

Kentucky Association of Counties **LEGISLATIVE PRIORITIES** **2023**



Stronger Counties. Stronger Kentucky.

2023 Legislative Priorities
ABOUT KACo



The Kentucky Association of Counties (KACo) is a non-profit, non-partisan, member-owned association of elected county officials in all 120 counties. KACo provides services and products to support, educate and advocate for our members.

- Judge/Executive**
- Magistrate/Commissioner**
- County Attorney**
- Sheriff**
- County Clerk**
- Jailer**
- Circuit Court Clerk**
- PVA**
- Coroner**
- Commonwealth's Attorney**

2023 Legislative Priorities
LEADERSHIP

2022-2023 Executive Committee

PRESIDENT



Amy Hale Milliken
Warren County
Attorney

PRESIDENT-ELECT



David Livingston
Scott County
Magistrate

FIRST VICE PRESIDENT



Dan Mosley
Harlan County
Judge/Executive

SECOND VICE PRESIDENT



Adam O'Nan
Union County
Judge/Executive

IMMEDIATE PAST PRESIDENT



Phil Sammons
Boyle County
Magistrate

2023 Legislative Priorities

KACo ADVOCACY TEAM

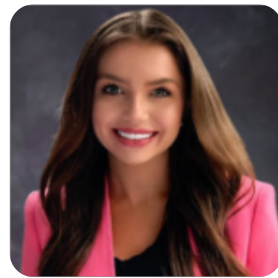
KACo works to promote counties first, preserve county decision-making and protect counties from cost-shifting and preemption of authority.



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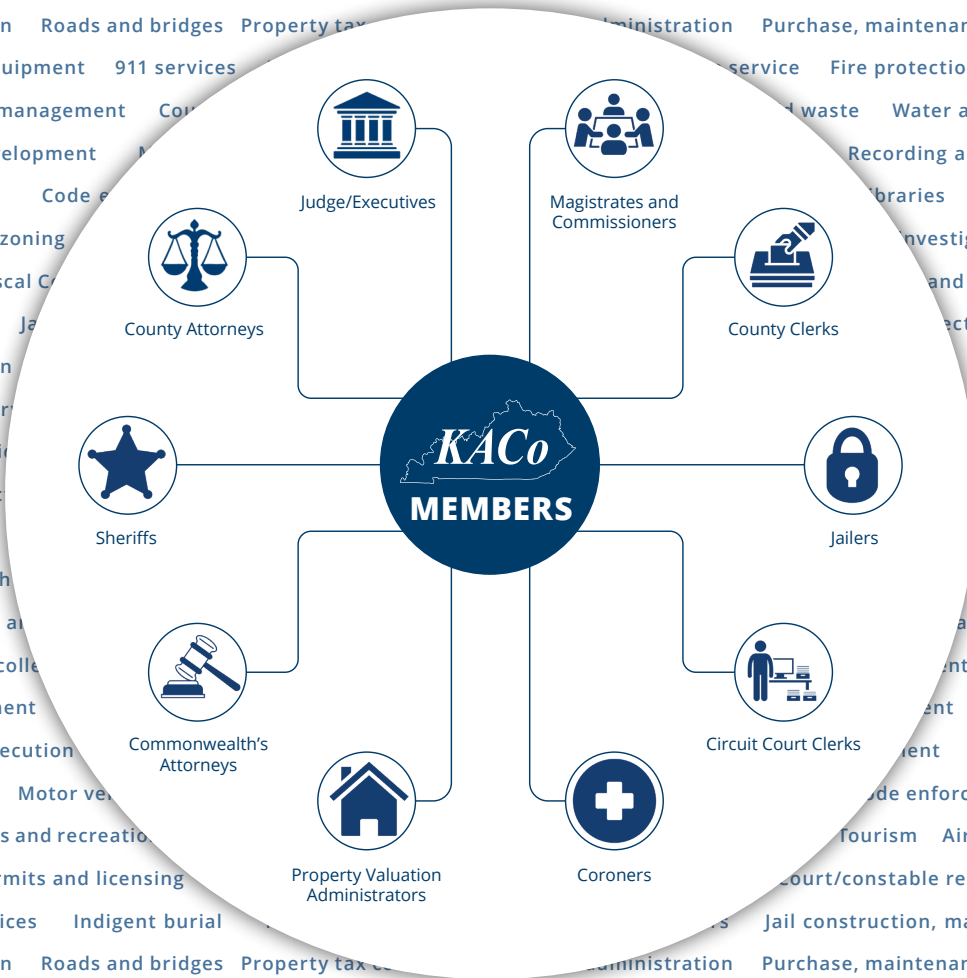


