



Kentucky  
League  
of Cities

# 2023 LEGISLATIVE AGENDA

KLC President & Southgate Mayor Jim Hamberg

KLC First Vice President & Auburn Mayor Mike Hughes

KLC Executive Director|CEO James D. Chaney



# Cities Matter

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- ➔ More than half of Kentucky's population — 56% — live in a city.
- ➔ About 75% of all economic activity in the commonwealth occurs in cities.
- ➔ Four out of five jobs in Kentucky are in cities.
- ➔ About 40% of Kentucky cities operate a public drinking water utility, 45% operate a municipal sewer system, and dozens operate either an electrical and/or natural gas system.





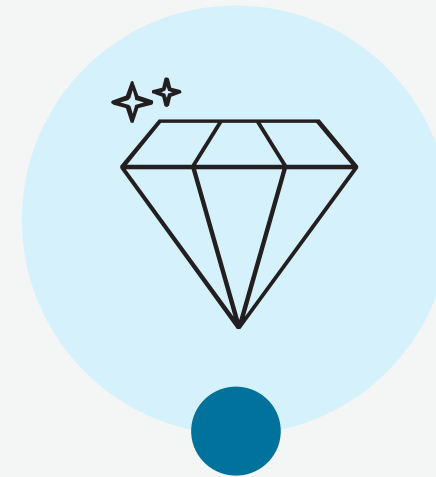
# Legislative Agenda

WHEN CITIES SUCCEED, KENTUCKY SUCCEEDS!



Set by the KLC Board of Directors, which is made up of city officials and representatives of organizations that serve cities

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Every item outlined in the KLC 2023 Legislative Agenda aims to help city officials serve the public more efficiently at the local level so they can build the desirable and vibrant communities the public expects

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## **TOP PRIORITY:**

# **Equalization & Modernization of City Revenue Options**

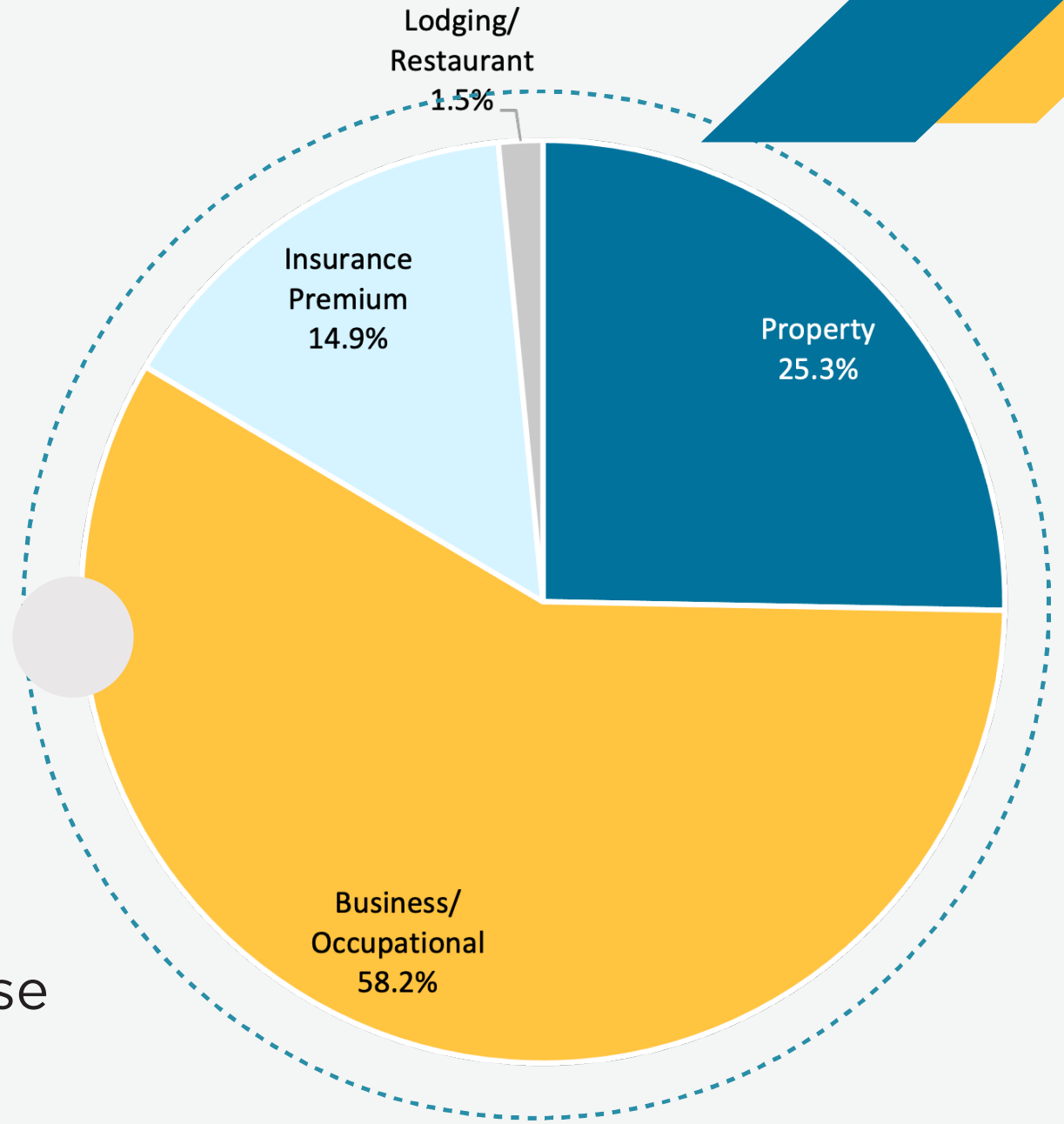
*Modernization is the key to paying for the vital services that Kentuckians and businesses expect.*

