

1 AN ACT relating to school taxes.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 157.621 is amended to read as follows:

4 (1) In addition to the levy required by KRS 157.440(1)(b) to participate in the Facilities
5 Support Program of Kentucky, local school districts that have made the levy
6 required by KRS 157.440(1)(b) are authorized to levy the following additional
7 equivalent rates to support debt service, new facilities, or major renovations of
8 existing school facilities, which levies shall not be subject to recall under any
9 provision of the Kentucky Revised Statutes, or to voter approval under the
10 provisions of KRS 157.440(2):

11 (a) 1. Prior to April 24, 2008, local school districts that have experienced
12 student population growth during a five (5) year period may levy an
13 additional five cents (\$0.05) equivalent rate for debt service and new
14 facilities. The tax rate levied by the district under this provision shall not
15 be equalized by state funding, except as provided in paragraph (b) of this
16 subsection. Any levy imposed under this paragraph prior to April 24,
17 2008, by a local school district shall continue until removed by the local
18 school district.

19 2. A local school district shall meet the following criteria in order to levy
20 the tax provided in subparagraph 1. of this paragraph:

21 a. Growth of at least one hundred fifty (150) students in average daily
22 attendance and three percent (3%) overall growth for the five (5)
23 preceding years;

24 b. Bonded debt to the maximum capability of at least eighty percent
25 (80%) of capital outlay from the Support Education Excellence in
26 Kentucky funding program, all revenue from the local facility tax,
27 and all receipts from state equalization on the local facility tax;

- 1 c. Current student enrollment in excess of available classroom space;
2 and
- 3 d. A local school facility plan that has been approved by the
4 Kentucky Board of Education and certified to the School Facilities
5 Construction Commission;
- 6 (b) 1. In addition to the levy authorized by paragraph (a) of this subsection, a
7 local school district may levy an additional five cents (\$0.05) equivalent
8 rate under the same terms and conditions established by paragraph (a) of
9 this subsection beginning in fiscal year 2003-2004 if the levy was made
10 prior to April 24, 2008, and if the local school district:
- 11 a. Levied the five cents (\$0.05) equivalent rate authorized by
12 paragraph (a) of this subsection; and
- 13 b. Still meets the requirements established by paragraph (a)2. of this
14 subsection.
- 15 2. Any school district that imposes both the levy authorized by paragraph
16 (a) of this subsection and the additional levy authorized by subparagraph
17 1. of this paragraph shall receive equalization funding from the state for
18 the levy imposed by paragraph (a) of this subsection beginning in fiscal
19 year 2003-2004. Equalization shall be provided at one hundred fifty
20 percent (150%) of the statewide average per pupil assessment, subject to
21 the provision of funding by the General Assembly. Equalization funds
22 shall be used as provided in KRS 157.440(1)(b).
- 23 3. Any levy imposed under this paragraph prior to April 24, 2008, by a
24 local school district shall continue until removed by the local school
25 district; and
- 26 (c) 1. A local school district that meets the following conditions may levy an
27 additional five cents (\$0.05) equivalent rate on and after April 24, 2008:

- 1 a. The local school district is located in a county that will have more
2 students as a direct result of the new mission established for Fort
3 Knox by the Base Realignment and Closure (BRAC) 2005 issued
4 by the United States Department of Defense pursuant to the
5 Defense Base Closure and Realignment Act of 1990, Pub. L. No.
6 100-526, Part A of Title XXIX of 104 Stat. 1808, 10 U.S.C. sec.
7 2687 note; and
- 8 b. The commissioner of education has determined, based upon the
9 presentation of credible data, that the projected increased number
10 of students is sufficient to require new facilities or the major
11 renovation of existing facilities to accommodate the new students,
12 and has approved the imposition of the additional levy.
- 13 2. Any local school district that imposes both the levy authorized by
14 paragraph (a) of this subsection and the additional levy authorized by
15 subparagraph 1. of this paragraph, and that has not received equalization
16 funding under subsection (2) or (3) of this section, shall receive
17 equalization funding from the state for the levy imposed by paragraph
18 (a) of this subsection beginning in the fiscal year following the fiscal
19 year in which the levy authorized by subparagraph 1. of this paragraph is
20 imposed. Equalization shall be provided at one hundred fifty percent
21 (150%) of the statewide average per pupil assessment, subject to the
22 provision of funding by the General Assembly. Equalization funds shall
23 be used as provided in KRS 157.440(1)(b).
- 24 3. Any levy imposed under this paragraph by a local school district shall
25 continue until removed by the local school district.
- 26 (2) (a) Any local school district that, prior to April 27, 2016, levied an equivalent rate
27 that:

