

**160.470 Tax rate limits -- Hearing -- Levy exceeding four percent increase subject to recall vote or reconsideration -- Levy of minimum equivalent tax rate.**

- (1) (a) Notwithstanding any statutory provisions to the contrary, no district board of education shall levy a general tax rate which will produce more revenue, exclusive of revenue from net assessment growth as defined in KRS 132.010, than would be produced by application of the general tax rate that could have been levied in the preceding year to the preceding year's assessment, except as provided in subsections (9) and (10) of this section and KRS 157.440.
- (b) If an election is held as provided for in KRS 132.017 and the question should fail, such failure shall not reduce the "...general tax rate that could have been levied in the preceding year..." referred to in subsection (1)(a) of this section, for purposes of computing the general tax rate for succeeding years.

In the event of a merger of school districts, the limitations contained in this section shall be based upon the combined revenue of the merging districts, as computed under the provisions of this section.

- (2) No district board of education shall levy a general tax rate within the limits imposed in subsection (1) of this section which respectively exceeds the compensating tax rate defined in KRS 132.010, except as provided in subsections (9) and (10) of this section, KRS 157.440, and KRS 157.621, until the district board of education has complied with the provisions of subsection (7) of this section.
- (3) Upon receipt of property assessments from the Department of Revenue, the commissioner of education shall certify the following to each district board of education:
  - (a) The general tax rate that a district board of education could levy under the provisions of subsection (1) of this section, and the amount of revenue expected to be produced;
  - (b) The compensating tax rate as defined in KRS 132.010 for a district's general tax rate the amount of revenue expected to be produced;
  - (c) The general tax rate which will produce, respectively, no more revenue from real property, exclusive of revenue from new property, than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010, and the amount of revenue expected to be produced.
- (4) Upon completion of action on property assessment data, the Department of Revenue shall submit certified property assessment data as required in KRS 133.125 to the chief state school officer.
- (5) Within thirty (30) days after the district board of education has received its assessment data, the rates levied shall be forwarded to the Kentucky Board of Education for its approval or disapproval. The failure of the district board of education to furnish the rates within the time prescribed shall not invalidate any levy made thereafter.
- (6) (a) Each district board of education shall, on or before January 31 of each calendar year, formally and publicly examine detailed line item estimated revenues and proposed expenditures for the subsequent fiscal year. On or before May 30 of each calendar year, each district board of education shall

adopt a tentative working budget which shall include a minimum reserve of two percent (2%) of the total budget.

- (b) Each district board of education shall submit to the Kentucky Board of Education no later than September 30, a close estimate or working budget which shall conform to the administrative regulations prescribed by the Kentucky Board of Education.
- (7) (a) Except as provided in subsections (9) and (10) of this section and KRS 157.440, a district board of education proposing to levy a general tax rate within the limits of subsection (1) of this section which exceed the compensating tax rate defined in KRS 132.010 shall hold a public hearing to hear comments from the public regarding the proposed tax rate. The hearing shall be held in the principal office of the taxing district or, in the event the taxing district has no office, or the office is not suitable for such a hearing, the hearing shall be held in a suitable facility as near as possible to the geographic center of the district.
- (b) The district board of education shall advertise the hearing by causing the following to be published at least twice for two (2) consecutive weeks, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches:
    1. The general tax rate levied in the preceding year, and the revenue produced by that rate;
    2. The general tax rate for the current year, and the revenue expected to be produced by that rate;
    3. The compensating general tax rate, and the revenue expected from it;
    4. The revenue expected from new property and personal property;
    5. The general areas to which revenue in excess of the revenue produced in the preceding year is to be allocated;
    6. A time and place for the public hearing which shall be held not less than seven (7) days nor more than ten (10) days after the day that the second advertisement is published;
    7. The purpose of the hearing; and
    8. A statement to the effect that the General Assembly has required publication of the advertisement and the information contained herein.
  - (c) In lieu of the two (2) published notices, a single notice containing the required information may be sent by first-class mail to each person owning real property, addressed to the property owner at his residence or principal place of business as shown on the current year property tax roll.
  - (d) The hearing shall be open to the public. All persons desiring to be heard shall be given an opportunity to present oral testimony. The district board of education may set reasonable time limits for testimony.
- (8) (a) That portion of a general tax rate, except as provided in subsections (9) and (10) of this section, KRS 157.440, and KRS 157.621, levied by an action of a district board of education which will produce, respectively, revenue from real

property, exclusive of revenue from new property, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010, shall be subject to a recall vote or reconsideration by the district board of education as provided for in KRS 132.017, and shall be advertised as provided for in paragraph (b) of this subsection.

