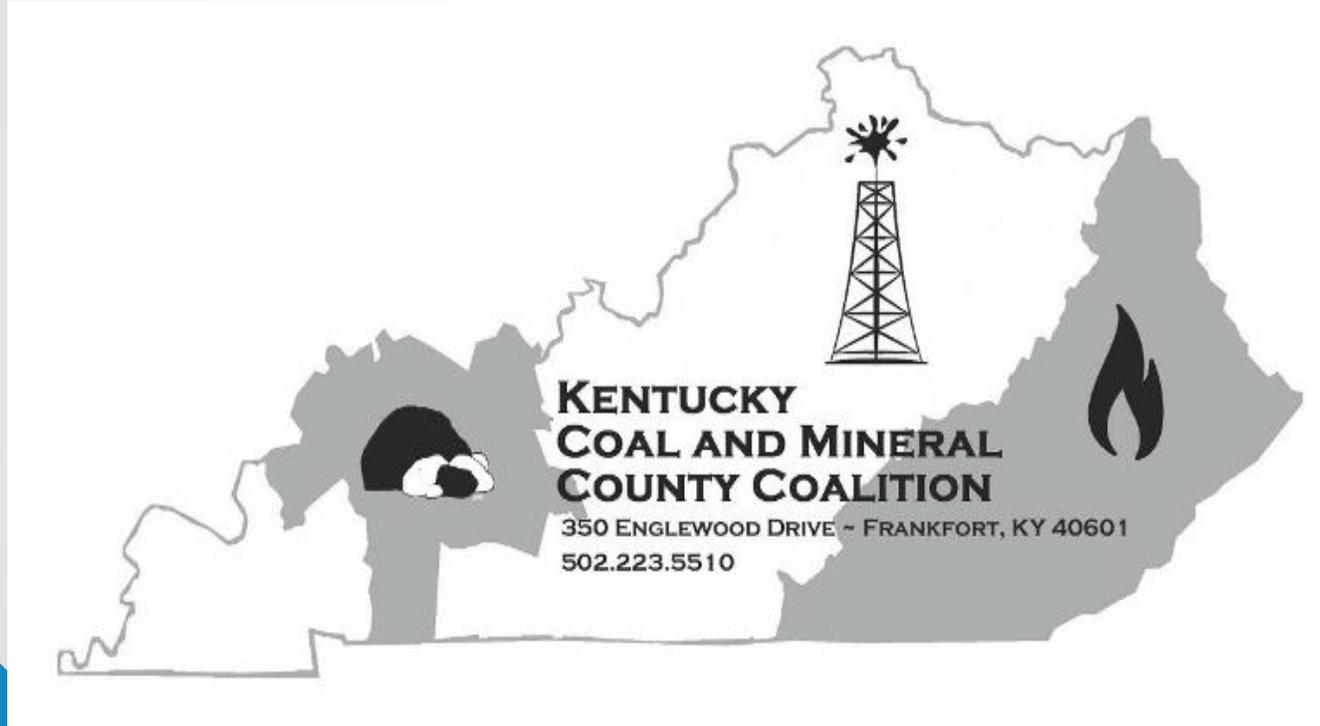


Kentucky Coal & Mineral County Coalition



Bell County Judge/Executive Albey Brock
Harlan County Judge/Executive Dan Mosley
Webster County Judge/Executive Steve Henry
Hopkins County Judge/Executive Jack Whitfield

Kentucky Coal & Mineral County Coalition

On behalf of Coal & Mineral Producing Counties...

**Thank YOU Legislators for working with Coal
Counties during the 2018 budget cycle on HB 200
and HB 265!!**

What is Coal Severance used for in County Government?

- 911 Call Centers
- Economic Development Projects
- Business Park Infrastructure
- Senior Citizen Services
- Sheriff's Office Expenses
- Emergency Management
- Rural Health Programs
- Pauper Burials
- Water/Sewer Projects
- County Jail Costs
- Fire Protection & Services
- Housing of Juvenile Offenders
- Health Departments
- EMS/Ambulance Services
- Conservation Districts
- Animal Control
- Solid Waste
- Debt Service

Kentucky Coal & Mineral County Coalition

There are currently 2 state funds of coal severance for Counties:

1) LGEAF: Local Government Economic Assistance Fund

This appropriation flows through a formula, directly to the counties that produce coal, coal impact counties and cities for budget purposes.

2) LGEDF: Local Government Economic Development Funds

This fund has restricted use & is only appropriated to coal producer counties. Current budget included language that requires an agreed "sign off" by the legislators representing the respective coal producing county.

Kentucky Coal & Mineral County Coalition

General Statements about Coal Severance and County Governments...

- 1) Coal severance is a state assessed tax and shared by the state with coal counties and cities.
- 2) The high water mark year was FY2012, with \$298 million in coal severance paid by coal companies to the state. The projection for FY 2020 is roughly \$65 million.
- 3) In many coal producing counties the largest employer is the coal industry followed by the school districts.
- 4) Counties were created by the state and have state mandates to carryout such as county jails, solid waste, elections, animal control, etc.. Not to mention expected but not mandated services such as 911, ambulance services, fire, and law enforcement.
- 5) The state legislature has granted 3 tools to generate revenue to fund essential services for counties. Property Tax, Insurance Premium Tax, and Occupational Tax. Not all of those taxes fit in every community, which is why coal severance is vital for coal counties.

Kentucky Coal & Mineral County Coalition

Moving forward without Coal or Coal Severance in Kentucky

-As less coal is mined, less severance tax is paid. We have a crisis in many Coal Counties in regard to funding essential services for Kentuckians. Revenue options are limited for required services in rural Kentucky.

-If the industry continues to decline, Coal Counties will have to continue to adjust county operations moving forward.

Funds provided to Coal Counties from severance are more vital than ever.

Kentucky Coal & Mineral County Coalition



Thank you Coal Miners!!!

Thank you Legislators!!!