

1 AN ACT relating to the levy of an ad valorem tax rate.

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

3 ➔Section 1. KRS 132.017 is amended to read as follows:

4 (1) As used in this section:

5 (a) "Local governmental entity" includes a county fiscal court and legislative
6 body of a city, urban-county government, consolidated local government,
7 charter county government, unified local government, or other taxing district;~~;~~
8 ~~and~~

9 (b) "Next regular election" means the regular election that occurs immediately
10 after all statutory requirements for levying a property tax rate have been met,
11 regardless of whether the election occurs in the same or a subsequent calendar
12 year as the levy of the property tax rate; and

13 (c) "School nickel tax rate" means a five cents (\$0.05) equivalent tax rate that
14 is:

15 1. Subject to recall at the time it is levied; and

16 2. Levied by a local board of education for the purpose of supporting
17 debt service, new facilities, or major renovation of existing facilities.

18 (2) (a) 1. Except as provided in subparagraph 2. of this paragraph,~~the portion of~~
19 a school nickel tax rate levied by a local~~an ordinance, order, resolution,~~
20 ~~or motion of a local governmental entity or district~~ board of education
21 subject to recall as provided for in KRS ~~68.245, 132.023, 132.027, and~~
22 ~~160.470,~~ shall go into effect forty-five (45) days after its passage.

23 2. When a school nickel tax rate is levied by a local~~district~~ board of
24 education~~or other taxing district~~ that is primarily located in a county
25 containing an urban-county government or a consolidated local
26 government, the~~portion of a~~ school nickel tax rate~~levied by an~~
27 ~~ordinance, order, resolution, or motion of a district board of education or~~

1 ~~other taxing district subject to recall as provided for in KRS 68.245,~~
2 ~~132.023, 132.027, and 160.470,]~~ shall go into effect fifty (50) days after
3 its passage.

4 (b) During the same forty-five (45) day or fifty (50) day time period provided by
5 paragraph (a) of this subsection, any three (3) qualified voters, who reside in
6 the area where the school nickel tax rate levy will be imposed, may
7 commence petition proceedings to protest the passage of the ~~ordinance,~~
8 order, resolution, or motion of the local board of education by filing an
9 affidavit with the county clerk. The affidavit shall state:

- 10 1. The three (3) qualified voters constitute the members of the petition
11 committee;
- 12 2. The petition committee will be responsible for circulating the petition;
- 13 3. The petition committee will file the petition in the proper form within
14 the same forty-five (45) day or fifty (50) day time period provided by
15 paragraph (a) of this subsection;
- 16 4. The names and addresses of the petition committee members;
- 17 5. The address to which all notices to the committee are to be sent; and
- 18 6. For petition committees filing petitions in response to a school nickel
19 tax rate levied by a local~~district]~~ board of education ~~or other taxing~~
20 ~~district]~~ that is primarily located in a county containing an urban-county
21 government or a consolidated local government, whether or not the
22 petition committee is willing to incur all of the expenses associated with
23 electronic petition signatures. If the petition committee is not willing to
24 incur all of the expenses, then electronic petition signatures shall not be
25 allowed for the petition.

26 (c) Upon receipt of the affidavit, the county clerk shall immediately:

- 27 1. Notify the petition committee of all statutory requirements for the filing

- 1 of a valid petition under this section;
- 2 2. Notify the petition committee that the clerk will publish a notice
- 3 identifying the school nickel tax rate levy being challenged and
- 4 providing the names and addresses of the petition committee in a
- 5 newspaper of general circulation within the county, if:
- 6 a. There is a newspaper within the county in which to publish the
- 7 notice; and
- 8 b. The petition committee remits an amount equal to the cost of
- 9 publishing the notice determined in accordance with the provisions
- 10 of KRS 424.160 at the time of the filing of the affidavit.

11 If the petition committee elects to have the notice published, the clerk

12 shall publish the notice within five (5) days of receipt of the affidavit;

13 and

- 14 3. Deliver a copy of the affidavit to the local~~[appropriate local~~
- 15 ~~governmental entity or district]~~ board of education.

16 (d) The petition shall meet the following requirements:

- 17 1. All papers of the petition shall be substantially uniform in size and style
- 18 and shall be assembled in one (1) instrument for filing;
- 19 2. Each sheet of the petition may contain the names of voters from more
- 20 than one (1) voting precinct;
- 21 3. Each nonelectronic petition signature shall be executed in ink or
- 22 indelible pencil;
- 23 4. Each electronic petition signature shall comply with the requirements of
- 24 the Uniform Electronic Transactions Act, KRS 369.101 to 369.120;
- 25 5. Each petition signature shall be followed by the printed name, street
- 26 address, birth month, and birth year of the person signing; and
- 27 6. a. ~~[i. Except for petitions filed in response to a tax rate levied by a~~

1 ~~district board of education, the petition shall be signed by a~~
2 ~~number of registered and qualified voters residing in the~~
3 ~~affected jurisdiction equal to at least ten percent (10%) of the~~
4 ~~total number of votes cast in the last preceding presidential~~
5 ~~election.~~

6 ii. ~~For petitions filed in response to a tax rate levied by a district~~
7 ~~board of education,]~~The petition shall be signed by at least
8 five thousand (5,000) registered and qualified voters residing
9 in the affected jurisdiction or signed by a number of
10 registered and qualified voters residing in the affected
11 jurisdiction equal to at least ten percent (10%) of the total
12 number of votes cast in the last preceding presidential
13 election, whichever is less.