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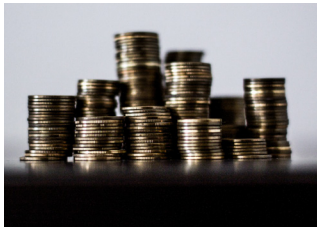
COUNTY SERVICES

Kentucky's counties provide a wide range of services to their residents.



2023 Legislative Priorities ISSUES OVERVIEW

Top Issues for Kentucky Counties in the 2023 Legislative Session



COUNTY REVENUE ALTERNATIVES

KACo supports efforts to pass a constitutional amendment that would allow the General Assembly to consider additional local tax options in the future to meet the needs of each county.



LEVELING THE PLAYING FIELD

KACo supports:

- Allowing local decisions on tax rates and collection that are currently authorized for cities but forbidden for county governments to be made equitable for all local governments.
- Requiring cities that annex county land to hold county revenues in that area harmless on tax collected before annexation.
- Repealing the arbitrary 30,000 population threshold and mandatory credit to the city for occupational tax collected within city limits.
- Repealing the mandatory credit to the city for insurance premium tax collected within city limits.



FUNDING COUNTY TRANSPORTATION

KACo supports distributing Kentucky's electric vehicle fee and charging station tax through the current revenue sharing formula to ensure that counties receive a portion of these funds.

2023 Legislative Priorities ISSUES OVERVIEW

Top Issues for Kentucky Counties in the 2023 Legislative Session



COUNTY JAILS

KACo supports requiring the state to reimburse counties for any credit given to an inmate for time already served in a county jail pre-adjudication that the inmate receives at sentencing.



DISASTER PREPAREDNESS AND RESPONSE

KACo supports authorizing statewide jurisdiction for Kentucky sheriffs during a declared emergency, which would help these agencies respond to calls for service.



OPERATIONAL EFFICIENCY

KACo supports repealing the arbitrary 80,000 population threshold and supports permitting all counties to publish public notices on their website instead of using taxpayer dollars to pay to print the notices in a local newspaper.



2023 Legislative Priorities COUNTY REVENUE ALTERNATIVES

Legislative Priority

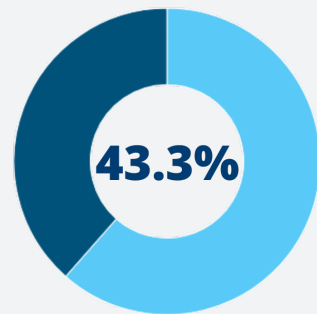
KACo supports efforts to pass a constitutional amendment that would allow the General Assembly to consider additional local tax options in the future to meet the needs of each county.



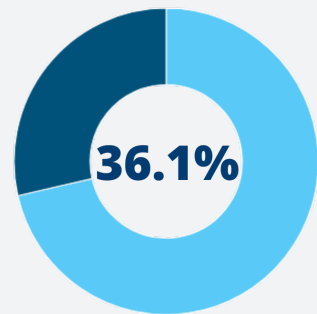
Issue

Under the current framework, the primary tax revenue sources available to counties are limited to property tax, occupational license fees and insurance premium tax. While KACo generally supports the state's focus on more consumption-based taxes rather than income tax, we must ensure that any local tax reform provides a net growth model for ALL counties. Not only does each county's geographical landscape look different, but so does each county's fiscal landscape. Local county officials elected and entrusted by their community need the ability to generate the revenue necessary to meet each individual county's needs. When you've seen one county, you have truly only seen one county.

