

Shortly after the start of the school year, all Kentucky school districts must determine local school tax rates. Bath County Board of Education is considering proposed 2018 tax rates of 52.6 cents on real property and 52.6 cents on personal property.

As the Board of Education's decision approaches, we want to ensure that the Bath County community has important information on school property tax rates and school funding needs.

## **Frequently Asked Questions**

### **What are the district's property tax rate options?**

The vast majority of school districts opt to levy the compensating rate or the 4 percent rate. These are the two options that are not subject to voter recall, as allowed by the state of Kentucky.

*Compensating Tax Rate:* The compensating tax rate is a rate that when applied to the current year's property assessment, excluding new property, produces revenue equal to that of the prior year.

*4 Percent Tax Rate:* The 4 percent tax rate is a rate that when applied to the current year's property assessment, excluding new property, produces 4 percent more revenue than the prior year. A common misconception is that taking the 4%, will increase your tax rate 4% - this is not correct.

### **What tax rate is proposed for Bath County?**

BCBOE has proposed the 4 percent tax rate. This equates to a tax rate of 52.6 cents (per \$100 of assessed value) on real property and 52.6 cents on personal property.

### **How do Bath County tax rates compare to other districts?**

In 2017, Bath County Schools was ranked 28<sup>th</sup> of 173 KY school districts – one of the lowest school tax rates in the region, with total real property rates of districts in the surrounding counties ranging from 56.4 at Rowan County Schools to 62.2 at Clark County Schools. Bath County's real property tax rate was 47.2.

Bath County has consistently been one of the lowest taxing districts in the region for years, and likely will remain so. If the Board of Education elects to set the rate at 52.6 cents, Bath County property owners would still pay lower than any 2017 rate in surrounding counties.

### **What will the 4 percent tax rate option mean for Bath County property owners?**

Tax bills depend, of course, on the value of a particular property. At the proposed real property tax rate of 52.6 cents, the owner of a \$50,000.00 home would pay \$263.00, up \$27.00 from last year's \$236.00.

## **How will the 4 percent tax rate benefit schools and the community?**

The 4 percent rate will generate about \$234,000 more revenue than last year, and that includes new property assessments.

After years of financial strain in schools across the state, these additional funds will help maintain the district's strategic vision that has resulted in incredible student achievement. This includes programs, equipment and facilities for Bath County students, employees and the community at large.

## **What is at risk?**

Like many have done since the Great Recession, the district has done more with less, and our schools have provided incredible value to the community. Acting with frugality and caution has kept the district moving forward.

However, to ensure continued student gains and to plan for the future, the district needs new revenue. In recent years, **while some of the greatest expenses have climbed, revenues have not kept pace.** Revenues have decreased tremendously due to decreased enrollment and increased property assessment values.

As budgets grow tighter, the district's year-end balance is declining, putting future planning and the district's ability to handle emergency needs at risk.

## **Bath County aims to increase community awareness.**

As an education provider, a resource for families, a major employer and a catalyst for preparing our youth for college and career, our school district is an asset to everyone in the Bath County community. And Bath County is a community that consistently supports education and the opportunities provided to our youth through academic and extra- and co-curricular activities.

It's important that community members are informed about our schools' funding needs as well as how local taxes affect our schools. It's also important that our elected Board of Education members know about the support and concerns of our community.

A public hearing will be held at 6:00 p.m. Thursday, Oct. 18, in the Bath County Board of Education Annex Meeting Room to hear public comments on the proposed tax rates. A special board meeting will follow, where the board is expected to vote on the 2018 tax rates.

## **Learn More**

More information about Kentucky school taxes is available at <https://education.ky.gov/districts/SEEK/Pages/Taxes.aspx>