- 1 1. Was subject to recall at the time it was levied; and
- 2 2. Included a rate of at least five cents (\$0.05) equivalent rate for the
- 3 purpose of debt service for school construction or major renovation of
- 4 existing school facilities;
- 5 shall be eligible for retroactive equalization from the state for that levy at one
- 6 hundred fifty percent (150%) of the statewide average per pupil assessment
- 7 beginning in fiscal year 2003-2004, subject to the fiscal condition of the
- 8 Commonwealth and the provision of funding by the General Assembly.
- 9 Equalization funds shall be used as provided in KRS 157.440(1)(b).
- 10 (b) It is the intent of the General Assembly that for levies described in this
- 11 subsection that are imposed on or after April 27, 2016, equalization funds, if
- 12 provided by the General Assembly, shall terminate upon the earlier of June
- 13 30, 2038, or the date the bonds for the local school district supported by this
- 14 equalization funding are retired. Equalization shall be subject to the fiscal
- 15 condition of the Commonwealth and the provision of funding by the General
- 16 Assembly.
- 17 (3) Any local school district that:
- 18 (a) Levied an equivalent tax rate as of April 24, 2008, that included at least ten
- 19 cents (\$0.10) that was devoted to building purposes, or that had debt service
- 20 corresponding to a ten cents (\$0.10) equivalent rate; and
- 21 (b) Did not receive equalized growth funding pursuant to subsection (1)(b)2. of
- 22 this section; ~~and~~
- 23 ~~(c) Has been approved by the commissioner of education;~~
- 24 shall be eligible for equalization from the state for that levy at one hundred fifty
- 25 percent (150%) of the statewide average per pupil assessment beginning in fiscal
- 26 year 2005-2006, subject to the provision of funding by the General Assembly.
- 27 Equalization funds shall be used as provided in KRS 157.440(1)(b). Equalization

1 funds shall be available to a local school district pursuant to this subsection until the
2 earlier of June 30, 2038, or the date the bonds for the local school district supported
3 by this equalization funding are retired.

4 (4) (a) Notwithstanding any other provision of this section, any local school district
5 receiving equalization funding prior to April 27, 2016, related to an equivalent
6 rate levy described in subsection (1), (2), (3), or (5) of this section shall
7 continue to receive the equalization funding related to the applicable
8 equivalent rate levy, subject to the limitations established by subsections (1),
9 (2), (3), and (5) of this section, and subject to the fiscal condition of the
10 Commonwealth and the provision of funding by the General Assembly, until
11 amended by subsequent action of the General Assembly. A local school
12 district described in this paragraph shall not be eligible to receive equalization
13 for any additional equivalent rate levies made by it on or after April 27, 2016.

14 (b) Notwithstanding any other provision of this section, any local school district
15 that has imposed an equivalent rate levy described in subsection (1)(a) or (b)
16 or (2) of this section prior to April 27, 2016, that qualifies for equalization but
17 that has not yet received equalization funding shall be eligible for equalization
18 funding as provided in subsection (1)(a) or (b) or (2) of this section, subject to
19 the provision of funding by the General Assembly.

20 (c) On and after April 24, 2008, a local school district not included in paragraph
21 (a) or (b) of this subsection shall be prohibited from imposing an equivalent
22 rate levy under the provisions of subsection (1)(a) or (b) of this section, and
23 shall not be eligible for equalization funding under the provisions of this
24 section.

25 (d) On and after April 24, 2008, a local school district meeting the requirements
26 of subsection (1)(c) of this section may impose the levy authorized by
27 subsection (1)(c) of this section, and shall qualify for equalization as provided

1 in subsection (1)(c) of this section, subject to the provision of funding by the
2 General Assembly.

3 (5) (a) Any local school district that:

4 1. Had school facilities classified as Category 5 on May 18, 2010, by the
5 Kentucky Department of Education; and

6 2. Levied an additional five cents (\$0.05) equivalent tax rate prior to April
7 27, 2016, for debt service, new construction, and major renovation
8 beyond the five cents (\$0.05) equivalent tax rate required by KRS
9 157.440(1)(b), except as provided in paragraph (b) of this subsection;

10 shall be eligible for equalization from the state for that levy at one hundred
11 fifty percent (150%) of the statewide average per pupil assessment beginning
12 in the fiscal year following the fiscal year in which the levy was imposed. This
13 levy shall be subject to the recall provisions of KRS 132.017.

14 (b) School districts that levied a five cents (\$0.05) equivalent tax rate for debt
15 service, new construction, and major renovation, beyond the rate required by
16 KRS 157.440(1)(b) prior to May 18, 2010, shall not be required to levy an
17 additional tax to receive the equalization funds provided in paragraph (a) of
18 this subsection.

19 (c) If the school district utilizes the equalization funds to support a bond issue for
20 construction purposes, equalization funds shall be provided until the earlier of
21 twenty (20) years or date the bonds are retired.

22 (d) In the event that a school district receives funding pursuant to this subsection
23 to support construction of a new school facility and subsequently, as a result
24 of litigation, receives funding for the same facility for which state funds were
25 provided, that school district shall reimburse the Commonwealth an amount
26 equal to the amount provided under paragraph (a) of this subsection. Any
27 funds received in this manner shall be deposited in the budget reserve trust

1 fund account established in KRS 48.705.