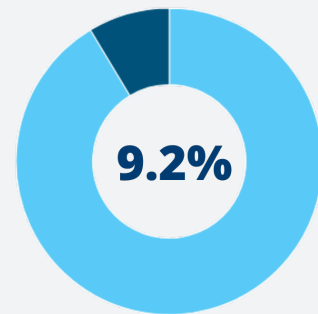
Top County Tax Revenue Sources*



Occupational License Fee



Property Tax



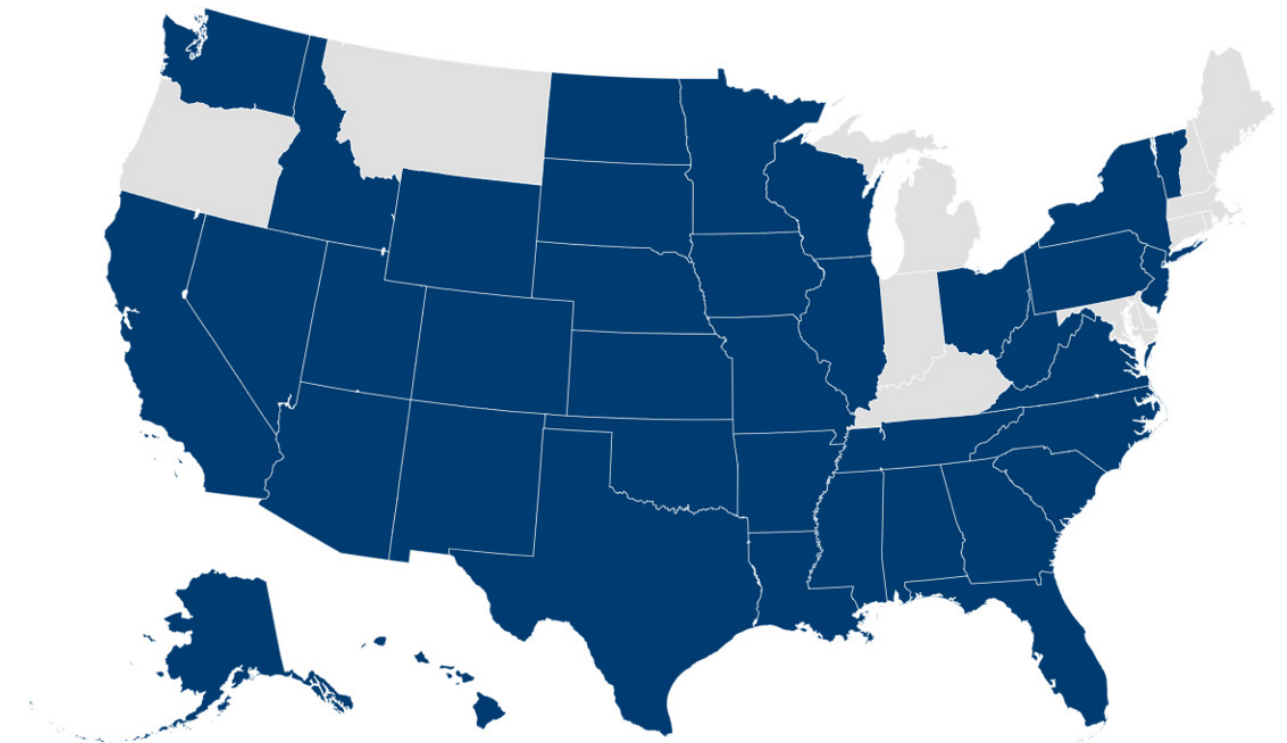
Insurance Premium Tax

*Excluding Jefferson County and Fayette County

Source: KACo analysis of 2021 Uniform Financial Information reports, FY2021

2023 Legislative Priorities COUNTY REVENUE ALTERNATIVES

38 States Allow County Sales Tax Authority



■ Allow local sales tax collection

2023 Legislative Priorities

LEVELING THE PLAYING FIELD

Legislative Priorities

KACo supports:

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- Requiring cities that annex county land to hold county revenues in that area harmless on tax collected before annexation.
- Repealing the arbitrary 30,000 population threshold and mandatory credit to the city for occupational tax collected within city limits.
- Repealing the mandatory credit to the city for insurance premium tax collected within city limits.