14 b. Electronic petition signatures shall be included in determining
15 whether the required number of petition signatures has been
16 obtained when:

17 i. The expenses associated with the electronic petition
18 signatures have been incurred in accordance with paragraph
19 (b)6. of this subsection;

20 ii. The electronic petition signatures comply with the
21 requirements of this subsection; and

22 iii. The petition was filed in response to a ***school nickel*** tax rate
23 levied by a ***local***~~[district]~~ board of education~~[or other taxing~~
24 ~~district]~~ that is primarily located in a county containing an
25 urban-county government or a consolidated local
26 government.

27 c. The inclusion of an invalid petition signature on a page shall not

1 invalidate the entire page of the petition, but shall instead result in
2 the invalid petition signature being stricken and not counted.

3 (e) Upon the filing of the petition with the county clerk, the~~[ordinance,]~~ order,
4 resolution, or motion **of the local board of education** shall be suspended from
5 going into effect until after the election referred to in subsection ~~(4)~~~~(3)~~ of
6 this section is held, or until the petition is finally determined to be insufficient
7 and~~[no]~~ further action may **not** be taken pursuant to paragraph (i) of this
8 subsection.

9 (f) The county clerk shall immediately notify the presiding officer of the **local**~~[~~
10 ~~appropriate local governmental entity or district]~~ board of education that the
11 petition has been received and shall, within thirty (30) days of the receipt of
12 the petition, make a determination of whether the petition contains enough
13 signatures of qualified voters to place the~~[ordinance,]~~ order, resolution, or
14 motion **of the local board of education** before the voters.

15 (g) If the county clerk finds the petition to be sufficient, the clerk shall certify to
16 the petition committee and the local~~[governmental entity or district]~~ board of
17 education within the thirty (30) day period provided for in paragraph (f) of
18 this subsection that the petition is properly presented and in compliance with
19 the provisions of this section, and that the~~[ordinance,]~~ order, resolution, or
20 motion **of the local board of education** levying the **school nickel** tax **rate** will
21 be placed before the voters for approval.

22 (h) If the county clerk finds the petition to be insufficient, the clerk shall, within
23 the thirty (30) day period provided for in paragraph (f) of this subsection,
24 notify, in writing, the petition committee and the **local**~~[local governmental~~
25 ~~entity or district]~~ board of education of the specific deficiencies found.
26 Notification shall be sent by certified mail and shall be published at least one
27 (1) time in a newspaper of general circulation within the county containing the

1 local ~~governmental entity or district~~ board of education levying the **school**
 2 **nickel** tax **rate**. If there is not a newspaper within the county in which to
 3 publish the notification, then the notification shall be posted at the courthouse
 4 door.

5 (i) A final determination of the sufficiency of a petition shall be subject to final
 6 review by the Circuit Court of the county in which the local ~~governmental~~
 7 ~~entity or district~~ board of education is located, and shall be limited to the
 8 validity of the county clerk's determination. Any petition challenging the
 9 county clerk's final determination shall be filed within ten (10) days of the
 10 issuance of the clerk's final determination.

11 (j) The local ~~governmental entity or district~~ board of education may cause the
 12 cancellation of the election by reconsidering and amending **its**~~[the ordinance,]~~
 13 order, resolution, or motion to levy a **school nickel** tax rate~~[which will~~
 14 ~~produce no more revenue from real property, exclusive of revenue from new~~
 15 ~~property as defined in KRS 132.010, than four percent (4%) over the amount~~
 16 ~~of revenue produced by the compensating tax rate defined in KRS 132.010~~
 17 ~~from real property].~~ The action by the local ~~governmental entity or district~~
 18 board of education shall be valid only if taken within fifteen (15) days
 19 following the date the clerk finds the petition to be sufficient.

20 (3) **(a) This subsection applies to:**

21 **1. An ad valorem tax rate, other than a school nickel tax rate, that is**
 22 **levied by a local governmental entity and subject to recall under**
 23 **Section 2, 5, or 6 of this Act; and**

24 **2. A general ad valorem tax rate levied by a local board of education and**
 25 **subject to recall under Section 7 of this Act.**

26 **(b) The levy of an ad valorem tax rate which will produce revenue from real**
 27 **property, exclusive of revenue from new property, more than four percent**

1 (4%) over the amount of revenue produced by the compensating tax rate,
 2 shall be subject to recall by placing a question on a ballot before the voters
 3 of the taxing district.

4 (c) The ordinance, order, resolution, or motion of the local governmental entity
 5 or local board of education levying the tax rate shall be suspended from
 6 going into effect until after an election is held. The taxing district may
 7 cause the cancellation of the election by reconsidering and amending its
 8 ordinance, order, resolution, or motion to levy the compensating tax rate.

