AD VALOREM OPTIONS FY 2027

Council Work Session

August 11, 2026

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Overview

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

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Required Ad Valorem Dates

(KRS 132.0225)

M	T	W	TH	F
JULY 27	28	29	30 CERTIFICATION DATE DAY 1	31
AUGUST 3	4	5	6	7
10	11 WORK SESSION PRESENTATION & SET RATES	12	13 COUNCIL MEETING FIRST READING	14 FIRST ADVERTISEMENT*
17	18 WORK SESSION SECOND ADVERTISEMENT*	19	20	21
24	25 WORK SESSION	26	27 COUNCIL MEETING PUBLIC HEARING** SECOND READING	28
31	SEPTEMBER 1	2	3	4
7 LABOR DAY	8 WORK SESSION	9	10 COUNCIL MEETING	11 DAY 45 September 12th

Taxing Districts

- LFUCG Taxing Districts
  - General Services
  - Urban Services
    - Refuse
    - 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.
  - $270,000 home would be 270,000/100 = 2,700 * Tax Rate

- More information can be found on the Sheriff’s Website: Property Tax FAQ | Fayette County Sheriff's Office, Lexington, KY (fayettesheriff.com)

Tax Rates in Selected Kentucky Cities – FY 2026

City	City Rate	County Rate	Total City/County
Versailles	0.0490	0.14500	0.19400
Georgetown	0.0620	0.15570	0.21770
Elizabethtown	0.1070	0.15000	0.25700
Shepherdsville	0.1161	0.17500	0.29110
Winchester	0.1230	0.20000	0.32300
Richmond	0.1110	0.21900	0.33000
Paris	0.1123	0.22800	0.34030
Lexington *	0.1730	0.18680	0.35980
Florence	0.2310	0.16150	0.39250
Bowling Green	0.2030	0.21450	0.41750
Louisville	0.3190	0.11800	0.43700
Nicholasville	0.1860	0.26900	0.45500
Owensboro	0.2560	0.22670	0.48270
Frankfort	0.1950	0.35000	0.54500
Covington	0.2870	0.26800	0.55500
Fort Thomas	0.3480	0.26300	0.61100
Ashland	0.1918	0.46787	0.65967