A 131-year-old section of the Kentucky Constitution limits the legislature's ability to reform local government tax policies comprehensively.

It forces Kentucky's 21st-century cities to operate on revenue streams authorized in the 19th century.

## **TOP PRIORITY:** Equalization & Modernization of City Revenue Options

Section 181 limits local government revenue options to property taxes, occupational taxes, and some franchise fees.



## TOP PRIORITY:

# Equalization & Modernization of City Revenue Options

*A Constitutional Amendment...*

- Would **NOT** result in new taxes
- **NOTHING** would be automatic
- Local governments could **NOT** implement new taxes on their own
- Voters would have to agree to modernize language
- General Assembly could debate new tax structure in future sessions





## **KLC PRIORITY:** Transportation Funding

- Modernization of the funding mechanism
- The quality and availability of city roads play a key role in the livability of a community. They are also essential for economic development.



## **KLC PRIORITY:** **Transportation Funding**

- Cities spend more than \$340 million a year to maintain and build streets.
- Cities spent nearly 60% more on streets in FY 2020 than FY 2010.





## **KLC PRIORITY:** **Transportation Funding**

- Cities maintain more than 10,000 miles of public streets.
- Local tax dollars represent four-fifths of what cities spend to maintain streets.



## **KLC PRIORITY:** Transportation Funding

- City streets average a 40-year replacement cycle - double the industry standard.

## **KLC PRIORITY:**

# **Transportation Funding**

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- Gas tax revenues are the only part of the Road Fund shared with local governments.
- Divided mainly through the “formula of fifths,” a system established in 1948.

### **FORMULA OF FIFTHS**

- one-fifth to all **counties**
- one-fifth based on rural **population**
- one-fifth based on rural **road miles**
- two-fifths based on rural **land area**



## **KLC PRIORITY:**

# **Transportation Funding**

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*It is time to modernize!*

- Equal division of revenue above record FY 2014 high mark of \$825 million
- Municipal and county road aid programs would receive 13% each

## **KLC PRIORITY:** **Economic Development**

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- Protect tax increment financing (TIF) agreements that use state income tax revenues
- Help cities deliver the amenities and services that attract the jobs of today and tomorrow

# Newspaper Publication Laws

- Currently, only cities within a county with a population of 80,000 or more can post documents on their websites in lieu of full publication in a newspaper.
- Cities of all sizes need the ability to publish public documents in a cost-effective way that is easier for residents to access.

