

# **INTERIM JOINT COMMITTEE ON LOCAL GOVERNMENT**

## **Minutes of the Sixth Meeting of the 2023 Interim**

### **November 6, 2023**

#### **Call to Order and Roll Call**

The sixth meeting of the Interim Joint Committee on Local Government was held on November 6, 2023, at 9:00 AM in Room 154 of the Capitol Annex. Representative Randy Bridges, Chair, called the meeting to order, and the secretary called the roll.

#### **Present were:**

Members: Representative Randy Bridges Co-Chair; Senators Cassie Chambers Armstrong, Greg Elkins, Denise Harper Angel, Amanda Mays Bledsoe, Michael J. Nemes, Damon Thayer, and Gex Williams; Representatives Adam Bowling, Josh Bray, George Brown Jr., Beverly Chester-Burton, Jonathan Dixon, Steven Doan, Deanna Frazier Gordon, Chris Freeland, Mary Beth Imes, Jacob Justice, Matt Lockett, Michael Meredith, Marianne Proctor, Rebecca Raymer, Brandon Reed, Sarah Stalker, and Walker Thomas.

Guests: J.D. Chaney, Kentucky League of Cities; City of Auburn Mayor Michael Hughes; City of Benton Mayor Rita Dotson; Jim Henderson, Kentucky Association of Counties; Scott County Magistrate David Livingston; Harlan County Judge/Executive Dan Mosley; and Representative Jason Nemes, Earl Jones, Paul Coomes, and Senator Julie Raque Adams, Louisville Metro Comprehensive Commission.

LRC Staff: Mark Mitchell, Christopher Jacovitch, and Cheryl Walters.

#### **Approval of Minutes**

Upon the motion of Representative Lockett, seconded by Representative Imes, the minutes from the October 24, 2023, meeting were approved.

#### **Kentucky League of Cities' (KLC) Legislative Platform for the Upcoming 2024 Session of the General Assembly**

Mayor Michael Hughes, President, Mayor Rita Dotson, First Vice President, and J.D. Chaney, Executive Director and CEO, characterized the population, economic activity, land mass, and functions of cities; outlined the process for agenda selection; and presented KLC's 2024 legislative agenda. The priorities include:

- Annexation. Cities must grow and develop. Consensual annexation outweighs non-consensual.
- Revenue Diversification. The constitution strictly controls available revenue measures.

- Road Funding Formula. City road costs are increasing as they collectively spend around \$335 million to maintain 10,000 miles of existing streets and build new streets.
- Substance Abuse. Kentucky must continue to address the criminal aspects of drug trafficking and substance abuse, as well as the prioritization for treatment, rehabilitation, training, and workforce reentry.
- County Employees Retirement System (CERS) Administration. CERS was given an independent board. This independence should be maintained as it is succeeding at making good investments and representing local retirees.
- Alcohol Regulatory License Fee Equity. All cities should have the ability to levy the alcohol regulatory license fee.
- Property Tax Notification. Property Valuation Administrators should send updated property ownership information to cities in addition to the property owners so that cities may ensure accurate tax bills.
- Utility Franchise Agreements. Utilities that fail to enter into a franchise agreement with cities should be penalized. The time limit for rebidding franchises should be reduced.
- Paramedic and EMT Training. Training has become more academic rather than vocational making certification more difficult. Cities will work with state agencies to ease the difficulties.
- Environmental Violations. Cities will work with state agencies to ensure that when private entities are served with violations, that the cities are notified as well.
- Occupational License Taxes. Remote work has changed the character of work locations. Avenues to modernize the collection of the tax must be explored to accommodate the restoration of city revenues in light of remote work.
- Planning and Zoning Training. The amount of training for planning officials and staff should be reduced as it is more extensive than the training required for other commissions and boards.
- Web-Based Lodging Platforms. Cities oppose the centralization of local transient room tax revenue while supporting mandatory compliance of these web-based platforms with state law.
- Aquatic Health Code. Recent changes to the model aquatic health code had the unintended consequences of pool closures. Cities wish to rectify the code.
- Homeowner Associations. Provisions should be made for the maintenance of communal areas when homeowners associations stop operating, or the covenants of the homeowners association do not adequately account for them.
- Elected Officials Training. Cities wish more flexibility when offering this training to local elected officials.
- Road Work Notices. The Transportation Cabinet and utilities should notify cities of planned roadwork.

- **Municipal Utilities.** The statutes should be amended to allow greater pay for municipal board members and increase the contract amount that may be let by a utility supervisor without seeking approval from the utility board.
- **Publications.** All cities should be granted the ability to publish notices on their websites rather than paying to print the entire notice in newspapers.
- **Disaster Response Funds.** Cities want more accountability regarding emergency management programs and the ability to apply for emergency funds, rather than going through the county.
- **Tax Increment Financing (TIF).** TIFs were impacted as Kentucky moves away from income taxes. KLC wishes to have a permanent solution to restore the funding expected from those agreements in light of the changes to income taxes.

