

**136.654 Determination of distributions -- State baseline and local growth fund.**

- (1) On or before December 1, 2005, and every January 31 thereafter, each participating political subdivision shall certify to the department its total tax receipts for the prior fiscal year. This amount shall be used to calculate the percentage of each political subdivision's portion of the account labeled under its county's name within the state baseline and local growth fund as described in subsection (3)(b) of this section. "Total tax receipts" shall not include revenue from nontax sources, such as intergovernmental revenues, charges for services, tuition, interfund transfers, interest and investment income, rental income, income from asset sales, beginning balances, or revenue from licenses and permits. "Total tax receipts" shall include the following:
  - (a) Real estate and tangible personal property taxes, including delinquent tax receipts;
  - (b) Franchise fees or taxes on utilities, other than multichannel video programming service and communications service utilities;
  - (c) Occupational and business license fees or taxes, including insurance premium taxes, net profits taxes, gross receipts taxes, payroll taxes, transient room taxes, restaurant taxes, and bank deposit taxes;
  - (d) Telephone emergency surcharge fees;
  - (e) Gross revenues tax hold-harmless and growth fund receipts; and
  - (f) Payments in lieu of taxes.
- (2) On or before every January 31, each participating school district and special district shall certify to the department the amount of its prior year tax assessments under KRS Chapter 132 on companies' providing of multichannel video programming service and communications service. This amount shall be used to calculate the percentage of each school district's and special district's portion of the account labeled under its county's name within the state baseline and local growth fund as described in subsection (3)(b) of this section. For tax years with no assessments under KRS Chapter 132, the local historical percentage as defined in KRS 136.650 shall be used.
- (3) Each political subdivision's, school district's, and special district's monthly portion of the state baseline and local growth fund shall be computed as follows:
  - (a) A "local growth portion" shall be determined as an amount of money that when added to the hold-harmless amount identified in KRS 136.650(2)(c) equals fifteen and six-tenths percent (15.6%) of the total amount deposited in the gross revenues and excise tax fund, minus the amount of distributions made under KRS 136.652(1) and (3).
  - (b) The local growth portion shall be accounted for by county within the state baseline and local growth fund based on the ratio of the gross revenues tax collected on multichannel video programming services and communications services provided in each county to the total statewide collections of the gross revenues tax. The county-by-county allotment of the local growth portion shall be known as the "county growth portion."

- (c) The county growth portion shall be further segregated into the political subdivision allotment, the school district allotment, and the special district allotment based upon the ratio of each allotment category's total historical collections as calculated under KRS 136.650(2) to the total overall county historical collections as calculated from the certified collections under KRS 136.650(1).
- (d) On or before April 25, 2006, each political subdivision's share of the political subdivision allotment shall be determined by multiplying the political subdivision allotment of the local growth portion as determined in paragraph (b) of this subsection by the percentage calculated in subsection (1) of this section.
- (e) On or before April 25, 2006, each school district's share of the school district allotment shall be determined by multiplying the school district allotment as determined in paragraph (c) of this subsection by the percentage calculated in subsection (2) of this section.
- (f) On or before April 25, 2006, each special district's share of the special district allotment shall be determined by multiplying the special district allotment as determined in paragraph (c) of this subsection by the percentage calculated in subsection (2) of this section.
- (g) The respective allotment share for each participating political subdivision, school district, and special district shall be adjusted every July 1 following the year 2006, to account for any change in its percentages based on annual certifications required in subsections (1) and (2) of this section.
- (h) Notwithstanding the annual certifications required in subsection (1) of this section, following the year 2006, political subdivisions may choose to determine their respective shares of the political subdivision allotment pursuant to an interlocal agreement as authorized under KRS 65.240. Activation or termination of an interlocal agreement shall comply with the notification requirements of subsection (1) of this section and shall become effective the following July 1. The terms of a timely interlocal agreement governing the distribution of a political subdivision allotment shall remain in effect until its timely termination by one of the participating political subdivisions.

**Effective:** January 1, 2006

**History:** Created 2005 Ky. Acts ch. 168, sec. 115, effective January 1, 2006.

**Legislative Research Commission Note** (1/01/2006). 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in 2005 legislation confirming the reorganization of the executive branch. Such a correction has been made in this section.