SB 148 and HB 541

SB 148 and HB 541 amends KRS 157.360 to exempt a school district’s local effort from the SEEK calculation if more than 60% of the real property located in the district is exempt from taxation. The Frankfort Independent School District is such a district

Almost 75% of property in the Frankfort Independent School District is tax exempt. 79% of tax exempt property is state owned.

At the current taxation rate of 83.4 cents per hundred dollars, state owned property represents $4,814,054 in lost taxes to the school district.

SB 148 and HB 541 would allow the Frankfort Independent School District to retain approximately $700,000.00 in local effort.

The Frankfort Independent School District receives no occupational tax on employees who commute into the district or any other compensation for the concentration of state owned property in the district.

The Frankfort Independent School District serves the neighborhoods that surround the historical corridor bound by the Old and the New Capitol Buildings. The school district is vital to attracting young families to the Old City and creating a capital city that represents Kentucky as a place of beauty and economic vitality.

The General Assembly has been generous with school districts, and it is, no doubt, a long term oversight that the capital city’s school district is disequalized as compared to all other school districts because it is the state capital.

 Property in the Old City of Frankfort as of February 11, 2016

Taxable                $244,913,875      25.24%

Exempt                $725,332,521      74.76%

Total                     $970,246,396

 Ownership of Exempt                  % of Total            % of Exempt

State                     $577,224,750      59.49%                  79.58%

City                        $29,055,000        2.99%                    4.01%

County                 $29,953,750        3.09%                    4.13%

US Govt               $9,105,000          0.94%                   1.26%

Other                    $79,994,021        8.24%                 11.03%