9 **(4)** (a) If an election is necessary under ~~the provisions of~~ subsection (2) of this
 10 section,~~;~~

11 ~~1. The local governmental entity shall cause to be submitted to the voters~~
 12 ~~of the district at the next regular election, the question as to whether the~~
 13 ~~property tax rate shall be levied; or~~

14 ~~2. The local~~district~~ board of education shall cause to be submitted to the~~
 15 ~~voters of the district in a called ~~common school~~ election not less than~~
 16 ~~thirty-five (35) days nor more than forty-five (45) days from the date the~~
 17 ~~signatures on the petition are validated by the county clerk, or at the next~~
 18 ~~regular election, at the option of the local~~district~~ board of education,~~
 19 ~~the question as to whether the school nickel~~property~~ tax rate shall be~~
 20 ~~levied.~~

21 **(b) 1. If an election is necessary under subsection (3) of this section, a local**
 22 **governmental entity or local board of education shall cause to be**
 23 **submitted to the voters of the taxing district in either a called election**
 24 **or at the next regular election, the question as to whether the tax rate**
 25 **shall be levied.**

26 **2. If the question is submitted to the voters in a called election:**

27 **a. At least thirty (30) days prior to the election, the taxing district**

1 shall inform the voters of the district about the details of the
 2 election through posting information on the first page of the
 3 taxing district's website for a period of two (2) weeks, and:

4 i. Publishing the information through the largest newspaper
 5 in the county, whether viewable to the public through an
 6 online subscription or by paper distribution, for a period of
 7 two (2) weeks; or

8 ii. Sending a single notice containing the information by first-
 9 class mail to each person owning real property in the
 10 taxing district, addressed to the property owner at his or her
 11 residence or principal place of business as shown on the
 12 current year property tax roll; and

13 b. For a local governmental entity subject to KRS 65A.110, the
 14 election shall be held after the approval of the tax rate by the
 15 establishing entity or the expiration of the thirty (30) day failure
 16 to act deadline.

17 (c) If an election is necessary under either subsection (2) or (3) of this section:

18 1. The cost of a called~~[- common school]~~ election shall be borne by the
 19 taxing~~[school]~~ district holding the election;

20 2. ~~[-]~~Any called~~[- common school]~~ election shall comply with the
 21 provisions of KRS 118.025; and~~[-]~~

22 3.~~[(b)]~~ If an election~~[- under paragraph (a) of this subsection]~~ is held in
 23 conjunction with a regular election, the question as to whether the~~[-~~
 24 ~~property]~~ tax rate shall be levied shall be submitted to the county clerk
 25 no later than the second Tuesday in August preceding the regular
 26 election.

27 (5) (a)~~[(c)]~~ In an election held under subsection (4) of this section~~[paragraph (a) of~~

1 ~~this subsection~~, the question shall be framed to ask whether the voter is for
 2 the levy of the ~~property~~ tax rate. If a majority of the votes cast upon the
 3 question oppose its passage, the ordinance, order, resolution, or motion **of the**
 4 **local governmental entity or local board of education** shall not go into effect.
 5 If a majority of the votes cast upon the question favor its passage, the
 6 ordinance, order, resolution, or motion **of the local governmental entity or**
 7 **local board of education** shall become effective.

8 ~~(b)(d)~~ If the ordinance, order, resolution, or motion **of the local governmental**
 9 **entity or local board of education** fails to pass ~~in~~~~pursuant to~~ an election
 10 held under **subsection (4)(b) of this section**,~~paragraph (a) of this subsection,~~
 11 ~~the property tax rate which will produce four percent (4%) more revenues~~
 12 ~~from real property, exclusive of revenue from new property~~ ~~as defined in~~
 13 ~~KRS 132.010], than the amount of revenue produced by~~ the compensating
 14 tax rate ~~defined in KRS 132.010,~~ shall be levied without further approval by
 15 the local governmental entity or **local**~~district~~ board of education.

16 ~~(6)(e)~~ Local, state, and federal tax dollars shall not be used to advocate, in partial
 17 terms, for or against any public question that appears on ~~a~~~~the~~ ballot **under**~~in~~ this
 18 **section**~~subsection~~. **As used in**~~For purposes of~~ this **subsection**~~section~~, "local"
 19 means and includes any city, county, urban-county government, consolidated local
 20 government, unified local government, charter county, or special district.

21 ~~(7)(4)~~ Notwithstanding any statutory provision to the contrary, if a local
 22 governmental entity or **local**~~district~~ board of education has not established a final
 23 tax rate as of September 15, due to the recall provisions of this section, KRS
 24 68.245, 132.027, or 160.470, regular tax bills shall be prepared as required in KRS
 25 133.220 for all **taxing** districts having a tax rate established by that date; and a
 26 second set of bills shall be prepared and collected in the regular manner, according
 27 to the provisions of KRS Chapter 132, upon establishment of final tax rates by the

1 remaining taxing districts.

2 ~~(8)~~~~(5)~~ If a second billing is necessary, the collection period shall be extended to
3 conform with the second billing date.}

4 ~~(6)~~ } All costs associated with the second billing shall be paid by the taxing district ~~or~~
5 ~~districts~~ requiring the second billing.

6 ➔Section 2. KRS 68.245 is amended to read as follows:

- 7 (1) The property valuation administrator shall submit an official estimate of real and
8 personal property and new property assessment as defined in KRS 132.010, to the
9 county judge/executive by April 1 of each year.
- 10 (2) ~~A~~~~No~~ county fiscal court shall not levy a tax rate, excluding any special tax rate
11 which may be levied at the request of a county community improvement district
12 pursuant to KRS 107.350 and 107.360, following a favorable vote upon the~~such~~
13 tax by the voters of that county, which exceeds the compensating tax rate defined in
14 KRS 132.010, until the taxing district has complied with the provisions of
15 subsection (5) of this section.
- 16 (3) The state local finance officer shall certify to each county judge/executive, by June
17 30 of each year, the following:
- 18 (a) The compensating tax rate, as defined in KRS 132.010, and the amount of
19 revenue expected to be produced by it;
- 20 (b) The tax rate which will produce no more revenue from real property,
21 exclusive of revenue from new property, than four percent (4%) over the
22 amount of revenue produced by the compensating tax rate as defined in KRS
23 132.010 and the amount of revenue expected to be produced by it.
- 24 (4) Real and personal property assessment and new property determined in accordance
25 with KRS 132.010 shall be certified to the state local finance officer by the
26 Department of Revenue upon completion of action on property assessment data.
- 27 (5) (a) A county fiscal court, proposing to levy a tax rate, excluding any special tax

