



10-Minute Supervisor Trainings

Kentucky Soil and Water Conservation Commission

NOVEMBER 2010

GENERAL FUNDS/MILLAGE TAX

Conservation districts depend on their local fiscal court for a large percentage of their operating budget each year. The fiscal court shall, by law (KRS 262.200), fund an approved budget from the conservation district. It is up to each fiscal court, however to decide how to provide these funds-from their general fund or by creating a special taxing district.

The conservation district provides documentation for their budget including, but not limited to a copy of the previous year's actual fiscal operations, a long range plan and annual plan of work. If the fiscal court chooses not to fund the conversation district at a level which would allow them to carry out the programs the district feels are necessary for the district's landowners, the district can pursue becoming a special taxing district. Should a fiscal court fail to approve a requested budget, it shall present a specific list of objections and suggested corrections to the board in writing and within a reasonable amount of time. (Please see KRS 262.200 (4).

A conservation district petitions the fiscal court to become a taxing district by presenting a petition and a plan of service to the fiscal court. The petition must include signatures from a number of registered voters equal to or greater than 25% of an average of the voters living in the districts and voting in the last 4 general elections. The plan of service must include:

1. The statutory authority under which the district is created and will be operated.
2. Demographic characteristics of the area.
3. Description of the service area and the population to be served.
4. 3 year projection of cost versus revenue.
5. Justification of the formation of the taxing district.
6. Additional information including land use plans, existing land use, etc.

The local fiscal court may chose to create a taxing district on their own (i.e., without being petitioned by the conservation district) in order to be able to utilize funds in their general account for other projects that was currently obligated to the conservation district. Although the petition is not required for this, the fiscal court may still require a plan of service.



Regardless of how the process started (by district petition or by fiscal court), the process then follows guidelines throughout the formation. The entire formation can take up to 180 days to complete.

1. The fiscal court notifies all planning commissions, cities, and area development districts.
2. The fiscal court clerk schedules a hearing on the proposal for no earlier than 30 days and no later than 90 days following receipt of the petition. This must be published with a description in the newspaper with the largest local circulation. This hearing can be in conjunction with a fiscal court meeting, but must be advertised separately.
3. At the hearing, fiscal court must take testimony of interested parties and take recommendations.
4. As an ordinance has to be read on two separate occasions, at least 2 hearings are required.
5. The fiscal court may extend the hearing for up to 90 days, if necessary, from the date of the initial hearing and must render a decision within 30 days of the adjournment of the final hearing.
6. The district, on approval, shall be created in accordance with KRS 67.075 and 67.075, which explain the process that fiscal court follows in creating an ordinance.
7. The effective date of the tax levy shall be Jan 1 following the certification.

If a district is not approved to become a taxing district, they may appeal the decision to the Circuit Court within 30 days of the decision through the process outlined in KRS 65.186.

DISCUSSION QUESTIONS

1. It can be hard for the public to understand a new tax. What can a district do to improve public perception?
2. Who could be valuable resources in the community to assist you in this endeavor?
3. How can a district keep the fiscal court member informed on the benefits of the conservation district?

