0.25570	0.44170
Louisville	0.3671	0.13000	0.49710
Owensboro	0.2640	0.24559	0.50959
Frankfort	0.1960	0.36931	0.56531
Covington	0.3270	0.33458	0.66158
Ashland	0.2671	0.48717	0.75427

Comparison of Realty Tax Rates

Fayette County Tax Rates, 2020 (FY 2021)

Taxing District	Tax Rate	Tax Paid on \$200,000 Property	Percent of Total Property Tax Bill
State	0.1220	\$244.00	9.5%
School	0.8100	\$1,620.00	63.4%
Lextran	0.0600	\$120.00	4.7%
LFUCG			
General	0.0800	\$160.00	6.3%
Refuse Collection	0.1426	\$285.20	11.2%
Street Lights	0.0213	\$42.60	1.7%
Street Cleaning	0.0097	\$19.40	0.8%
Extension	0.0035	\$7.00	0.3%
Health	0.0280	\$56.00	2.2%
Soil/Water	0.0006	\$1.20	0.0%
TOTAL	1.2777	\$2,555.40	100%

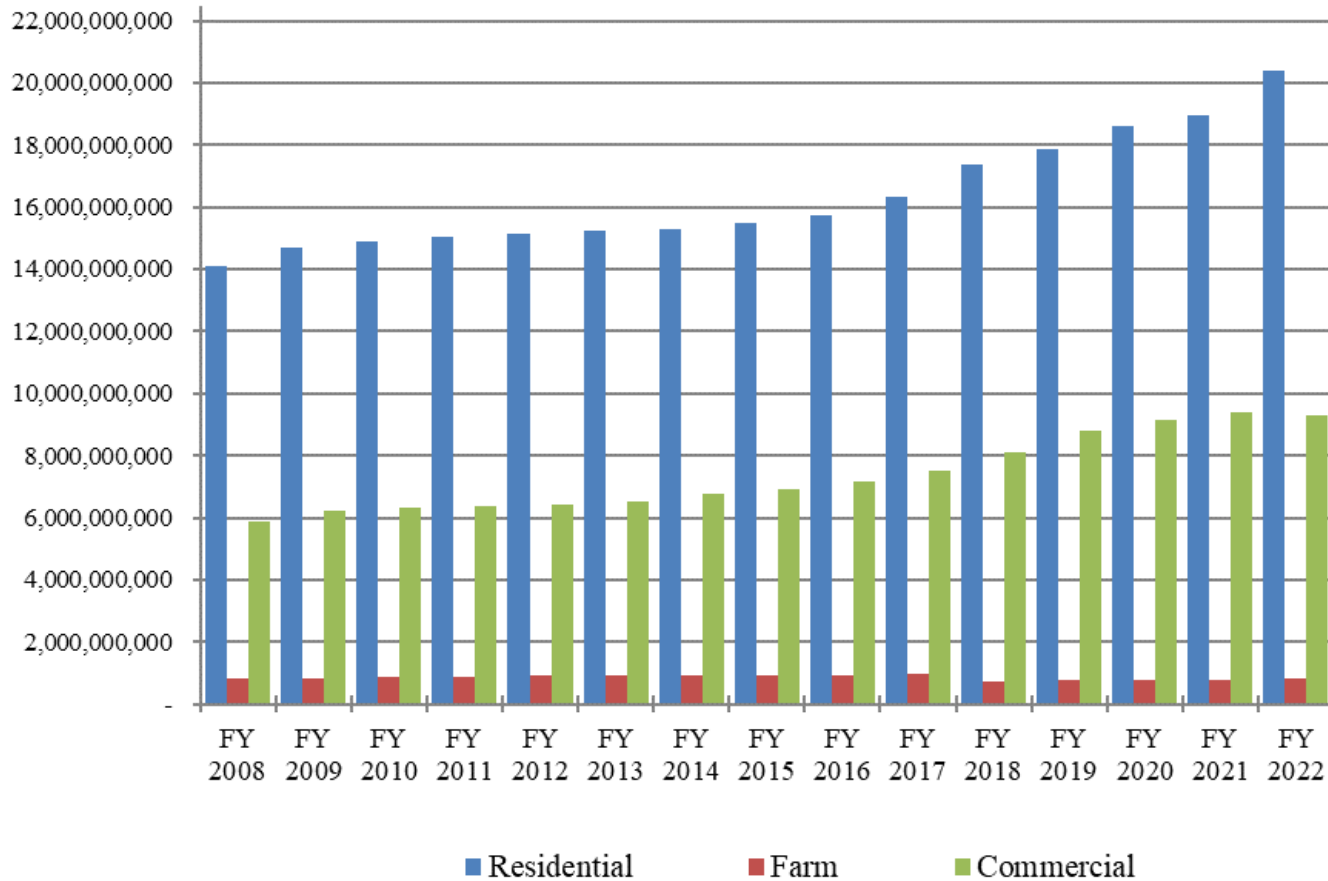




General Services – Library Allocation

- Five cents of the general fund real estate tax goes to the library
- Assessments were higher than what was originally budgeted, therefore the allocation to the library will be increased by \$153,200.
 - Revised allocation of \$17,928,200
 - Compared to the City's allocation of \$9,623,800 if rates stay the same

Real Estate Values – General Services





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 Rate – rate that give a 4% revenue increase from existing real properties
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 (15,406)



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	0.078	0.081
Personalty	0.0890	0.0890	0.0950	0.0986
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	0.0890	0.0890	0.0950	0.0986
Watercraft (Non-Commercial)	0.0890	0.0890	0.0950	0.0986
Abandoned Property	1.00	1.00	1.00	1.00
<i>Impact on FY 2022 Budgeted Fund Balance:</i>		\$80,800	(\$363,200)	\$612,800



General Services – Average Tax Bill

General Fund Property Tax Bill on a \$200,000 house