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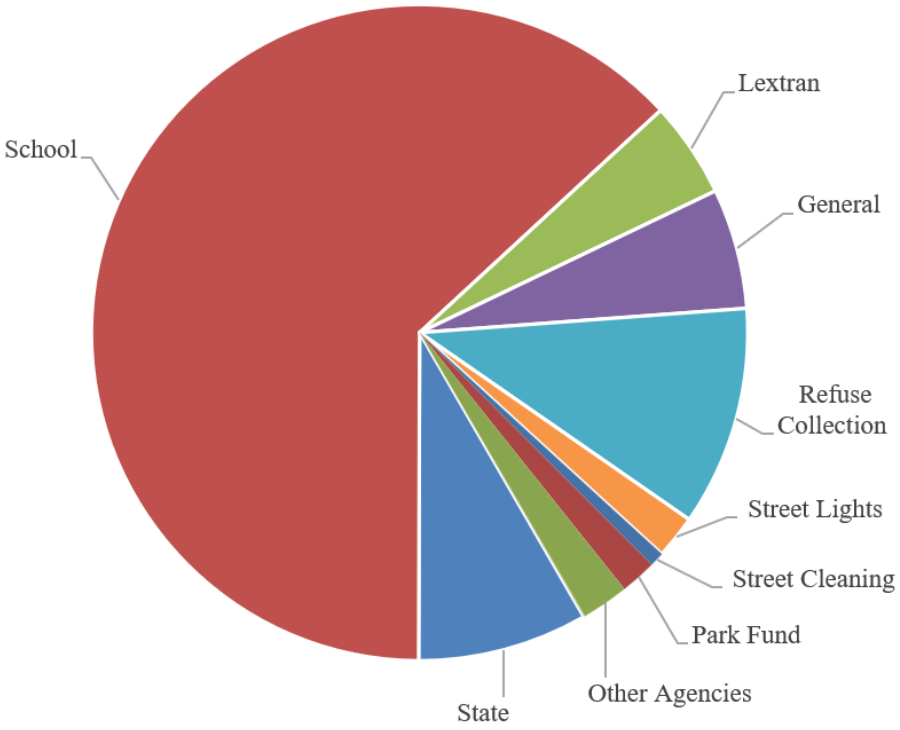
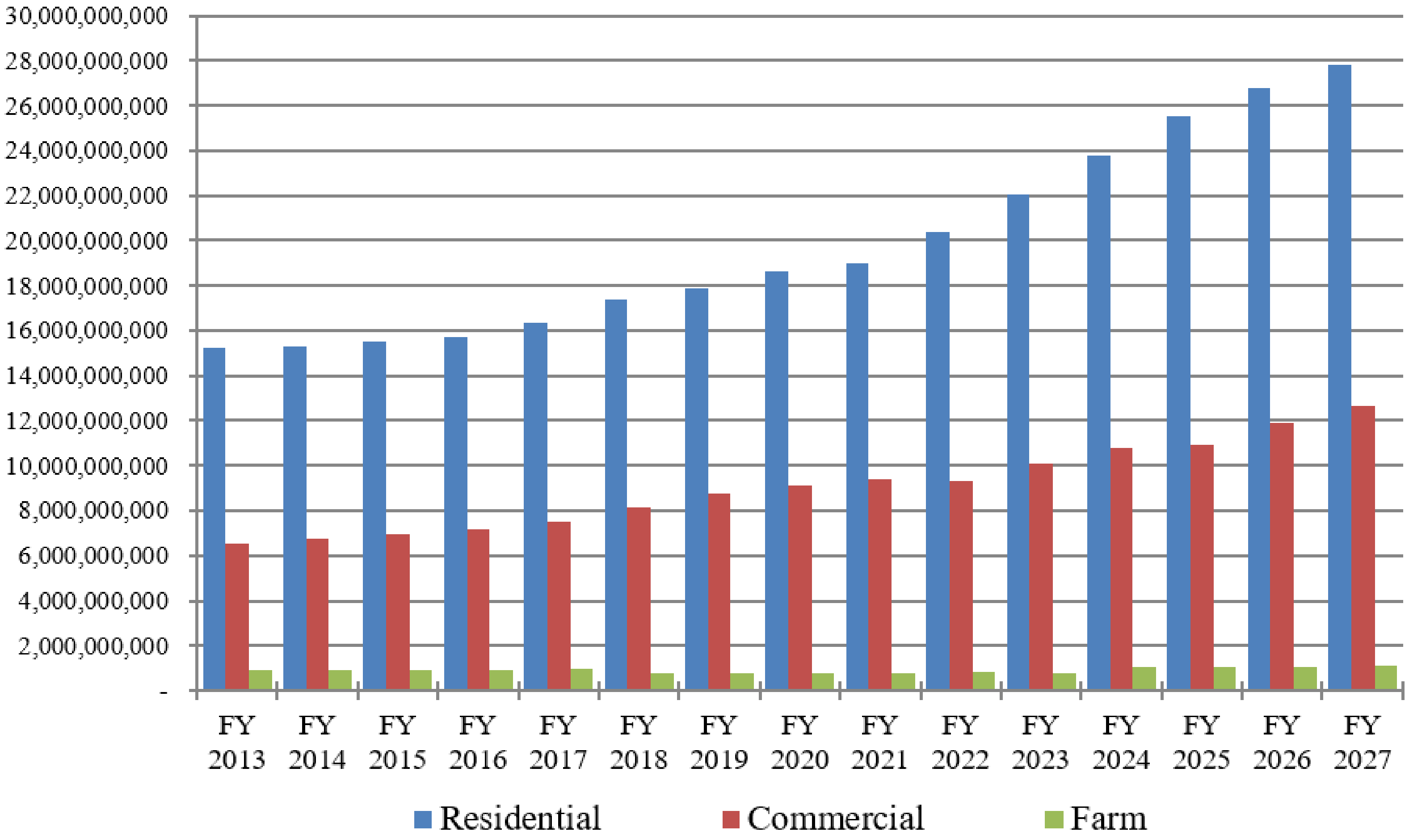
Comparison of Realty Tax Rates