### **Kentucky Association of Counties' (KACo) Legislative Platform for the Upcoming 2024 Session of the General Assembly**

Jim Henderson, Executive Director; David Livingston, President-Elect; and Dan Mosley, First Vice President, discussed KACo's principles for advocacy, highlighted county and elected official functions, and presented the Association's 2024 legislative agenda. The priorities include:

- **Annexation.** At the conclusion of the Local Government Annexation Task Force, counties hope that discussions with city leadership will produce changes in annexation law that will relieve the tensions created by annexation between cities and counties.
- **State Budget.** Counties depend on state budget allocations to continue their services as a subdivision of the state.
- **Transportation.** Counties need appropriate fiscal resources to maintain half the road miles in Kentucky and a third of the bridges. Construction costs have substantially increased in recent years. The motor fuels tax needs to be amended in consideration of these needs and in consideration of the increasing adoption of electric vehicles.
- **Jails.** Social factors have caused the criminal justice system to not work optimally, which has placed pressure on local correctional facilities and, consequentially, local leaders. Jails cost counties \$330 million each year (not including Fayette and Jefferson Counties). Jails house individuals for long terms, and these individuals need programs that will help inmates become productive citizens.
- **Opioid Solutions.** Channeling settlement moneys toward diverting individuals from jails to treatment will assist both counties and persons with substance abuse disorders.
- **Government Resources Accelerating Needed Transformation (GRANT) Program.** This program assists local governments in tapping into federal grant programs. KACo requests more allocations into this program to assist even more counties.

- Constitutional Amendment. KACo supports amending the constitution to allow for a local sales tax.

In response to a question from Representative Frazier-Gordon, Mr. Henderson said that the office of the county coroner was difficult to fund. Mr. Mosely said that deaths, and the resultant coroner expenses related thereto, were impacted by the overdose epidemic and the indigent population. Mr. Livingston noted that the county has a responsibility to bury people under its purview with dignity, but it also has many demands on its resources.

In response to a question from Representative Brown, Mr. Mosely said that in attempting to address recidivism, he and other officials from his county attended an opioid solutions conference to seek ideas. He noted North Carolina's medical efforts at treating addiction and noted treatment's successes.

In response to a question from Senator Chambers Armstrong, Mr. Mosely said that counties all have individual experiences, but in his county successful programming includes a substance abuse program. He would like to host a GED program as well as working with the technical school in his area. Mr. Livingston said that they are pondering the construction of a new jail, but have many considerations for the best path forward which would affect any programming they would have.

In response to a question from Representative Chester-Burton, Mr. Mosely said that his county partners with many non-governmental entities to assist people with treatment. Mr. Livingston said that improvements with the judicial system's speed would assist with getting people started in treatment.

### **Louisville Metro Comprehensive Review Commission's Findings**

Representative Jason Nemes, Co-Chair; Earl Jones, Co-Chair; and Paul Coomes, Data Analyst, provided background regarding the consolidated local government's origin, and the origin of the commission. Representative Nemes discussed several recommendations of the commission including the following:

- Recommendation 4, relating to affordable housing;
- Recommendation 6, relating to urban service district service provision;
- Recommendation 10, relating to the diversity of boards and commissions;
- Recommendation 11, relating to planning and zoning;
- Recommendation 12, relating to making the Metro Council non-partisan;
- Recommendation 13, relating to adjusting the composition of the Metro Council;
- and
- Recommendation 16, relating to property valuation assessment equity.

Mr. Jones noted that most of the recommendations approved by the commission were approved by 80 percent or more of the commission. The process of coming up with issues that were to be reviewed may not have been as comprehensive as it could have been in part to a later start of the process. Notwithstanding that, the work product of the commission is one that is recommendable. The urban service district service provision was one recommendation that was not without controversy amongst the committee members. There were some data lapses that could affect policy decisions. Additionally, property taxes may increase for residents inside the urban services district who may be able to least afford it in order to sustain their present level of service. The committee was united on the need for constitutional tax reform and economic development incentives, as well as affordable housing.

Senator Nemes noted that the urban service district comprised the area of the former City of Louisville inside the Watterson Expressway.

In response to a question from Representative Bridges, Representative Nemes said that the changes to Louisville EMS would not cure the problems in the remainder of the state. There are inequities in EMS service in Louisville Metro. The committee did not address police or tax stacking. Mr. Jones urged policy solutions that benefit the entire community and to try and avoid grievance-based solutions that may promote parochial solutions at the expense of the entire community.

In response to questions from Senator Chambers-Armstrong, Representative Nemes said that the committee voted for each recommendation individually, and that the document itself was not voted upon collectively. Representative Nemes clarified that there would be no tax decrease for the suburban residents outside of the urban service district, for the EMS recommendation, but that taxes would be increased for the residents in the urban service district. Mr. Jones added that the downtown area serves as the festival center of the county, and it may be misleading to say that the services provided inside the urban services district do not affect residents outside the district.

In response to a question from Senator Mays Bledsoe, Representative Nemes said that the proposed changes would be statutory and not referendum-based.

Senator Thayer noted recommendation twelve, relating to nonpartisan races, and asked, rhetorically, why there is a problem in giving people information at the polls. He noted his and Representative Lockett's bills relating to partisan elections.

Representative Lockett noted that the bill may be reintroduced.

Representative Nemes expressed that moving to nonpartisan elections in Louisville may promote a geographically wider approach to policy issues, and that if all other cities were electing officials on a nonpartisan bases, then Louisville Metro should also, or all local races should be partisan, instead. Nonpartisan would be a better way forward for Louisville Metro.

There being no further business, the meeting was adjourned at 10:52 a.m.