# Property Tax Notifications & Rate Settings

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- ⊗ Update ownership information from PVA and streamline process for cities proposing property tax changes

## Substance Abuse

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- ⊗ Prioritize treatment, rehabilitation, training, and workforce reentry while addressing the criminal aspects of drug trafficking



## **CERS Administration**

Ability for municipal utility to escrow funds from a proposed rate increase if appealed to the Public Service Commission

## **DROP Retirement**

Pursue a deferred retirement option plan (DROP) for the County Employees Retirement System (CERS) to help recruitment and retention

# Code Enforcement



This Permit city governments to include unpaid code enforcement liens on property tax bill

Amend the mass foreclosure statutes to include code liens

# Alcohol Regulatory Licensure



Only cities with a population of less than 20,000 may impose a regulatory license fee



The fee helps offset additional policing and regulatory expense



Expand the authority to all cities to ensure taxpayers do not incur an unfunded burden

# Paramedic & EMT Training



- The Kentucky Board of Emergency Medical Services (KBEMS) moved paramedic training into more of an academic setting instead of vocational
- Change how KBEMS certifies paramedics and emergency medical technicians (EMTs) to make it easier to find qualified candidates

# Planned Unit/Homeowner's Association

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Help cities address when homeowners' associations go defunct or planned-unit developments do not adequately cover the maintenance of common areas





## Procurement

Remove cities from the residential bidder preference requirement and exempt contracts with community-based charitable organizations from the bidding requirements in the local model procurement code (LMPC)



## Wholesale Water Rates

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Allow a municipal utility to escrow – rather than lose – the proposed rate increase during an appeal to the PSC for a new wholesale water rate between municipal and regulated utilities

# Franchise Agreements

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Create safeguards for local governments when utilities violate franchise agreements

Amend KRS 96.010 to reduce the current 18-month notification period for the sale of a new franchise to six months or less



# Kentucky Education & Workforce Collaborative

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- Include a city representative in the Kentucky Education & Workforce Collaborative
- Cities are vital to implementing effective workforce development programs

# City Elections

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- ✓ Clarify that county clerks are not required to post the party affiliation of nonpartisan candidates
- ✓ Eliminate the requirement for city candidates without a primary to file primary election finance reports
- ✓ Clarify when a city may enact an ordinance that modifies the number of council members, how a city official may resign through email, and when a city may enact an ordinance impacting a nonpartisan primary election



## Deed Filing

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Specify that the master commissioner must file a deed after a commissioner's sale to address city-held liens

# Tax Info Sharing

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Amend KRS 67.790 to allow the sharing of tax-related information among entities for auditing purposes

# Historical Horse Racing and Occupational Licenses

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Allow cities to apply occupational license taxes to historical horse racing (HHR) facilities located at a racetrack like HHR facilities not at a track

# Entertainment Destination Centers (EDC)

- If authorized by a city and approved by a business, allow patron to carry alcoholic beverages into retail shops
- Allow caterers and brewers licensed to sell from mobile units to sell within the EDC

## State Fire Marshal

Investigate and recommend potential solutions to reorganize the state fire marshal's office

The logo for 'CITY NIGHT' features the word 'CITY' in large, bold, blue letters. The letter 'Y' is stylized with a yellow arrow pointing to the right. To the right of 'CITY' is a small icon of a sun with rays and a blue circle. Below 'CITY' is the word 'NIGHT' in blue letters, with a yellow slash mark before the 'N'.

# CITY /NIGHT

*Save the date!*

**WEDNESDAY, FEBRUARY 22, 2023**

**CITY NIGHT**

4:30 P.M

KENTUCKY HISTORY CENTER







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**THANK YOU!**