- (b) The district board of education shall, within seven (7) days following adoption of an ordinance, order, resolution, or motion to levy a general tax rate, except as provided in subsections (9) and (10) of this section and KRS 157.440, which will produce revenue from real property, exclusive of revenue from new property as defined in KRS 132.010, more than four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010, cause the following to be published, in the newspaper of largest circulation in the county, a display type advertisement of not less than twelve (12) column inches:
  - 1. The fact that the district board of education has adopted such a rate;
  - 2. The fact that the part of the rate which will produce revenue from real property, exclusive of new property as defined in KRS 132.010, in excess of four percent (4%) over the amount of revenue produced by the compensating tax rate defined in KRS 132.010 is subject to recall; and
  - 3. The name, address, and telephone number of the county clerk of the county or urban-county in which the school district is located, with a notation to the effect that that official can provide the necessary information about the petition required to initiate recall of the tax rate.
- (9) (a) Notwithstanding any statutory provisions to the contrary, effective for school years beginning after June 30, 1990, the board of education of each school district shall levy a minimum equivalent tax rate of thirty cents (\$0.30) for general school purposes. Equivalent tax rate is defined as the rate which results when the income collected during the prior year from all taxes levied by the district for school purposes is divided by the total assessed value of property plus the assessment for motor vehicles certified by the Department of Revenue. School districts collecting school taxes authorized by KRS 160.593 to 160.597, 160.601 to 160.633, or 160.635 to 160.648 for less than twelve (12) months during a school year shall have included in income collected under this section the pro rata tax collection for twelve (12) months.
- (b) Failure of a board to comply with paragraph (a) of this subsection may constitute a forfeiture of office by its members pursuant to KRS 415.050 and 415.060.
- (10) A district board of education may levy a general tax rate that will produce revenue from real property, exclusive of revenue from new property, that is four percent (4%) over the amount of the revenue produced by the compensating tax rate as defined in KRS 132.010.

**Effective:** June 29, 2021

**History:** Amended 2021 Ky. Acts ch. 144, sec. 5, effective June 29, 2021. -- Amended 2005 Ky. Acts ch. 85, sec 594, effective June 20, 2005; and ch. 168, sec. 154, effective March 18, 2005. -- Amended 2000 Ky. Acts ch. 389, sec. 6, effective July

14, 2000. -- Amended 1998 Ky. Acts ch. 399, sec. 1, effective July 15, 1998. -- Amended 1996 Ky. Acts ch. 362, sec. 6, effective July 15, 1996. -- Amended 1994 Ky. Acts ch. 436, sec. 2, effective July 15, 1994. -- Amended 1992 Ky. Acts ch. 40, sec. 1, effective July 14, 1992. -- Amended 1990 Ky. Acts ch. 476, Pt. III, sec. 105, effective July 13, 1990. -- Amended 1984 Ky. Acts ch. 137, sec. 2, effective March 27, 1984. -- Amended 1982 Ky. Acts ch. 360, sec. 49, effective July 15, 1982. -- Amended 1980 Ky. Acts ch. 317, sec. 7, effective July 15, 1980; and ch. 319, sec. 6, effective July 15, 1980. -- Amended 1979 (1st Extra. Sess.) ch. 25, sec. 6, effective February 13, 1979. -- Amended 1978 Ky. Acts ch. 155, sec. 82, effective June 17, 1978. -- Amended 1976 Ky. Acts ch. 93, sec. 16, effective January 1, 1977; ch. 127, sec. 3, effective July 19, 1976; and ch. 187, sec. 1, effective July 1, 1976. -- Amended 1970 Ky. Acts ch. 118, sec. 1, effective July 1, 1976. -- Amended 1965 (1st Extra. Sess.) Ky. Acts ch. 2, sec. 3. -- Amended 1956 Ky. Acts ch. 177, sec. 1. -- Amended 1949 (1st Extra. Sess.) Ky. Acts ch. 7, sec. 2. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4399-40.

**2022-2024 Budget Reference.** See State/Executive Branch Budget, 2022 Ky. Acts ch. 199, Pt. III, 24 at 1751.