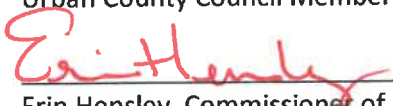




TO: Mayor Linda Gorton
Sally Hamilton, CAO
Urban County Council Members

FROM: 
Erin Hensley, Commissioner of Finance

DATE: October 30, 2025

SUBJECT: Sheriff Ad Valorem – 2025 and 2026 Property Tax and Parks Tax Collection Agreement

Request

Authorization to: Execute an Agreement with Kathy H. Witt, Sheriff of Fayette County, for the collection of the Ad Valorem Urban Service District Taxes and Ad Valorem Parks Taxes for the 2025 and 2026 property tax years. The **Ad Valorem Urban Service District Taxes** will be collected at a cost of one percent (1%) of the amount of these taxes collected for the first year of the agreement (FY 2026 taxes) and two percent (2%) of the second year of this agreement (FY 2027 taxes). The **Ad Valorem Parks Taxes** will be collected at a cost of four and one quarter percent (4.25%) of the amount of these taxes collected, with the payments to be treated as a commission and the Urban County Government to receive any related payment from the Commonwealth of Ky.

Why are you requesting?

Department needs this action completed because: The Lexington-Fayette Urban County Government shall pay the Sheriff the designated amounts for collection of the Ad Valorem Urban Service District property taxes and the Ad Valorem Parks taxes for the 2025 and 2026 property tax years, with the payments to be treated as commission paid for the collection of said taxes for FY 2026 and for FY 2027 taxes.

This change is being requested in a direct response to the increase in required law enforcement operations and administrative duties the Sheriff's Office has experienced over the past few years. It is needed to maintain its exemplary service to the residents of Fayette County and its continued unwavering support of LFUCG operations. This change will also assist in allowing the Sheriff's Office to continue its efforts in addressing community needs throughout the county but also permit special emphasis in the downtown corridor.



The sum shall be payable as follows: The Sheriff shall remit all collections to the Government monthly via electronic transmission of funds on or about the fifteenth of the month following the collection. The parties understand and agree that the Sheriff will report this sum as commissions subject to KRS 64.350(1) and the Government in turn shall receive the twenty-five percent (25%) payment from the state on the Sheriff's commission, pursuant to KRS 64.350(1).

What is the cost in this budget year and future budget years?

The cost for this FY is: Ad Valorem Urban Service District Property Taxes

- FY 2026: One percent (1%) of taxes collected

Ad Valorem Parks Taxes

- FY 2026: Four and one quarter percent (4.25%) of taxes collected

The cost for future FY is: Ad Valorem Urban Service District Property Taxes

- FY 2027: Two percent (2%) of taxes collected

Ad Valorem Parks Taxes

- FY 2027: Four and one quarter percent (4.25%) of taxes collected

Are the funds budgeted?

The funds are budgeted: Yes

Account number: 1115-011001-0001-40960 (Property Tax)

1148-011001-0001-40960 (Parks Tax)

File Number: 1044-25

Commissioner: Hensley

