

AGREEMENT

THIS AGREEMENT is effective the _____ day of _____, 2025, and is by and between KATHY H. WITT, Sheriff of Fayette County, hereinafter referred to as "Sheriff", and the LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, an urban county government of the Commonwealth of Kentucky pursuant to KRS Chapter 67A, hereinafter referred to as "Government":

WITNESSETH:

WHEREAS, the Sheriff is pursuant to KRS 134.119 the collector of "State, county and district taxes" and is pursuant to KRS 160.010 and 160.500(1) the collector of school taxes; and

WHEREAS, KRS 91A.070 provides that cities may collect their own taxes or elect to hire the Sheriff to collect them; and the Government's position is that KRS 67A.060(1) and 67A.070 give Urban County Governments all powers of cities not in conflict with the general statutes of the state; and

WHEREAS, the parties have agreed for the 2025 tax year and the 2026 tax year that the Sheriff will collect the state taxes, county taxes, school taxes, the ad valorem urban services taxes, and the ad valorem parks tax, pursuant to the terms set forth below:

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the parties hereto have bargained and agreed to the terms of this Agreement as follows:

Section 1. The Sheriff will assume all duties involved in collecting and reporting both the ad valorem urban services taxes and the ad valorem parks taxes. The Sheriff shall pay her bond commission and tax audit fees and not seek a return of these expenses. 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. For the purposes of this Agreement "ad valorem parks tax" shall mean the ad valorem tax authorized by KRS 97.590 and approved by the voters through referendum on or about November 5, 2024, to support the establishment and funding of a dedicated Park Fund.

Section 2. As a fee or commission for collecting ad valorem urban services property taxes as provided herein, the Government shall pay the Sheriff a sum equal to one percent (1%) of the amount of the amount of these taxes collected for the first year of this agreement (for the FY 2026 taxes) and two percent (2%) of the amount of these taxes collected for the second year of this agreement (for the FY 2027 taxes).; .

Section 3. As a fee or commission for collecting ad valorem property parks taxes as provided herein, the Government shall pay the Sheriff a commission equal to four and one quarter percent (4.25%) of the amount of ad valorem parks tax collected by the Sheriff.

Section 4. Any payment by the Government pursuant to this Agreement shall be provided to the Sheriff in accordance with the schedule provided by the Government. Said schedule may be amended from time to time in the sole and reasonable discretion of the Government in coordination and agreement of the Sheriff. In no event shall an amendment of the schedule result in an amendment to the total sums required to be paid by the Government under this Agreement.

Section 5. The parties understand and agree that the Sheriff will report all payments received from the Government for the collection of ad valorem taxes as commissions subject to KRS 64.350(1), and the Government in turn shall receive twenty-five percent (25%) payment from the state on the Sheriff's commission, pursuant to KRS 64.350(1).

Section 6. This Agreement shall be for a period of two tax years and thereafter will be subject to renegotiation. The Agreement shall in no way be construed as limiting, reducing or waiving any constitutional or statutory authority of the Office of Fayette County Sheriff or the Government, including the right to collect taxes, or with respect to the right to assert any claim with respect to compensation for the collection of taxes, in any future agreements. The Sheriff shall continue rendering all other services to Fayette County as required by law.

Section 7. The preamble be and hereby is incorporated in this Agreement, the same as if fully set out herein.

SHERIFF OF FAYETTE COUNTY

LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT

By. _____
KATHY H. WITT, SHERIFF

By. _____
LINDA GORTON, MAYOR