Issue

Due to a practice known as city crediting, two of the three significant sources of tax revenue available to local governments are significantly less viable revenue-generating options for counties. Counties must credit city insurance premium taxes against the county levy in all counties. Counties that add an occupational tax or modify it after reaching a population of 30,000 or more are also required to credit city occupational license fees against the county levy. Whether or not one resides in the city, one still lives in a county. City crediting diminishes the availability of resources for counties to provide the state-mandated services, such as elections and public safety, that every county resident, including those within the city limits, benefits from.

2023 Legislative Priorities

FUNDING COUNTY TRANSPORTATION

Legislative Priority

KACo supports distributing Kentucky's electric vehicle fee and charging station tax through the current revenue sharing formula to ensure that counties receive a portion of these funds.

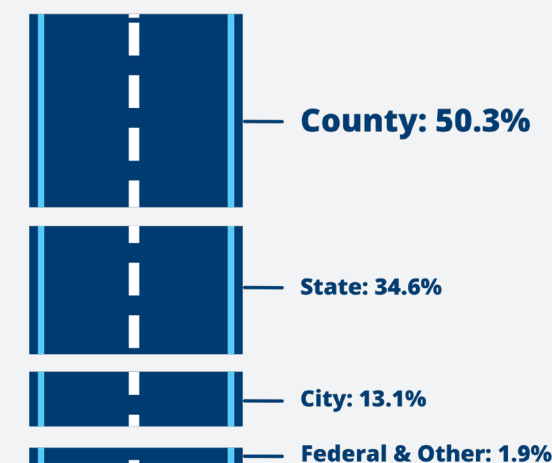


Issue

Counties own and maintain half of all the road miles and a third of all the bridges in our state. Transportation funding is critical to ensure safe, efficient access within and between counties, but Kentucky's current funding system is not keeping pace with growing needs, especially at the local level. Counties continue to play catch-up on economic development, safety, and quality of life due to insufficient funding for local infrastructure. At the same time, Kentucky is poised to become the electric vehicle production capital of the world. As EV use grows, a funding model allocating a portion of the electric vehicle fee and charging station tax directly to counties is critical.

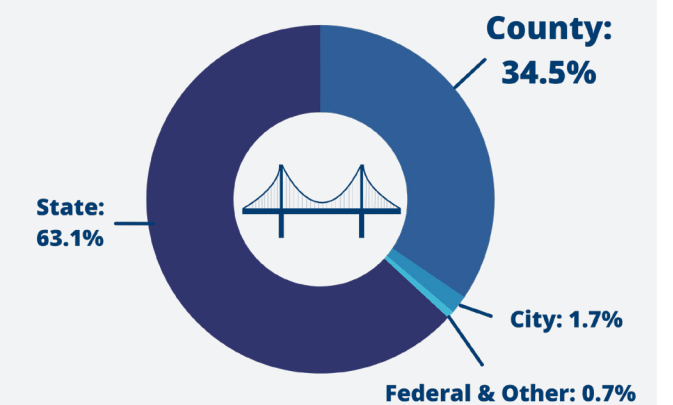
Roads by Owner

80,006 miles in Kentucky



Bridges by Owner

14,410 bridges in Kentucky



Source: U.S. Department of Transportation, Federal Highway Administration, 2020

2023 Legislative Priorities COUNTY JAILS

Legislative Priority

KACo supports requiring the state to reimburse counties for any credit given to an inmate for time already served in a county jail pre-adjudication that the inmate receives at sentencing.



