

1 AN ACT relating to funding school districts that have a high percentage of tax-
2 exempt property.

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

4 ➔Section 1. KRS 45.021 is amended to read as follows:

5 The Finance and Administration Cabinet, within budgetary limits fixed by any
6 appropriations made by the General Assembly for such purpose, shall contract with:

7 (1) The City of Frankfort for the provision by the city to state agencies located at the
8 seat of government for fire and police protection of state-owned property and other
9 municipal services as are provided by the city to commercial and industrial
10 taxpayers residing in the City of Frankfort; and

11 (2) Each local board of education of a school district where:

12 (a) Sixty-five percent (65%) or more of the total assessed value of real property
13 located within the district is exempt from property taxation; and

14 (b) Financial relief is not provided from other sources to reimburse the
15 property tax revenue lost from the tax-exempt properties;

16 to provide a payment for the local board of education's recoupment of at least
17 twenty-five percent (25%) of the total property tax revenue lost from the tax-
18 exempt properties each year.