Fayette County Tax Rates, 2025 (FY 2026)

Taxing District	Tax Rate	Tax Paid on $270,000 Property	Percent of Total Property Tax Bill
State	0.1060	$286.20	8.39%
School	0.7980	$2,154.60	63.14%
Lextran	0.0600	$162.00	4.75%
LFUCG			
General	0.0750	$202.50	5.93%
Urban			
Refuse Collection	0.1370	$369.90	10.84%
Street Lights	0.0270	$72.90	2.14%
Street Cleaning	0.0090	$24.30	0.71%
Park Fund	0.0225	$60.75	1.78%
Extension	0.0040	$10.80	0.32%
Health	0.0243	$65.61	1.92%
Soil/Water	0.0010	$2.70	0.08%
TOTAL	1.2638	$3,412.26	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 50 days if petition signed by 10% of voters in the last Presidential Election (14,547)

General Services Fund (Options)

Category	Prior Year Rates	Option 1 (Compensating)	Option 2 (4% Rate)
Real Estate	.075	.073	.075
Personalty	.0911	.0869	.0893
Motor Vehicles/Watercraft	.088	.088	.088
Tobacco in Storage	.015	.015	.015
Agri. Products in Storage	.045	.045	.045
Insurance Companies Capital	.15	.15	.15
Aircraft	.0911	.0869	.0893
Watercraft (Non-Commercial)	.0911	.0869	.0893
Abandoned Property	1.00	1.00	1.00
Impact on Budgeted Fund Balance:		**($371,350)**	**$502,650**

General Services – Average Tax Bill

General Fund Property Tax Bill on a $270,000 House

Taxing District	Prior Year Rates	Option 1 (Compensating)	Option 2 (4% Rate)
Rate	0.075	0.073	0.075
LFUCG			
General	$202.50	$197.10	$202.50
Total	**$202.50**	**$197.10**	**$202.50**

General Services Fund – Recommendation

- The Administration recommends Option 2, which is the House Bill 44 allowable 4%.

Urban Services Fund (Options)

Category	Prior Year Rates	Option 1 (Compensating)	Option 2 (4% Rate)	Option 3 (Cost of Service)
Refuse Collection	.137	.132	.137	.141
Street Lights	.027	.026	.027	.022
Street Cleaning	.009	.009	.009	.010
Public Service Companies	.173	.167	.173	.173
Insurance Companies Capital	.092	.092	.092	.092
Impact on Budgeted Fund Balance:		**($1,264,145)**	**$835,535**	**$776,655**

Urban Services – Average Tax Bill

General Fund Property Tax Bill on
a $270,000 House

Taxing District	Prior Year Rates	Option 1 (Compensating)	Option 2 (4% Rate)	Option 3 (Cost of Service)
LFUCG				
Refuse Collection	$369.90	$356.40	$369.90	$380.70
Street Lights	$72.90	$70.20	$72.90	$59.40
Street Cleaning	$24.30	$24.30	$24.30	$27.00
Total	**$467.10**	**$197.10**	**$467.10**	**$467.10**

Urban Services Fund – Recommendation

- The Administration recommends Option 2, which is the House Bill 44 allowable 4%.

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Special Tax Districts

Taxing District	Current Rates	Requested Rates*
Soil and Water Conservation		
Real Property	0.001	
Extension		
Real Property	0.004	
Personal Property	0.0055	
Health		
Real Property	0.0243	
Personal Property	0.0243	

*LFUCG is only required to approve if they request above the compensating rate

Questions?

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Average Tax Bill

Property Tax Bill on a $270,000 house

Taxing District	Current Rates	Proposed Rates
General	$202.50	$202.50
Refuse Collection	369.90	369.90
Street Lights	72.90	72.90
Street Cleaning	24.30	24.30
TOTAL	**$669.60**	**$669.60**

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Comparison of Realty Tax Rates

2025 Property Tax Rates Fayette County –Urban Services Resident