Taxing District	Option 1 (Prior Year)	Option 2 (Compensating)	Option 3 (4%)
LFUCG			
General	\$160.00	\$156.00	\$162.00
Total	\$160.00	\$156.00	\$162.00



General Services Fund - Recommendation

- The Administration recommends Option 1, keeping the current rates.



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	0.1369	0.1423	0.1607
Street Lights	0.0213	0.0213	0.0204	0.0212	0.0310
Street Cleaning	0.0097	0.0097	0.0093	0.0096	0.0103
Public Service Companies	0.1736	0.1736	0.1666	0.1731	0.2020
Insurance Co Capital	0.0920	0.0920	0.0920	0.0920	0.0920
<i>Impact on FY 2022 Budgeted Fund Balance:</i>		<i>\$744,000</i>	<i>(\$1,055,000)</i>	<i>\$618,000</i>	<i>\$8,103,000</i>



Urban Services – Average Tax Bill

Urban Services Fund Property Tax Bill on a \$200,000 house

Taxing District	Option 1 (Prior Year)	Option 2 (Compensating)	Option 3 (4%)	Option 4 (Cost of Service)
LFUCG				
Refuse Collection	\$285.20	\$273.80	\$284.60	\$321.40
Street Lights	42.60	40.80	42.40	62.00
Street Cleaning	19.40	18.60	19.20	20.60
Total	\$347.20	\$333.20	\$346.20	\$404.00

Urban Services Fund - Recommendation

- The Administration recommends Option 1, keeping the current rates.



Special Tax Districts

Taxing District	Current Rates	Requested Rates*
<u>Soil and Water Conservation</u>		
Real Property	.0006	.0006
<u>Extension</u>		
Real Property	.0035	.0040
Personal Property	.0041	.0051
<u>Health</u>		
Real Property	.028	.028
Personal Property	.028	.028

Questions?





Average Tax Bill

Property Tax Bill on a \$200,000 house

Taxing District	Requested Rates	Taxes Paid
LFUCG		
General	.08	\$160.00
Refuse Collection	.1426	\$285.20
Street Lights	.0213	\$42.60
Street Cleaning	.0097	\$189.40
Soil/Water Conservation	.0006	\$1.20
Extension	.004	\$8.00
Health	.028	\$56.00
TOTAL		\$572.40