Issue

Jail costs are the number one issue facing most county budgets. Counties spend more than \$100 million from their general fund each year on jails (excluding Fayette and Jefferson County). State statute requires that counties provide for the incarceration of inmates arrested in the county. Many inmates do not have the means to pay cash bail and remain in jail, sometimes for years, while awaiting trial. The cost of housing state inmates in county jails pre-sentencing is currently not reimbursable for counties, even after inmates receive sentencing credit for that time served in custody on state or federal charges. These jail expenses are unfairly shifted onto the backs of counties.

**Counties spend more than
\$100 MILLION
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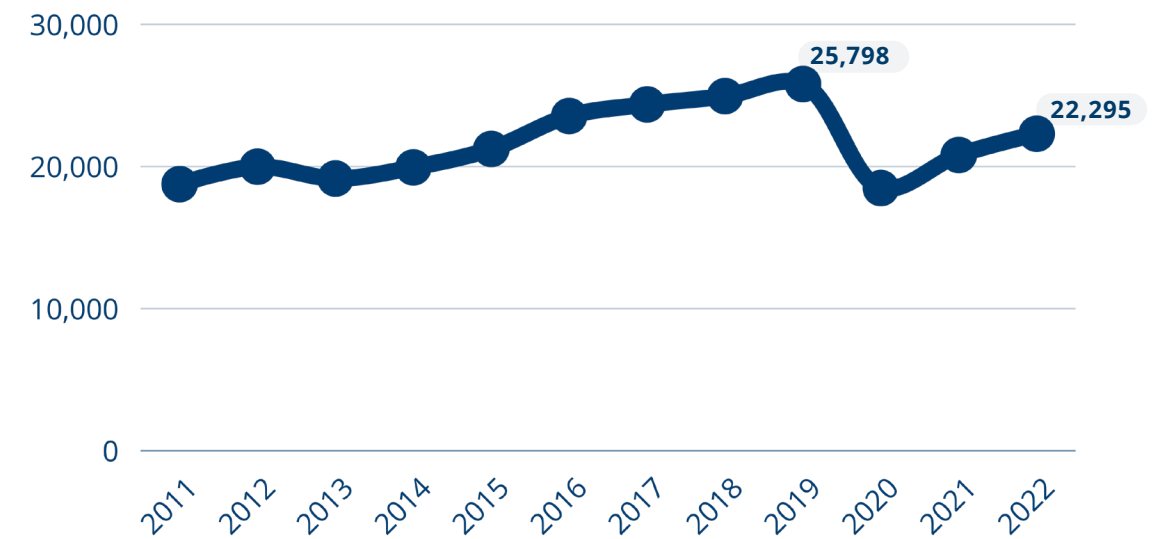
2023 Legislative Priorities COUNTY JAILS

Data Snapshot

After rising steadily for decades, county jail populations fell during COVID, but are now surging back to pre-pandemic levels.

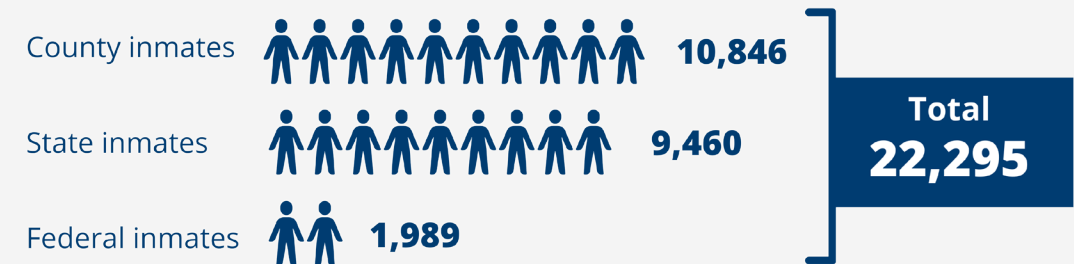
2011-2022: County Jail Population

September weekly jail counts, 2011-2022



Now: County Jail Population

September 2022



Source: Kentucky Department of Corrections, Weekly Jail Reports

2023 Legislative Priorities

DISASTER PREPAREDNESS AND RESPONSE

Legislative Priority

KACo supports expanded resources for counties during a declared emergency to ensure continuity of government services and public safety response.



