

ADOPTION AND LEVY OF TAX RATES FOR SCHOOL PURPOSES

BACKGROUND AND RATIONALE:

On July 29, 2014 the District received Department of Property Taxation and Department of Education certified net assessment growth and tax rates calculated as provided in KRS 134.590(7), 157.440, 160.470 and 160.463 for the 2014-2015 school year. The current rate is 69.6 cents per \$100 for real estate and 69.6 cents per \$100 for personal property. Staff recommends that the Board approve a rate of 71.9 cents for real estate and 71.9 cents for personal property including 0.1 cents for the recovery of prior year losses due to exonerations. Following are the certified tax rates per \$100 assessed valuation, which may be levied for 2014-2015:

	Compensating Rate (1)	Subsection One Rate (2)	4% Increase Rate (3)	Proposed Rate (3)
Real Estate	<u>69.2¢</u>	<u>69.6¢</u>	<u>71.9¢</u>	<u>71.9¢</u>
Personal Property	<u>69.2¢</u>	<u>69.6¢</u>	<u>71.9¢</u>	<u>71.9¢</u>

- (1) No hearing required - not subject to recall. This rate would be expected to produce the same revenues as the previous fiscal year based on the new assessment of real and personal property, excluding new property.
- (2) Hearing required - subject to recall if exceeds 4 percent.
- (3) Hearing required - not subject to recall. This rate would be expected to produce a 4% increase in the revenues derived from real and personal property based on the current year assessments, excluding new property.

Tax rate for Motor Vehicle: 59.2¢ (no change from 2013-2014)

The Tentative Budget approved in May is predicated on the 4% increase rate. This assumption was made in consideration of inflation and the many unmet needs recognized at that time. Staff believes that levying the 4% increase rate appears appropriate at this time.

PROPOSAL:

<u>Item</u>	<u>Amount</u>	<u>Funding Source</u>	<u>Recurring/ Nonrecurring</u>	<u>Measurable Expected Impact and Timeline</u>
<u>Real and Personal Property</u>	\$184,137,780	Property Owners of Fayette County	Recurring	Continue to provide quality education to all children and address facilities needs

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POLICY REFERENCE: KRS 160.470 and 160.476.

RECOMMENDATION: The Superintendent recommends that the Board consider the following motion:

“That the Board of Education for 2014-2015 levies a total tax rate of 71.9 cents (real estate) and 71.9 cents (personal property) per \$100 assessed valuation and a total motor vehicles property rate of 59.2 cents per \$100 assessed valuation in preparation of the Working Budget for School Year 2014-2015.”