1 rate which may be levied at the request of a county community improvement
2 district pursuant to KRS 107.350 and 107.360, following a favorable vote
3 upon the tax by the voters of that county, which exceeds the compensating tax
4 rate as defined in KRS 132.010, shall hold a public hearing to hear comments
5 from the public regarding the proposed tax rate. The hearing shall be held in
6 the principal office of the taxing district, or, in the event the taxing district
7 does not have an~~has no~~ office~~,~~ or the office is not suitable for a hearing,
8 the hearing shall be held in a suitable facility as near as possible to the
9 geographic center of the district.

10 (b) County fiscal courts of counties containing a city of the first class proposing
11 to levy a tax rate, excluding any special tax rate which may be levied at the
12 request of a county community improvement district pursuant to KRS
13 107.350 and 107.360, following a favorable vote upon the tax by the voters of
14 that county, which exceeds the compensating tax rate as defined in KRS
15 132.010, shall hold three (3) public hearings to hear comments from the
16 public regarding the proposed tax rate. The hearings shall be held in three (3)
17 separate locations; each location shall be determined by dividing the county
18 into three (3) approximately equal geographic areas, and identifying a suitable
19 facility as near as possible to the geographic center of each area.

20 (c) The county fiscal court shall advertise the hearing by causing to be published
21 at least twice in two (2) consecutive weeks, in the newspaper of largest
22 circulation in the county, a display type advertisement of not less than twelve
23 (12) column inches, the following:

- 24 1. The tax rate levied in the preceding year, and the revenue produced by
25 that rate;
- 26 2. The tax rate proposed for the current year and the revenue expected to
27 be produced by that rate;

- 1 3. The compensating tax rate and the revenue expected from it;
- 2 4. The revenue expected from new property and personal property;
- 3 5. The general areas to which revenue in excess of the revenue produced in
- 4 the preceding year is to be allocated;
- 5 6. A time and place for the public hearings which shall be held not less
- 6 than seven (7) days nor more than ten (10) days, after the day that the
- 7 second advertisement is published;
- 8 7. The purpose of the hearing; and
- 9 8. A statement to the effect that the General Assembly has required
- 10 publication of the advertisement and the information contained therein.
- 11 (d) In lieu of the two (2) published notices, a single notice containing the required
- 12 information may be sent by first-class mail to each person owning real
- 13 property, addressed to the property owner at his or her residence or principal
- 14 place of business as shown on the current year property tax roll.
- 15 (e) The hearing shall be open to the public. All persons desiring to be heard shall
- 16 be given an opportunity to present oral testimony. The county fiscal court may
- 17 set reasonable time limits for testimony.
- 18 (6) (a) ~~That portion of~~ A tax rate, excluding any special tax rate which may be
- 19 levied at the request of a county community improvement district pursuant to
- 20 KRS 107.350 and 107.360, following a favorable vote upon a tax by the
- 21 voters of that county, levied by an action of a county fiscal court which will
- 22 produce revenue from real property, exclusive of revenue from new property,
- 23 more than four percent (4%) over the amount of revenue produced by the
- 24 compensating tax rate as defined in KRS 132.010 shall be subject to a recall
- 25 vote or reconsideration by the taxing district, as provided for in KRS 132.017,
- 26 and shall be advertised as provided for in paragraph (b) of this subsection.
- 27 (b) The county fiscal court shall, within seven (7) days following the adoption of

1 ~~its~~ ordinance to levy a tax rate, excluding any special tax rate which may
 2 be levied at the request of a county community improvement district pursuant
 3 to KRS 107.350 and 107.360, following a favorable vote upon a tax by the
 4 voters of that county, which will produce revenue from real property,
 5 exclusive of revenue from new property as defined in KRS 132.010, more
 6 than four percent (4%) over the amount of revenue produced by the
 7 compensating tax rate as defined in KRS 132.010, cause to be published, in
 8 the newspaper of largest circulation in the county, a display type
 9 advertisement of not less than twelve (12) column inches the following:

- 10 1. The fact that the county fiscal court has adopted a rate; and
- 11 2. The fact that ~~the part of~~ the rate which will produce revenue from real
 12 property, exclusive of new property as defined in KRS 132.010, in
 13 excess of four percent (4%) over the amount of revenue produced by the
 14 compensating tax rate defined in KRS 132.010 is subject to recall; ~~and~~
- 15 ~~3. The name, address, and telephone number of the county clerk, with a
 16 notation to the effect that that official can provide the necessary
 17 information about the petition required to initiate recall of the tax rate].~~

18 ➔Section 3. KRS 75A.050 is amended to read as follows:

- 19 (1) (a) Upon the creation of a district, the trustees of a district are authorized to
 20 provide fire services, emergency medical services subject to KRS Chapter
 21 311A, or rescue services pursuant to KRS Chapter 39F, as provided in
 22 paragraph (c) of this subsection, and to levy a tax upon the property in the
 23 district.
- 24 (b) The property taxed shall be subject to county tax, and the tax levied by the
 25 board upon creation of the district shall be approved by the county fiscal
 26 court, consolidated local government, charter county government, or unified
 27 local government having jurisdiction over the district at the time of passage of

1 the ordinance creating the district. The tax shall not exceed ten cents (\$0.10)
2 per one hundred dollars (\$100) of valuation as assessed for county taxes, for
3 the purpose of defraying the expenses for the provision of fire services or
4 rescue services. The rate set in this subsection shall apply, notwithstanding the
5 provisions of KRS 132.023.

