

**157.440 Levy of an equivalent tax rate -- Participation in Facilities Support Program -- District may exceed levy authorized by KRS 160.470. (Effective until July 15, 2026)**

- (1) (a) Notwithstanding any statutory provisions to the contrary, effective for school years beginning after July 1, 1990, the board of education of each school district may levy an equivalent tax rate as defined in KRS 160.470(10)(a) which will produce up to fifteen percent (15%) of those revenues guaranteed by the program to support education excellence in Kentucky. The levy for the 1990-91 school year shall be made no later than October 1, 1989, and no later than October 1, 1990, for the 1991-92 school year, and by October 1 of each odd-numbered year thereafter. Effective with the 1990-91 school year, revenue generated by this levy shall be equalized at one hundred fifty percent (150%) of the statewide average per pupil assessment.
- (b) To participate in the Facilities Support Program of Kentucky, the board of education of each school district shall commit at least an equivalent tax rate of five cents (\$0.05) to debt service, new facilities, or major renovations of existing school facilities, or the purchase of land if approved by the commissioner of education as provided in KRS 157.420(4)(b). The five cents (\$0.05) shall be in addition to the thirty cents (\$0.30) required by KRS 160.470(10) and any levy pursuant to paragraph (a) of this subsection. The levy shall be made no later than October 1 of each odd-numbered year. Eligibility for equalization funds for the biennium shall be based on the district funds committed to debt service on that date. The five cents (\$0.05) shall be equalized at one hundred fifty percent (150%) of the statewide average per pupil assessment. The equalization funds shall be committed to debt service to the greatest extent possible, but any excess equalization funds not needed for debt service shall be deposited to a restricted building fund account. The funds may be escrowed for future debt service or used to address categorical priorities listed in the approved facilities plan pursuant to KRS 157.420.
- (c) The board of education of each school district may contribute the levy equivalent tax rate of five cents (\$0.05) and equalization funds for energy conservation measures under guaranteed energy savings contracts pursuant to KRS 45A.345, 45A.352, and 45A.353. Use of these funds, as provided under KRS 45A.353, 56.774, and 58.600 shall be based on the following guidelines:
  1. Energy conservation measures shall include facility alteration;
  2. Energy conservation measures shall be identified in the district's approved facility plan pursuant to KRS 157.420;
  3. The current facility systems are consuming excess maintenance and operating costs;
  4. The savings generated by the energy conservation measures are guaranteed;
  5. The levy equivalent tax rate of five cents (\$0.05) and equalization funds contributed to the energy conservation measures shall be defined as capital cost avoidance as provided in KRS 45A.345(2) and shall be

subject to the restrictions on usage as specified in KRS 45A.352(9); and

6. The equipment that is replaced has exceeded its useful life as determined by a life cycle cost analysis.
- (d) The rate levied by a local board of education under the provisions of this subsection shall not be subject to the public hearing provisions of KRS 160.470(8) or to the recall provisions of KRS 160.470(9).
  - (e) A school district which is at or above the equivalent tax rates permitted under the provisions of the Kentucky Education Reform Act of 1990, 1990 Ky. Acts ch. 476, shall not be required to levy an equivalent tax rate which is lower than the rate levied during the 1989-90 school year.
- (2) (a) A district may exceed the maximum provided by KRS 160.470(1) provided that, upon request of the board of education of the school district, the county board of elections shall submit to the qualified voters of the district, in the manner of submitting and voting as prescribed in paragraph (b) of this subsection, the question whether a rate which would produce revenues in excess of the maximum provided by KRS 160.470(1) shall be levied. The rate that may be levied under this section may produce revenue up to no more than thirty percent (30%) of the revenue guaranteed by the program to support education excellence in Kentucky plus the revenue produced by the tax authorized by this section. Revenue produced by this levy shall not be equalized with state funds. If a majority of those voting on the question favor the increased rate, the tax levying authority shall, when the next tax rate for the district is fixed, levy a rate not to exceed the rate authorized by the voters.
  - (b) The election shall be held not less than fifteen (15) or more than thirty (30) days from the time the request of the board is filed with the county clerk, and reasonable notice of the election shall be given. The election shall be conducted and carried out in the school district in all respects as required by the general election laws and shall be held by the same officers as required by the general election laws. The expense of the election shall be borne by the school district.
- (3) For the 1966 tax year and for all subsequent years for levies which were approved prior to December 8, 1965, no local board of education shall levy a tax at a rate under the provisions of this section which exceeds the compensating tax rate as defined in KRS 132.010, except as provided in subsection (4) of this section and except that a rate which has been approved by the voters under this section but which was not levied by the local board of education in 1965 may be levied after it has been reduced to the compensating tax rate as defined in KRS 132.010, and except that in any school district where the rate levied in 1965 was less than the maximum rate which had been approved by the voters, the compensating tax rate shall be computed and may be levied as though the maximum approved rate had been levied in 1965 and the amount of revenue which would have been produced from such maximum levy had been derived therefrom.
  - (4) Notwithstanding the limitations contained in subsection (3) of this section, no tax rate shall be set lower than that necessary to provide such funds as are required to meet principal and interest payments on outstanding bonded indebtedness and

payments of rentals in connection with any outstanding school revenue bonds issued under the provisions of KRS Chapter 162.

- (5) The chief state school officer shall certify the compensating tax rate to the levying authorities.

**Effective:** April 14, 2026

**History:** Amended 2026 Ky. Acts ch. 161, sec. 75, effective April 14, 2026. -- Amended 2009 Ky. Acts ch. 53, sec. 2, effective June 25, 2009. -- Amended 2000 Ky. Acts ch. 389, sec. 9, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 375, sec. 10, effective July 15, 1998. -- Amended 1996 Ky. Acts ch. 87, sec. 3, effective July 15, 1996. -- Amended 1994 Ky. Acts ch. 435, sec. 1, effective July 15, 1994. -- Amended 1990 Ky. Acts ch. 476, Pt. III, sec. 107, effective July 13, 1990; and ch. 518, sec. 4, effective July 13, 1990. -- Amended 1978 Ky. Acts ch. 133, sec. 7, effective June 17, 1978. -- Amended 1976 Ky. Acts ch. 127, sec. 22. -- Amended 1970 Ky. Acts ch. 118, sec. 3. -- Amended 1965 (1st Extra. Sess.) Ky. Acts ch. 2, sec. 6. -- Created 1954 Ky. Acts ch. 214, sec. 14.

**2026-2028 Budget Reference.** See State/Executive Branch Budget, 2026 Ky. Acts ch. 168, Pt. I, C, 1, (5) at 2070.

**2026-2028 Budget Reference.** See State/Executive Branch Budget, 2026 Ky. Acts ch. 168, Pt. I, C, 1, (24) at 2073.