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Superintendent:  
Demetrus Liggins, PhD

An Equal Opportunity  
School District

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August 14, 2023

MEMORANDUM

TO: Dr. Demetrus Liggins, Superintendent and FCPS Board of Education

FROM: Rodney Jackson, Executive Director of Financial Accounting & Benefit Services

RE: 2024 Tax Rates for School Purposes

- The Department of Revenue and the Kentucky Department of Education certified Real Estate and Personal Property Tax Calculation Reports on July 27, 2023.
  - KRS 132.0225 allows 45 days for districts that are not adopting above the 4% rate to establish a final tax rate. Any district that fails to meet this deadline shall be required to use the compensating tax rate for that year's property tax bills.
  - KRS 160.470 provides the process by which a local board of education annually adopts property tax rates. As a result of a question about the process from a district, KDE recently conducted a review of the statutory requirements. The review determined that the statute permits a local board of education to adopt a tax rate up to and including the 4% tax rate without advertising or holding a public hearing.
  - The 2023 rate was 83.3 cents per \$100 for real estate, 83.3 cents per \$100 personal property and 59.2 cents per \$100 for motor vehicles.
  - The following options (4 percent Rate) are available for Board approval: a rate of 81.0 cents for real estate, 83.3 cents for personal property, and a rate of 59.2 cents for motor vehicles. This option equates to a decrease of 2.3 cents or \$23.00 in tax for real property assessed at \$100,000.00 and no change in tax for tangible property assessed at \$100,000.00. There is no proposed change for motor vehicle tax.
  - The following options (Compensating Rate) are available for Board approval: a rate of 77.9 cents for real estate, 81.2 cents for personal property, and a rate of 59.2 cents for motor vehicles. This option equates to a decrease of 5.4 cents or \$54.00 in tax for real property assessed at \$100,000.00 and a decrease of 2.1 cents or \$21.00 in tax for tangible property assessed at \$100,000.00. There is no proposed change for motor vehicle tax.
  - The following options (Subsection Rate) are available for Board approval: a rate of 90.3 cents for real estate, 90.3 for personal property, and a rate of 59.2 cents for motor vehicle. This option equates to an increase of 7.0 cents or \$70.00 in tax for real property assessed at \$100,000.00 and an increase 7.0 cents or \$70.00 in tax for tangible property assessed at \$100,000.00.
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- The Subsection (1) Tax Rate which refers to subsection (1) of KRS 160.470 is the rate that restricts local school boards to a tax rate that will produce no more revenue than the previous year's maximum rate.
- There is no proposed change in motor vehicle tax of 59.2 cents.
- The following are the certified tax rates per \$100 assessed valuation, which may be levied for 2023-2024:

	Compensating Rate*	4% Increase** (Proposed Rate)	Subsection***
Real Estate	77.9	81.0	90.3
Personal Property	81.2	83.3	90.3
Projected Revenues (W/O DISCOUNT)	\$304,324,656.57	\$316,112,721.65	\$351,676,409.88

- \*Compensating Rate: No hearing required, and no advertisement 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.
- \*\*4% Increase: No hearing required - not subject to recall and no advertisement required. 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.
- \*\*\* Subsection: Hearing required-if above 4% and Advertising required if above 4%.