Issue

Kentucky counties have experienced immense devastation in recent years, including the December 2021 tornadoes in western Kentucky and the July 2022 flooding in eastern Kentucky. While it is impossible to foresee every need in a catastrophic disaster, KACo has met with local officials from across the state to hear how Kentucky can be at the forefront of disaster preparedness and response for the future.



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2023 Legislative Priorities

OPERATIONAL EFFICIENCY

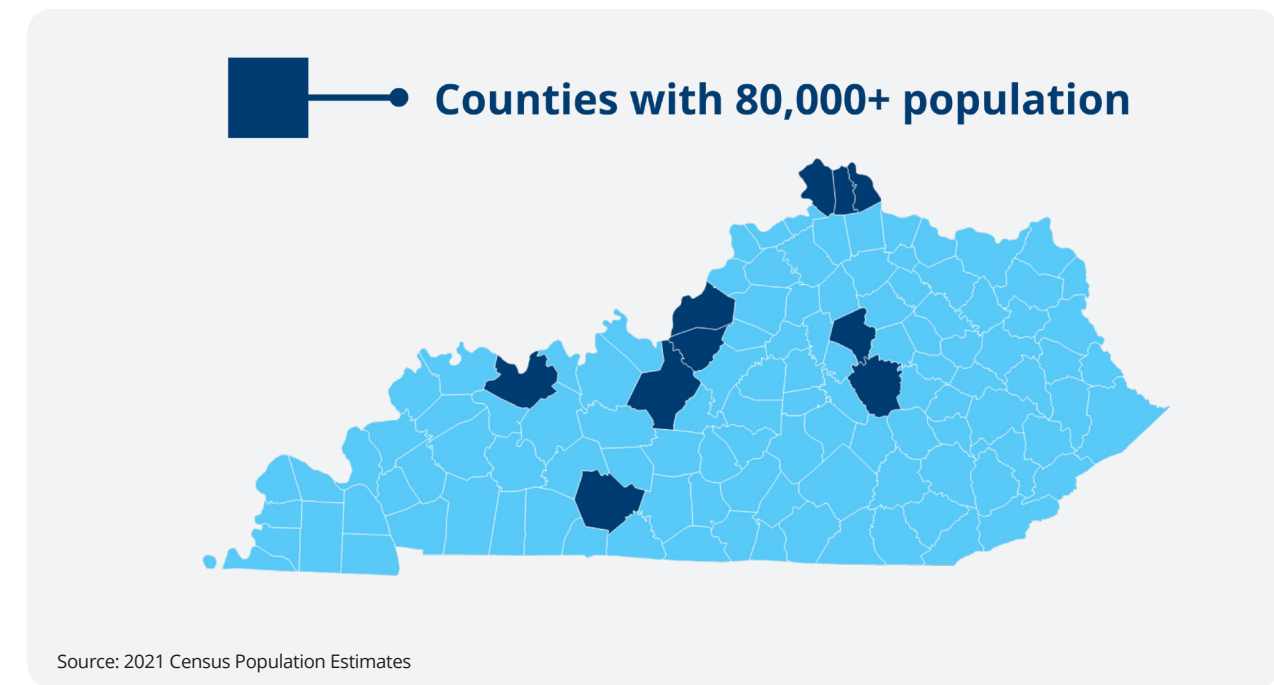
Legislative Priority

KACo supports repealing the arbitrary 80,000 population threshold and supports permitting all counties to publish public notices on their website instead of using taxpayer dollars to pay to print the notices in a local newspaper.



Issue

Only counties with a population of 80,000 or more can post advertisements and documents for public notice on their website. Other counties must pay to print the entire statement in a local newspaper, many of which are only weekly publications. With a growing number of digital resources available to local government and residents, notices published on a county website would be more accessible and timely for the public, available for a longer time and save taxpayer dollars.



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Kentucky Association of Counties

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