

SB 232 exempts the provisions of this proposal from the requirements for exceeding the compensating tax rate found in KRS 132.023.

Compensating tax rate is defined as prior year revenue from real property divided by current year total valuation of real property. The compensating rate is designed to produce revenues equal to those of the preceding year.

SB 232 provides that any voter-approved rate increase shall apply to the year in which the rate was approved and thereafter, unless language in the ballot provides for a later effective date or limits the term in which the rate increase will apply.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

Whereas SB 232 only affects those fire districts within a consolidated local government, **the only local government affected would be the Louisville Metro Government.**

There would be very minimal cost associated with the elections since a vote to increase the tax rate shall occur at the same time the district holds its annual election for members of the fire district board of trustees.

Louisville currently has the following fire districts:

Louisville Metro Government Fire Districts			
	Anchorage	Lake Dreamland	
	Buechel	Lyndon	
	Camp Taylor	McMahan	
	Eastwood	Middleton	
	Fairdale	Okolona	
	Fern Creek	Pleasure Ridge Park	
	Harrods Creek	St. Matthews	
	Highview	Worthington	
	Jeffersontown		

A review of current rates show all the above fire districts are at 10%, the maximum currently allowed by statute.

Whereas the Jefferson County Sheriff’s Office collects property taxes, any increase in assessment would provide a higher commission to the sheriff’s office. KRS 134.119(6) currently sets this at 4.25% or as negotiated between the Sheriff and tax district. KRS 134.119(7) provides additional compensation for the collection of delinquent taxes. The sheriff shall be entitled to an amount equal to ten percent (10%) of the total taxes due plus ten percent (10%) of the ten percent (10%) penalty for all delinquent taxes.

KRS 64.350 requires the Sheriff each calendar year to remit to Louisville Metro Government 25% of the fees collected. Louisville Metro may see an increase in revenues as well. However, they have the option to return a portion or all of these funds back to the Sheriff's office for operating expenses.

Data Source(s): LRC Staff, Louisville Metro Governmnet, Jefferson County Fire Service

Preparer: Wendell F. Butler **Reviewer:** JWN **Date:** 2/22/16