

INTERIM JOINT COMMITTEE ON LOCAL GOVERNMENT

Minutes of the Fifth Meeting of the 2025 Interim

October 21, 2025

Call to Order and Roll Call

The fifth meeting of the Interim Joint Committee on Local Government was held on October 21, 2025, at 9:00 AM in Room 149 of the Capitol Annex. Representative Patrick Flannery, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Michael J. Nemes, Co-Chair; Representative Patrick Flannery, Co-Chair; Senators Julie Raque Adams, Cassie Chambers Armstrong, Greg Elkins, Amanda Mays Bledsoe, Christian McDaniel, Robby Mills, Steve Rawlings, and Lindsey Tichenor; and Representatives Josh Bray, George Brown Jr., Beverly Chester-Burton, Steven Doan, Ken Fleming, Chris Freeland, Tony Hampton, Mark Hart, Mary Beth Imes, Chris Lewis, Michael Meredith, Amy Neighbors, Rebecca Raymer, Sarah Stalker, and Susan Witten.

Guests: Rebecca Morton, Local Government Advisor, Department for Local Government (DLG); Keeaira Lail, Local Government Advisor, DLG; Bruce Roberts, Executive Director, Kentucky Fire Commission (KFC); Chuck Bonta, Training Records and Compliance Specialist, KFC; J.D. Chaney, Executive Director and CEO, Kentucky League of Cities (KLC); Gracie Kelly, Director of Government Affairs, KLC; Mayor Paul Sandefur, President, KLC, Mayor of Beaver Dam; and Shellie Hampton, Director of Government Affairs, Kentucky Association of Counties (KACo).

LRC Staff: Mark Mitchell, Christopher Jacovitch, and Faithe Wheatley.

Approval of Minutes from September 23, 2025, Meeting

A motion was made by Representative Freeland and seconded by Senator Elkins to approve the minutes of the September 23, 2025, meeting. Minutes were approved by voice vote without objection.

Presentation of Special Purpose Governmental Entity (SPGE) Reports

Rebecca Morton, Local Government Advisor, DLG, and Keeaira Lail, Local Government Advisor, DLG, presented the annual SPGE report, discussed what SPGEs are, DLG's statutory responsibility, the SPGE system, SPGE system enhancements, and discussed SPGE compliance.

In response to Representative Doan, Ms. Morton stated DLG provides SPGEs with certain tax rate calculations, but does not advise them regarding the setting of the actual rates.

Bruce Roberts, Executive Director, KFC, and Chuck Bonta, Training Records and Compliance Specialist, KFC, presented a review of the KFC's financial disclosure as required under KRS 95A.055, including compliance status and reviews, revenue and expense updates, and an overview and update of fire departments.

In response to Representative Stalker, Mr. Bonta clarified shortage in staffing coupled with staffing requirements led some fire departments to merge under one organizational name, but the individual stations remain operational.

In response to Chair Flannery, Mr. Bonta stated the consolidation of fire departments is spread geographically across the state, but more in rural areas with volunteer fire departments. They are characterized more as mergers than closures.

Presentation of Kentucky League of Cities' (KLC) Legislative Platform for the Upcoming 2026 Session of the General Assembly

J.D. Chaney, Executive Director and CEO, KLC; Gracie Kelly, Director of Government Affairs, KLC; and Mayor Paul Sandefur, President, KLC, Mayor of Beaver Dam, discussed KLC's legislative agenda, which was set by the Board of Directors. KLC's top 2026 legislative priorities are: growing Kentucky's economy, protecting public safety, modernizing infrastructure, and streamlining and saving taxpayer dollars.

In response to Senator Elkins, Ms. Kelly said cities do not have the ability to choose best value determinations for competitive sealed bids, and are required to accept the lowest price. Regarding road funding, Ms. Kelly stated KLC would like to see road funding allocations for cities and counties be more equitable in terms of costs, since costs for repairs on city streets come with higher price tags.

Representative Chester-Burton stated her agreement with KLC's priority of addressing massage parlor issues. Mr. Chaney stated a resolution to the litigation with Airbnb is not in the foreseeable future as the case is back at the Circuit Court level.

In response to Senator Mills, Ms. Kelly stated KLC has not studied the prevalence of electric vehicles (EVs) in cities as compared to counties in regards to road fund allocations, but the prevalence of EV's in Kentucky has grown year after year.

In response to Chair Flannery, Mr. Chaney stated if the legislature and voters amended Kentucky's constitution concerning expansion of different types of sales tax, the state would be responsible for collecting the tax and remitting it back to local governments to stay in compliance with the streamlined sales and use tax agreement.

In response to Senator Elkins, Ms. Kelly stated applying for disaster relief funding should not be an issue for small cities since completing applications for various types of funding is a familiar process for all of Kentucky's 408 cities. The ability for cities to apply for disaster relief funding and not having to wait on the county would make the process more democratic.

Discussion of Centralized Collection of Net Profits and Occupational License Taxes

Mr. Chaney and Shellie Hampton, Director of Government Affairs, KACo, discussed occupational taxing in Kentucky including: local occupational taxes' constitutional and statutory authority, a multiphase effort to simplify occupational license filing, the standardized form that all taxing jurisdictions must accept, steps to filing occupational business license taxes, and the status of occupational license taxes as vital sources of revenue for cities and counties.

In response to Chair Flannery, Ms. Hampton and Mr. Chaney stated each jurisdiction has a form and there is a standardized form every jurisdiction is required to accept. The filer gets to select which form to use.

Chair Flannery stated the use of the term, "centralized collection", may be part of the problem. He stated those advocating for "centralized collection" are mainly looking for a simplification of the collection process and this should be the focus moving forward.

Chair Flannery announced the next meeting of the committee is Thursday, November 20, 2025, at 3 PM in Annex Room 154.

Adjournment

There being no further business, the meeting was adjourned at 9:59 AM.