

Office of the Hardin County Judge/Executive
JUDGE HARRY L. BERRY

Press Release

September 3rd, 2009



Contact:

The Honorable Harry L. Berry
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For Immediate Release

Judge Berry seeks to maintain the Lowest Real Property Tax Rate in twenty years!

Today Judge Berry announced he will recommend at the September 8th meeting of Fiscal Court to set the county's Real Property Tax Rate at 10.9 cents per \$100 of valuation thereby matching the same low rate as last year. If approved Judge Berry's recommendation will, for the first time ever, place the county's real property tax rate below the state's established "compensating rate".

In making this decision, Judge Berry stated it was important to consider "many county residents have lost their jobs, suffered reduced hours, had overtime opportunities eliminated, or been forced to take jobs paying much less over the last year. With so many of our friends, families, and neighbors enduring such economic strife, it is difficult to justify taking more money from their remaining income. Much like them, our taxing authorities must also tighten their belts and manage within their means. **Now is not the time to raise tax rates on these families.** While increasing taxes is always a difficult decision to make, to allow rates to rise now would place an additional hardship on so many struggling households at a time when they are most vulnerable."

Approving a rate of 10.9 cents per \$100 valuation of real property will be the first time county government has set a property tax rate at less than the compensating rate. Kentucky statutes define the “compensating tax rate” as that rate which, excluding new property added to the tax roles during the last year, will produce the same revenue as generated the previous year. This year’s compensating rate would be 11.0 cents.

In contrast the frequently used “4% growth rate” set by local taxing authorities, the maximum rate allowed by statute without the possibility of voter recall, would produce revenue which is 4% more than the previous tax year (not including taxes from new property added since the last year). This year’s 4% growth rate would be 11.4 cents, a full 5% increase above last year’s rate.

For decades previous fiscal courts always set property tax rates at the level necessary to receive the maximum 4% growth in tax revenue allowed by state statute without the possibility of voter recall. During this Administration we have moved from automatically levying the maximum rate to a more detailed evaluation of matching the tax rate to the government’s need for revenue while considering the impact on taxpayers.

In three of the last six years county government has set the rate at less than this 4% maximum growth rate in an effort to balance the impact on government and the taxpayer. If approved, **this year would be the fourth out the last seven the county government has not levied the maximum 4% growth rate and the first time ever of setting a rate less than the compensating rate.** Judge Berry explained.

Increasing costs to maintain current operating levels for county government will be a challenge with these proposed tax rates. Keeping our rates at or below the compensating rates will mean approximately \$250,000 less in projected county government revenue from total taxes versus those amounts budgeted for the fiscal year. Judge Berry commented “while county government has been very successful during the past seven years of eliminating waste and redundancy along with more efficient operations, we will continue to search for other savings to reduce the impact of receiving less than the budgeted amount of tax revenue”.

“In the worst case scenario,” Judge Berry said, “it may be necessary for county government to utilize a modest amount of the county’s reserve funds to make ends meet. After all, isn’t that what savings or a “rainy day fund” is there for – difficult times? Using a relatively small amount from our savings account is a better solution than asking so many during troubled times to sacrifice yet more by paying higher taxes.”

Judge Berry summarized, “when the day is done, we must ask ourselves, what are our expectations of government and how much are we willing to pay for it? The most effective way of meeting urgent needs today is to keep as much money as we can in the hands of our families during these economically challenging times”.

Fiscal Court will set this year’s county property tax rates during its 3:30 p.m. September 8th meeting at the “old county courthouse” in Elizabethtown.

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