

2022 Proposed County Tax Rate



August 2022





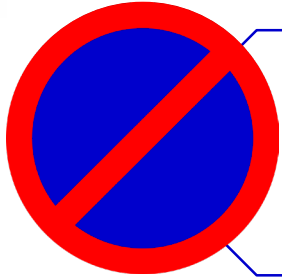
Purpose

**To provide the Judge/Executive's
recommendation for the
2022 County Property Tax Rates**

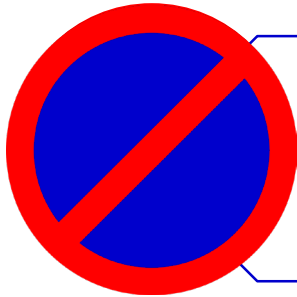


Only County Taxes

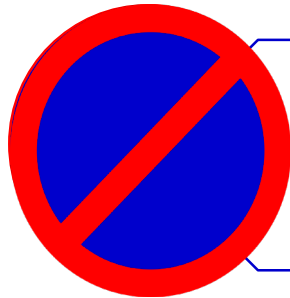
NOT



School Tax Rates
Levied by Local School Boards



State Tax Rates
Levied by State Legislature



City Tax Rate
Levied by City Councils



County Property Tax

Categories Included in this Proposal

**Real
Property
Tax**

**Personal
Property
Tax**

**Motor
Vehicle
Watercraft
Aircraft**

**Wooded
Acreage**

**Soil
Conservation**

**Cooperative
Extension**

**Health
Department**



Taxes Not Imposed By Hardin County Government

NO

County Wide
Occupational
Tax

NO

Insurance
Premium
Tax

NO

Public
Library
District Tax

NO

Fire District
Tax

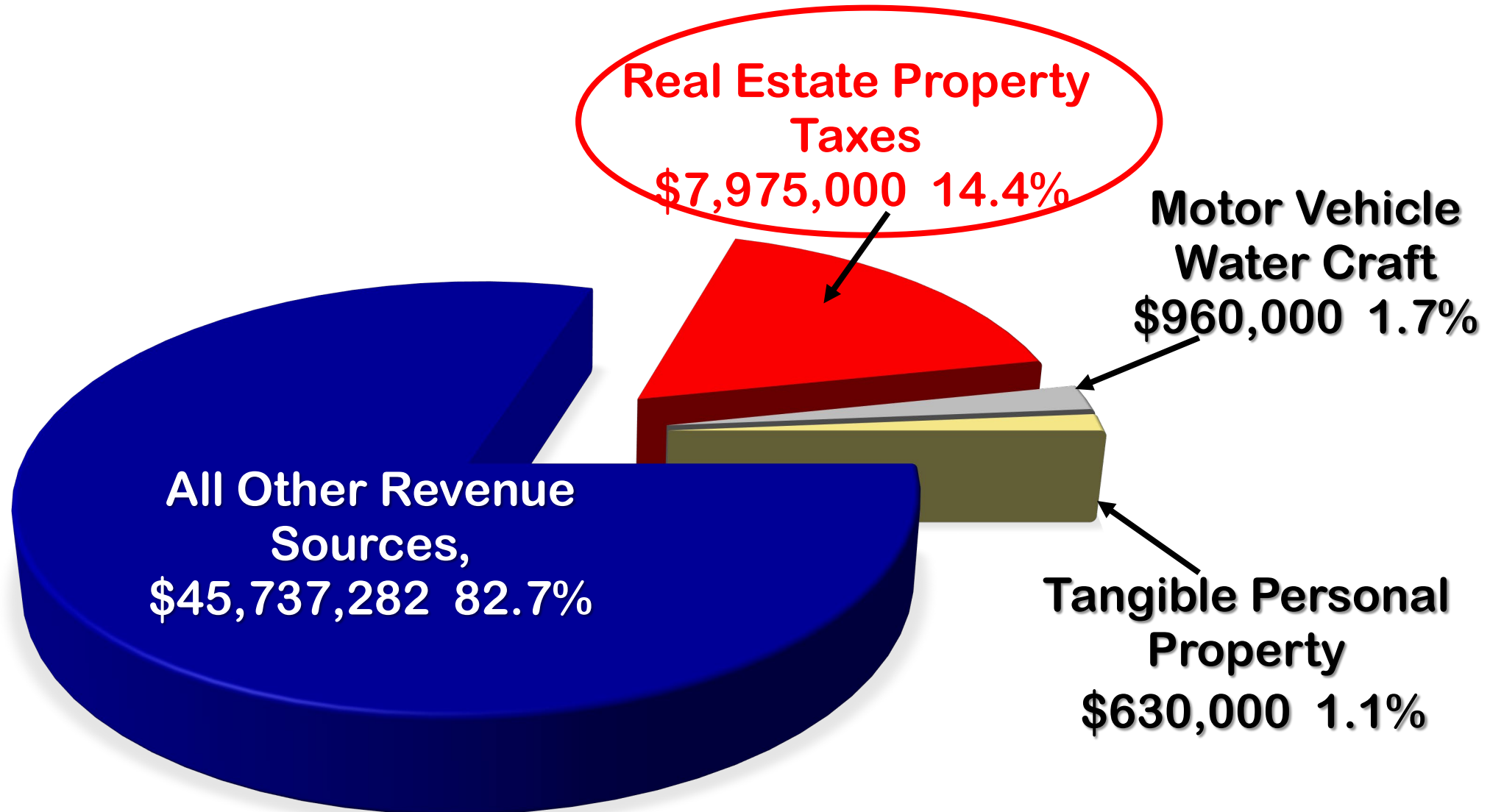
NO

Hotel
Tax

NO

Local Sales
or
Restaurant
Tax

Revenue 2022/2023 Budget Year



\$55,302,282 Total Revenue



Property Tax Rate Definitions

Compensating Rate:

KRS 132.010 defines “Compensating Tax Rate” as that rate which applied to the current year’s assessment of the property subject to taxation, *excluding new property added to the tax roll for the current year*, produces an amount of revenue approximately equal to that produced in preceding year.



The “Compensating Rate” keeps the tax **PAYMENT** (approximately) the same:

- NO cost of inflation added
- NO CPI added

If overall property valued decline, the tax RATE would increase to keep the PAYMENT approximately the same.

If overall property values increase, the tax RATE would decrease to keep the PAYMENT approximately the same.



Property Tax Rate Definitions

4% Growth Rate:

KRS 68.245 states that the portion of a tax rate levied by Fiscal Court which will produce revenue, *exclusive of revenue from new property*, of more than 4% over the amount of revenue produced by the compensating tax rate shall be subject to recall vote.



The “4% Growth Rate” provides a 4% increase (approximately) to the tax PAYMENT:

- Allows taxing authority to account for the impact of inflation
- Allows taxing authority to account for an increase in the CPI
- Subjects tax rate to potential “*voter recall*” for any increase producing more than a 4% increase to the tax PAYMENT



Recommendation

- **Adopt the Compensating Rate**
- **Will lower current Real Property rate of 12.0 cents / \$100 valuation to 11.6 cents / \$100 valuation**



Real Property Taxes

Budget Year 2022/2023

Value of Real Property Subject to Rate= \$7,257,284,821

	<u>*Rate</u>	<u>Gross Revenue</u>
4% Growth Rate	12.00	\$8,708,742
Proposed Rate	11.60	\$8,418,450
Compensating Rate	11.60	\$8,418,450

*(Cents Per \$100 Valuation)



Gross vs. Net Revenue Based on 2022/2023 Real Property Tax Rates

	Rate (Cents \$100 Valuation)	Gross Revenue (Projected)	Net Revenue* (Estimated)
4% Growth Rate	12.00	\$8,708,742	\$8,621,370
Proposed Rate	11.60	\$8,418,450	\$7,979,775
Compensating Rate	11.60	\$8,418,450	\$7,979,775

Net of:

1. Estimated collection rate by Sheriff's Office =0.99%
2. Fees to Sheriff's Office (10% of First \$5K + 4.25% of Balance)



History of Real Property Tax

- ✓ The property tax rate has been set below the **4% Growth Rate 12** of the last 20 years.
- ✓ Before 2003, the rate was always set at the **4% Growth Rate**.
- ✓ This is the **6TH** time in 20 years the Property Tax Rate has been reduced.



Summary

**Recommend adopting the Real Property
Tax Rate at the compensating rate of 11.6
cents per \$100 valuation for Real Property**



Proposed County 2022 Tax Rates

<u>Real Property (Real Estate)</u>	
11.6000	General and Road Fund
2.2000	Health Department
1.8000	Cooperative Extension Service
0.1500	Soil Conservation District
<u>Tangible Personal Property</u>	
11.8000	General and Road Fund
2.2000	Health Department
2.6000	Cooperative Extension Service
<u>Motor Vehicles, Watercraft and Aircraft</u>	
11.5000	General and Road Fund
2.2000	Health Department
1.4600	Cooperative Extension Service
<u>Wooded Acreage</u>	
2.0000	Fire Protection Fund

Cents per \$100 valuation