6 (c) The district that establishes and operates an emergency ambulance service and
7 is the primary service provider in the district may levy a tax upon the property
8 in the district. The tax to be levied shall be proposed by the board, shall be
9 approved by the county fiscal court, consolidated local government, charter
10 county government, or unified local government having jurisdiction over the
11 district and the tax shall not exceed twenty cents (\$0.20) per one hundred
12 dollars (\$100) of valuation as assessed for county taxes, for the purpose of
13 defraying the expenses of the provision of fire services, emergency medical
14 services, or rescue service, or to make contracts for fire protection for the
15 districts as provided in KRS 75.050. The rate set in this subsection shall
16 apply, notwithstanding KRS 132.023.

17 (d) 1. Any increase of the total tax levy beyond the rate initially approved by
18 the board and authorized by the county fiscal court, consolidated local
19 government, charter county government, or unified local government
20 shall be subject to KRS 132.023. Any increase in excess of the annual
21 compensating rate for the consolidated emergency services district shall
22 require the approval of the county fiscal court, consolidated local
23 government, charter county government, or unified local government
24 having jurisdiction over the district. If at any time an election~~[resulting~~
25 ~~from a recall petition]~~ pursuant to KRS 132.017 is required, the question
26 shall be presented to all voters in every precinct for which any part of
27 the precinct is served by the district~~[subject to the recall petition].~~

- 1 2. If two (2) or more established consolidated emergency services merge to
2 create a new consolidated emergency services district, as authorized in
3 this chapter, the initial tax to be levied, as proposed by the board, shall
4 be approved by the county fiscal court, consolidated local government,
5 charter county government, or unified local government having
6 jurisdiction over the district, and the initial tax levied shall not exceed
7 the highest tax rate currently levied by one (1) of the merging districts.
8 Any increase to the initial tax rate shall be subject to KRS 132.023. Any
9 increase in excess of the annual compensating rate for the consolidated
10 emergency services district shall require the approval of the county
11 fiscal court, consolidated local government, charter county government,
12 or unified local government having jurisdiction over the district. If at
13 any time an election~~[resulting from a recall petition]~~ pursuant to KRS
14 132.017 is required, the question shall be presented to all voters in every
15 precinct for which any part of the district serves.
- 16 (2) The property valuation administrator of the county in which the district is created,
17 with the cooperation of the board, shall note on the tax rolls the taxpayers and
18 valuation of the property subject to an[such] assessment. The county clerk shall
19 compute the tax on the regular state and county tax bills in a[such] manner as may
20 be directed by regulation of the Department of Revenue.
- 21 (3) These taxes shall be subject to the same delinquency date, discounts, penalties, and
22 interest as are applied to the collection of ad valorem taxes and shall be collected by
23 the sheriff of the county involved and accounted for to the treasurer of the district.
24 The sheriff shall be entitled to a fee of the amount collected by him or her. The
25 fiscal court shall, in the ordinance set forth in subsection (2) of this section and in
26 consultation with the sheriff and the consolidated emergency services district, set a
27 collection fee for the sheriff in an amount not to exceed four and one-fourth percent

1 (4.25%).

2 ➔Section 4. KRS 132.018 is amended to read as follows:

3 (1) If the tax rate applicable to real property levied by a county fiscal court,
4 local~~district~~ board of education, or legislative body of a city, consolidated local
5 government, urban-county government, or other taxing district is reduced as a result
6 of reconsideration by the county fiscal court, local~~district~~ board of education, or
7 legislative body of a city, consolidated local government, urban-county
8 government, or other taxing district under~~the provisions of~~ KRS 132.017~~((2)(j))~~,
9 the tax rate applicable to personal property levied under~~the provisions of~~ KRS
10 68.248(1), 132.024(1), 132.029(1), and 160.473(1) shall be reduced by the
11 respective county fiscal court, local~~district~~ board of education, or legislative body
12 of a city, consolidated local government, urban-county government, or other taxing
13 district to an amount which will produce the same percentage increase in revenue
14 from personal property as the percentage increase in revenue from real property
15 resulting from the reduced tax rate applicable to real property.

16 (2) If the tax rate applicable to real property levied by a county fiscal court,
17 local~~district~~ board of education, or legislative body of a city, consolidated local
18 government, urban-county government, or other taxing district is reduced~~ed~~ under~~the~~
19 ~~the provisions of~~ KRS 132.017~~((3))~~, as a result of a majority of votes cast in an
20 election being opposed to the~~such a~~ rate, the tax rate applicable to personal
21 property levied by the respective county fiscal court, local~~district~~ board of
22 education, or legislative body of a city, consolidated local government, urban-
23 county government, or other taxing district shall be reduced, without further action
24 by the levying body, to an amount which will produce the same percentage increase
25 in revenue from personal property as the percentage increase in revenue from real
26 property resulting from the reduced tax rate applicable to real property.

