

KENTUCKY DEPARTMENT OF EDUCATION (KDE) STAFF NOTE

Topic: 2025-2026 Local District Tax Rates Levied – LaRue County Schools

Date: June 2026

Action Requested: Review Action/Consent Action/Discussion

Held In: Full Board State Schools United We Learn

SYNOPSIS OF WHAT YOU WILL BE SHARING:

The Kentucky Board of Education (KBE) is requested to take action on the 2025-2026 tax rates levied in accordance with KRS 160.470 for LaRue County Schools. KRS 160.460 requires all school taxes be levied by the board of education of each school district. The school district shall levy an ad valorem tax within the limits prescribed in KRS 160.470 that will obtain for the school district the amount of money needed as shown in the district's general school budget submitted under the provisions of KRS 160.470. KRS 160.470 requires the KBE to annually approve or disapprove school district tax rates.

COMMISSIONER'S RECOMMENDATION:

The Commissioner recommends that the KBE approve the attached 2025-2026 tax rates for LaRue County Schools.

APPLICABLE STATUTE OR REGULATION:

KRS 160.470

BACKGROUND:

Existing Policy:

Pursuant to KRS 160.470(5), within 30 days after the district board of education receives its assessment data, the rates levied (by the local district board) shall be forwarded to the KBE for its approval or disapproval.

Summary of Issue:

Upon receipt of certified property assessments from the Department of Revenue, the Commissioner of Education certifies the local ad valorem tax rates and revenue to the district boards of education in accordance with KRS 157.440 and 160.470. Pursuant to KRS 132.0225, the district's board of education has 45 days from the date of the Department of Revenue's certification to the Commissioner of Education to establish tax rates.

LaRue County Schools is involved in a lawsuit regarding their tax rates. The local board adopted a total tax rate of 57.2 cents which included a recallable nickel. A petition was filed pursuant to KRS 132.017 with the county clerk but was found to be insufficient. The petitioners filed a lawsuit appealing the action of the county clerk pursuant to KRS 132.017(2)(i) and the lawsuit remains ongoing. KRS 132.017(2)(e) provides that the recallable tax rate must be suspended from going into effect until the petition is determined to be insufficient and no further action may be taken pursuant to KRS 132.017(2)(i).

Due to the ongoing litigation, KDE staff recommend that the KBE approve the attached tax rates for LaRue County Schools which do not reflect the recallable nickel and instead reflect the 4% tax rate that the district will be able to levy pursuant to KRS 132.017 if the petition is found to be sufficient but the election is not successful. Therefore, the total tax rate to be approved is 53.4

cents. KDE is unable to calculate the 2026-2027 tax rates for LaRue County until the KBE approves a tax rate for 2025-2026.

Also, included for the KBE's information, is a chart (attachment) showing tax rates levied by type for LaRue County from 2014-2015 through 2025-2026 as well as a definition page for the different kinds of tax rates.

Budget Impact:

There is no budget impact at the state level.

Groups Consulted and a Brief Summary of Responses:

KDE provided information and assistance to the local school district throughout the process.

CONTACT PERSON(S):

Matthew T. Ross, Associate Commissioner
Office of Finance and Operations
Email: matt.ross@education.ky.gov
(502) 564-1976



Commissioner of Education

GOALS/PRIORITIES: Indicate all applicable options.

<input type="checkbox"/>	Foster Educational Innovation Through Vibrant Learning Experiences
<input type="checkbox"/>	Advance Educational Excellence Through Continuous Professional Improvement
<input type="checkbox"/>	Cultivate Collaborative Partnerships
<input type="checkbox"/>	Legislation
<input checked="" type="checkbox"/>	Commissioner's Management