



Magistrate
**SCOTT
DAVIS**
DISTRICT 6

COMMUNICATION BULLETIN

Sept. 26, 2009

www.scottmdavis.net

Magistrate Davis would like to take this opportunity to share information regarding **a proposed ordinance** before the Oldham County Fiscal Court which includes a **NEW TAX** and the impact this will have on you as a resident of Oldham County.

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Paid for by Scott Davis

NEW TAX PROPOSED FOR ALL OLDHAM COUNTIANS

Ordinance # 09-240-818 concerns the issuance of General Obligation Refunding Bonds in the amount of \$7.4 million by the Oldham County Fiscal Court. Judge-Executive Duane Murner desires for the Fiscal Court to accept responsibility and ownership of debt in this amount from the Oldham County Sewer District.

Included in this ordinance is clear language detailing that "there shall be and there is hereby levied upon ALL of the taxable property within the county, beginning in 2010 and continuing in each year as long as any of the Series 2009 Bonds are outstanding, a **DIRECT ANNUAL TAX** sufficient, to the extent other lawfully available moneys of the county are not provided for that purpose, as mandatorily required by Section 159 of the Kentucky Constitution. The County hereby covenants with the holders of the Series 2009 bonds that it will levy said **SPECIAL ANNUAL TAX** in each year at whatever rates may be necessary from time to time in order to produce the amounts required in each year to pay the Series 2009 Bonds and interest."

What does this mean for **YOU** as a homeowner and resident? First, if you are a customer of the LaGrange or Crestwood/MSD sewer treatment systems, you are facing a tax to pay for something that you already have through your current service provider.

Next, if you are not currently a sewer treatment customer in Oldham County, you also face a new tax for a service you don't receive. You must ask yourself, how will the revenue of this new tax benefit me? The fact is that it will not benefit you.

Lastly, if you are currently an Oldham County Sewer District customer, you must ask yourself will this new tax keep my rates from continuing to rise as they have over the recent past?

The likely answer is **NO**, as rates will likely continue to rise in an effort to fund additional expansion for new residential development.

Everyone should remember that **NO** resident of Oldham County will be spared from this tax if it is levied.

The most serious issue with this situation is the fact that no "repayment" plan or strategy has been presented to the Fiscal Court from the Oldham County Sewer District. In fact, I have requested this information from both Judge-Executive Murner and the sewer district over the last two months, however no plan has been provided. It is inconceivable that the Fiscal Court would consider such a massive debt transfer without a repayment plan or strategy in place prior to consideration.

You may also hear that the Fiscal Court "controls the rates and budget" of the sewer district.

However, the sewer district is **SOLELY** responsible for the decisions regarding repayment of outstanding debts. Without a repayment plan or contract in place, the Fiscal Court **CANNOT** force the sewer district to use their revenues to pay for the bonds, therefore county residents (**YOU**) will be responsible for repaying the debt.

This transference of debt also has the potential of allowing the sewer district, which

has proven to be fiscally irresponsible in the past, to incur additional debt they once again likely won't be able to repay. Obviously, the sewer district is not a good credit risk or they would not need the Fiscal Court to bail them out of this debt. This ordinance is scheduled for a 2nd reading and public hearing on Tuesday, 10/6 at 2:00 PM. I encourage everyone to attend and voice their opinions as part of the public hearing.

If adopted at that time, no further approvals are necessary from the Fiscal Court prior to this new tax being levied.

This is your last chance to prevent this tax from being enacted. I strongly encourage you to contact Judge-Executive Duane Murner, Deputy-Judge Paula Gish, and other (your) magistrates prior to the hearing. You can find the contact information for each member at www.oldhamcounty.net.

You can also visit my website

(www.scottmdavis.com)

to read a separate communication bulletin distributed in August concerning this topic and a recently adopted resolution (which I was opposed to) requiring mandatory sewer connection (at your expense) for every homeowner in Oldham County if new service lines come in proximity to their property.