27 ➔Section 5. KRS 132.023 is amended to read as follows:

- 1 (1) ~~A~~~~Not~~ special purpose governmental entity shall ***not*** levy a tax rate which exceeds
2 the compensating tax rate until the taxing district has complied with the provisions
3 of KRS 65A.110 and subsection (2) of this section.
- 4 (2) (a) A special purpose governmental entity proposing to levy a tax rate which
5 exceeds the compensating tax rate shall submit the proposed rate as required
6 by KRS 65A.110 and shall hold a public hearing to hear comments from the
7 public regarding the proposed tax rate. The hearing shall be held in the same
8 location where the governing body of the city or county where the largest
9 number of citizens served by the special purpose governmental entity reside
10 meets, and shall be held immediately before a regularly scheduled meeting of
11 that governing body.
- 12 (b) The special purpose governmental entity shall advertise the hearing by
13 causing to be published at least twice in two (2) consecutive weeks, in the
14 newspaper of largest circulation in the county, a display type advertisement of
15 not less than twelve (12) column inches, the following:
- 16 1. The tax rate levied in the preceding year, and the revenue produced by
17 that rate;
 - 18 2. The tax rate proposed for the current year and the revenue expected to
19 be produced by that rate;
 - 20 3. The compensating tax rate and the revenue expected from it;
 - 21 4. The revenue expected from new property and personal property;
 - 22 5. The general areas to which revenue in excess of the revenue produced in
23 the preceding year is to be allocated;
 - 24 6. A time and place for the public hearing which shall be held not less than
25 seven (7) days, nor more than ten (10) days, after the day that the second
26 advertisement is published;
 - 27 7. The purpose of the hearing; and

1 8. A statement to the effect that the General Assembly has required
2 publication of the advertisement and the information contained therein.

3 (c) In lieu of the two (2) published notices, a single notice containing the required
4 information may be sent by first-class mail to each person owning real
5 property in the special purpose governmental entity, addressed to the property
6 owner at his or her residence or principal place of business as shown on the
7 current year property tax roll.

8 (d) The hearing shall be open to the public. All persons desiring to be heard shall
9 be given an opportunity to present oral testimony. The special purpose
10 governmental entity may set reasonable time limits for testimony.

11 (3) (a) ~~That portion of~~ A tax rate levied by an action of a special purpose
12 governmental entity which will produce revenue from real property, exclusive
13 of revenue from new property, more than four percent (4%) over the amount
14 of revenue produced by the compensating tax rate shall be subject to a recall
15 vote or reconsideration by the special purpose governmental entity, as
16 provided for in KRS 132.017, and shall be advertised as provided in
17 paragraph (b) of this subsection.

18 (b) The special purpose governmental entity shall, within seven (7) days
19 following the adoption of ~~its~~ ordinance, order, resolution, or motion to
20 levy a tax rate which will produce revenue from real property, exclusive of
21 revenue from new property, more than four percent (4%) over the amount of
22 revenue produced by the compensating tax rate, cause to be published, in the
23 newspaper of largest circulation in the county, a display type advertisement of
24 not less than twelve (12) column inches the following:

- 25 1. The fact that the taxing district has adopted a rate; and
- 26 2. The fact that ~~the part of~~ the rate which will produce revenue from real
27 property, exclusive of new property, in excess of four percent (4%) over

1 the amount of revenue produced by the compensating tax rate is subject
2 to recall~~[- and~~

3 ~~3. The name, address, and telephone number of the county clerk of the~~
4 ~~county in which the special purpose governmental entity is located, with~~
5 ~~a notation to the effect that that official can provide the necessary~~
6 ~~information about the petition required to initiate recall of the tax rate].~~

7 →Section 6. KRS 132.027 is amended to read as follows:

8 (1) ~~A~~~~[No]~~ city or urban-county government shall **not** levy a tax rate which exceeds the
9 compensating tax rate~~[defined in KRS 132.010]~~ until the city or urban-county
10 government has complied with the provisions of subsection (2) of this section.

11 (2) (a) Cities or urban-county governments proposing to levy a tax rate which
12 exceeds the compensating tax rate~~[defined in KRS 132.010]~~ shall hold a
13 public hearing to hear comments from the public regarding the proposed tax
14 rate. The hearing shall be held in the principal office of the taxing district, or,
15 in the event the taxing district ***does not have an***~~[has no]~~ office~~[-]~~, or the office
16 is not suitable for a hearing, the hearing shall be held in a suitable facility as
17 near as possible to the geographic center of the district.

18 (b) The city or urban-county government shall advertise the hearing by causing to
19 be published at least twice in two (2) consecutive weeks, in the newspaper of
20 largest circulation in the county, a display type advertisement of not less than
21 twelve (12) column inches, the following:

- 22 1. The tax rate levied in the preceding year, and the revenue produced by
23 that rate;
- 24 2. The tax rate proposed for the current year and the revenue expected to
25 be produced by that rate;
- 26 3. The compensating tax rate and the revenue expected from it;
- 27 4. The revenue expected from new property and personal property;

- 1 5. The general areas to which revenue in excess of the revenue produced in
2 the preceding year is to be allocated;
- 3 6. A time and place for the public hearing which shall be held not less than
4 seven (7) days nor more than ten (10) days after the day the second
5 advertisement is published;
- 6 7. The purpose of the hearing; and
- 7 8. A statement to the effect that the General Assembly has required
8 publication of the advertisement and the information contained therein.
- 9 (c) In lieu of the two (2) published notices, a single notice containing the required
10 information may be sent by first-class mail to each person owning real
11 property in the taxing district, addressed to the property owner at his *or her*
12 residence or principal place of business as shown on the current year property
13 tax roll.
- 14 (d) The hearing shall be open to the public. All persons desiring to be heard shall
15 be given an opportunity to present oral testimony. The taxing district may set
16 reasonable time limits for testimony.
- 17 (3) (a) ~~That portion of~~ A tax rate levied by an action of a city or urban-county
18 government which will produce revenue from real property, exclusive of
19 revenue from new property, more than four percent (4%) over the amount of
20 revenue produced by the compensating tax rate~~[defined in KRS 132.010]~~
21 shall be subject to a recall vote or reconsideration by the taxing district, as
22 provided for in KRS 132.017, and shall be advertised as provided for in
23 paragraph (b) of this subsection.
- 24 (b) The city or urban-county government shall, within seven (7) days following
25 the adoption of its~~an~~ ordinance to levy a tax rate which will produce revenue
26 from real property, exclusive of revenue from new property~~[as defined in~~
27 ~~KRS 132.010]~~, more than four percent (4%) over the amount of revenue

1 produced by the compensating tax rate~~[defined in KRS 132.010]~~, cause to be
 2 published, in the newspaper of largest circulation in the county, a display type
 3 advertisement of not less than twelve (12) column inches the following:

- 4 1. The fact that the city or urban-county government has adopted a rate;
 5 ***and***
- 6 2. The fact that~~[the part of]~~ the rate which will produce revenue from real
 7 property, exclusive of new property~~[as defined in KRS 132.010]~~, in
 8 excess of four percent (4%) over the amount of revenue produced by the
 9 compensating tax rate~~[defined in KRS 132.010]~~ is subject to recall~~;~~
 10 ***and***
- 11 3. ~~The name, address, and telephone number of the county clerk of the~~
 12 ~~county or urban county in which the taxing district is located, with a~~
 13 ~~notation to the effect that that official can provide the necessary~~
 14 ~~information about the petition required to initiate recall of the tax rate].~~

15 ➔Section 7. KRS 160.470 is amended to read as follows:

- 16 (1) (a) Notwithstanding any statutory provisions to the contrary, ***a local***~~[no district]~~
 17 board of education shall ***not*** levy a general tax rate which will produce more
 18 revenue, exclusive of revenue from net assessment growth as defined in KRS
 19 132.010, than would be produced by application of the general tax rate that
 20 could have been levied in the preceding year to the preceding year's
 21 assessment, except as provided in subsections (9) and (10) of this section and
 22 KRS 157.440.
- 23 (b) If an election is held as provided for in KRS 132.017 and the question should
 24 fail, ~~the~~~~[such]~~ failure shall not reduce the "...general tax rate that could have
 25 been levied in the preceding year..." referred to in subsection (1)(a) of this
 26 section, for purposes of computing the general tax rate for succeeding years.

27 In the event of a merger of school districts, the limitations contained in this section

1 shall be based upon the combined revenue of the merging districts, as computed
2 under the provisions of this section.

3 (2) A local~~No district~~ board of education shall **not** levy a general tax rate within the
4 limits imposed in subsection (1) of this section which respectively exceeds the
5 compensating tax rate **as** defined in KRS 132.010, except as provided in
6 subsections (9) and (10) of this section, KRS 157.440, and KRS 157.621, until the
7 local~~district~~ board of education has complied with the provisions of subsection (7)
8 of this section.

9 (3) Upon receipt of property assessments from the Department of Revenue, the
10 commissioner of education shall certify the following to each local~~district~~ board
11 of education:

12 (a) The general tax rate that a local~~district~~ board of education could levy under
13 the provisions of subsection (1) of this section, and the amount of revenue
14 expected to be produced;

15 (b) The compensating tax rate as defined in KRS 132.010 for a district's general
16 tax rate the amount of revenue expected to be produced;

17 (c) The general tax rate which will produce, respectively, no more revenue from
18 real property, exclusive of revenue from new property, than four percent (4%)
19 over the amount of revenue produced by the compensating tax rate **as** defined
20 in KRS 132.010, and the amount of revenue expected to be produced.

21 (4) Upon completion of action on property assessment data, the Department of
22 Revenue shall submit certified property assessment data as required in KRS
23 133.125 to the chief state school officer.

24 (5) Within thirty (30) days after the local~~district~~ board of education has received its
25 assessment data, the rates levied shall be forwarded to the Kentucky Board of
26 Education for its approval or disapproval. The failure of the local~~district~~ board of
27 education to furnish the rates within the time prescribed shall not invalidate any

1 levy made thereafter.

2 (6) (a) Each local~~[district]~~ board of education shall, on or before January 31 of each
3 calendar year, formally and publicly examine detailed line item estimated
4 revenues and proposed expenditures for the subsequent fiscal year. On or
5 before May 30 of each calendar year, each local~~[district]~~ board of education
6 shall adopt a tentative working budget which shall include a minimum reserve
7 of two percent (2%) of the total budget.

8 (b) Each local~~[district]~~ board of education shall submit to the Kentucky Board of
9 Education no later than September 30, a close estimate or working budget
10 which shall conform to the administrative regulations prescribed by the
11 Kentucky Board of Education.

12 (7) (a) Except as provided in subsections (9) and (10) of this section and KRS
13 157.440, a local~~[district]~~ board of education proposing to levy a general tax
14 rate within the limits of subsection (1) of this section which exceed the
15 compensating tax rate as defined in KRS 132.010 shall hold a public hearing
16 to hear comments from the public regarding the proposed tax rate. The
17 hearing shall be held in the principal office of the taxing district or, in the
18 event the taxing district does not have an~~[has no]~~ office~~[,]~~ or the office is not
19 suitable for the~~[such a]~~ hearing, the hearing shall be held in a suitable facility
20 as near as possible to the geographic center of the district.

21 (b) The local~~[district]~~ board of education shall advertise the hearing by causing
22 the following to be published at least twice for two (2) consecutive weeks, in
23 the newspaper of largest circulation in the county, a display type
24 advertisement of not less than twelve (12) column inches:

25 1. The general tax rate levied in the preceding year, and the revenue
26 produced by that rate;

27 2. The general tax rate for the current year, and the revenue expected to be

- 1 produced by that rate;
- 2 3. The compensating general tax rate, and the revenue expected from it;
- 3 4. The revenue expected from new property and personal property;
- 4 5. The general areas to which revenue in excess of the revenue produced in
- 5 the preceding year is to be allocated;
- 6 6. A time and place for the public hearing which shall be held not less than
- 7 seven (7) days nor more than ten (10) days after the day that the second
- 8 advertisement is published;
- 9 7. The purpose of the hearing; and
- 10 8. A statement to the effect that the General Assembly has required
- 11 publication of the advertisement and the information contained herein.
- 12 (c) In lieu of the two (2) published notices, a single notice containing the required
- 13 information may be sent by first-class mail to each person owning real
- 14 property, addressed to the property owner at his or her residence or principal
- 15 place of business as shown on the current year property tax roll.
- 16 (d) The hearing shall be open to the public. All persons desiring to be heard shall
- 17 be given an opportunity to present oral testimony. The local~~district~~ board of
- 18 education may set reasonable time limits for testimony.
- 19 (8) (a) ~~That portion of~~ A general tax rate, except as provided in subsections (9) and
- 20 (10) of this section, KRS 157.440, and KRS 157.621, levied by an action of a
- 21 local~~district~~ board of education which will produce, respectively, revenue
- 22 from real property, exclusive of revenue from new property, more than four
- 23 percent (4%) over the amount of revenue produced by the compensating tax
- 24 rate as defined in KRS 132.010, shall be subject to a recall vote or
- 25 reconsideration by the local~~district~~ board of education as provided for in
- 26 KRS 132.017, and shall be advertised as provided for in paragraph (b) of this
- 27 subsection.

1 (b) The local~~[district]~~ board of education shall, within seven (7) days following
 2 the adoption of its~~[an]~~ ordinance, order, resolution, or motion to levy a
 3 general tax rate, except as provided in subsections (9) and (10) of this section
 4 and KRS 157.440, which will produce revenue from real property, exclusive
 5 of revenue from new property as defined in KRS 132.010, more than four
 6 percent (4%) over the amount of revenue produced by the compensating tax
 7 rate as defined in KRS 132.010, cause the following to be published, in the
 8 newspaper of largest circulation in the county, a display type advertisement of
 9 not less than twelve (12) column inches:

- 10 1. The fact that the local~~[district]~~ board of education has adopted the~~[such~~
 11 ~~a]~~ rate; and
- 12 2. The fact that~~[the part of]~~ the rate which will produce revenue from real
 13 property, exclusive of new property as defined in KRS 132.010, in
 14 excess of four percent (4%) over the amount of revenue produced by the
 15 compensating tax rate as defined in KRS 132.010 is subject to recall~~;~~
 16 ~~and~~
- 17 3. ~~The name, address, and telephone number of the county clerk of the~~
 18 ~~county or urban county in which the school district is located, with a~~
 19 ~~notation to the effect that that official can provide the necessary~~
 20 ~~information about the petition required to initiate recall of the tax rate].~~

21 (9) (a) Notwithstanding any statutory provisions to the contrary, effective for school
 22 years beginning after June 30, 1990, the local board of education of each
 23 school district shall levy a minimum equivalent tax rate of thirty cents (\$0.30)
 24 for general school purposes. "Equivalent tax rate" is defined as the rate which
 25 results when the income collected during the prior year from all taxes levied
 26 by the district for school purposes is divided by the total assessed value of
 27 property plus the assessment for motor vehicles certified by the Department of

1 Revenue. School districts collecting school taxes authorized by KRS 160.593
 2 to 160.597, 160.601 to 160.633, or 160.635 to 160.648 for less than twelve
 3 (12) months during a school year shall have included in income collected
 4 under this section the pro rata tax collection for twelve (12) months.

5 (b) Failure of a board to comply with paragraph (a) of this subsection may
 6 constitute a forfeiture of office by its members pursuant to KRS 415.050 and
 7 415.060.

8 (10) Except as required under subsection (5)(b) of Section 1 of this Act, a
 9 local~~district~~ board of education may levy a general tax rate that will produce
 10 revenue from real property, exclusive of revenue from new property, that is four
 11 percent (4%) over the amount of the revenue produced by the compensating tax rate
 12 as defined in KRS 132.010.

13 ➔Section 8. This Act takes effect January 1, 2027.