

county roads and bridges will be further allocated based on the same three equal and separate calculated ratios of population, revenue sharing road mileage, and land areas that each unincorporated area bears to total unincorporated areas statewide.

The Department of Rural and Municipal Aid will also further allocate the above unincorporated funds set aside for secondary and rural roads based on the same ratios.

The portion of motor fuels tax allocated to incorporated areas will be allocated to cities based on three equal and separate calculated ratios based on population, city street miles, and land areas that each city bears to the total incorporated areas statewide.

The definition of “Revenue Sharing Roads” is added to KRS 177.010.

KRS 177.073 is amended to clarify unincorporated urban places as unincorporated towns or communities as it pertains to the installation and maintaining of signs recognizing the boundaries of a city, town, or community – incorporated and unincorporated, and to signs honoring the birthplace of a person, event, or accomplishment important to the city or unincorporated town or community.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

The fiscal impact of HB 69 is dependent on population, road mileage, and land areas of each area of the Commonwealth receiving road funds. **The total amount available to counties and cities remains the same.** This proposal is an effort to more accurately and fairly distribute these funds by reducing the influence of land area and putting more emphasis on population and road miles. Attached are flow charts visually showing the current method and the method proposed by HB 69.

The following data was provided by the Kentucky League of Cities:

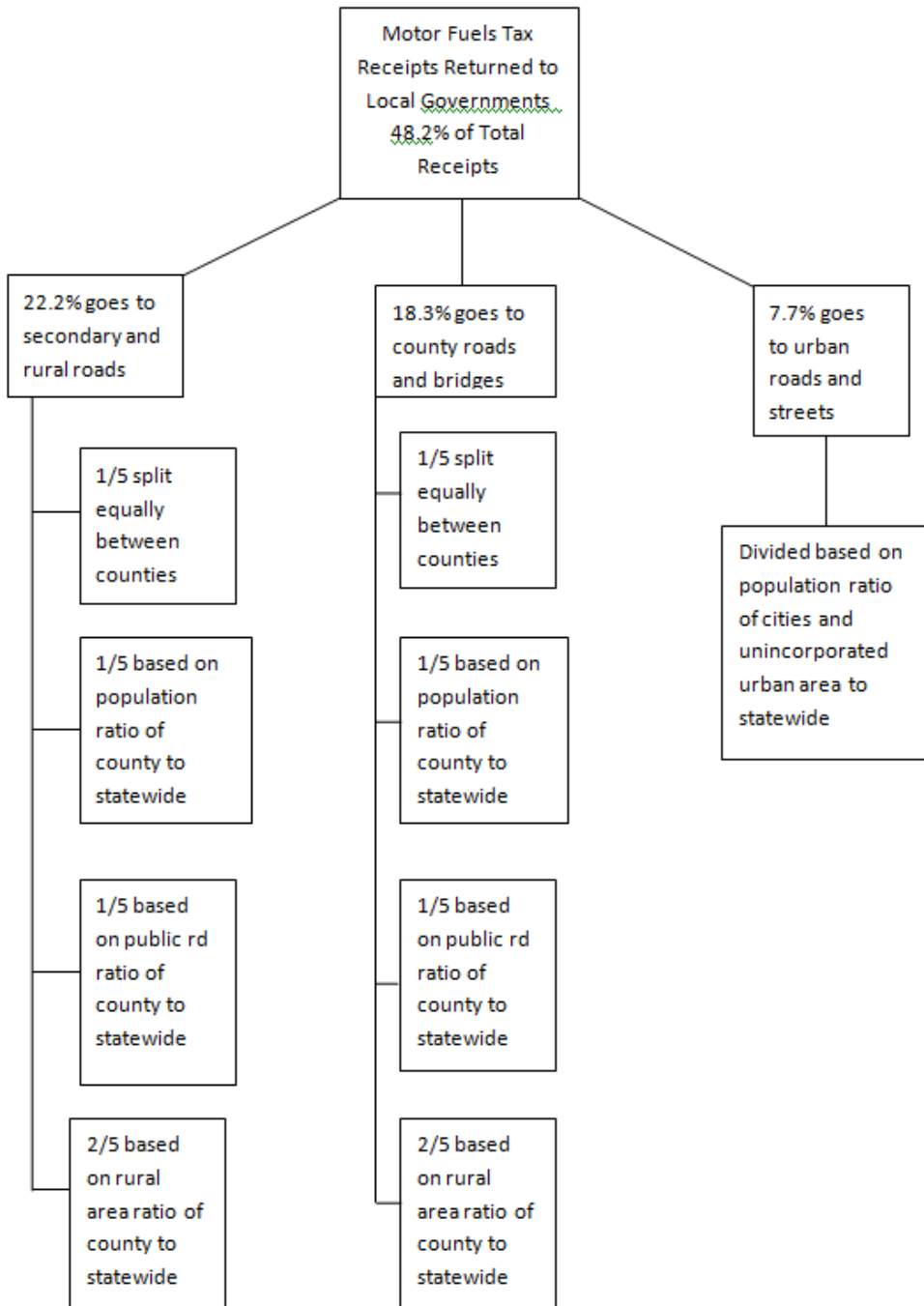
Proposed Road Aid Distributions

	Cities		Counties	
	City Streets & Roads	County Streets & Roads	Rural Secondary Roads	County Total
FY 2014 Roads Expenditures*	\$286,373,959			\$289,033,831
Current Road Aid Allocation	\$58,991,605	\$158,176,920	\$166,064,233	\$324,241,153
% Expenditures Covered by Road Aid	20.6%			112.2%
% of All Road Aid	15.4%	41.3%	43.3%	84.6%
Proposed Road Aid Allocation	\$97,609,350	\$139,038,806	\$146,052,230	\$285,091,036
% Expenditures Covered by Road Aid	34.1%			98.6%
% of All Road Aid	25.5%	36.3%	38.2%	74.5%
Proposed Per Capita Distribution	\$41.15	\$70.67	\$74.23	\$144.90

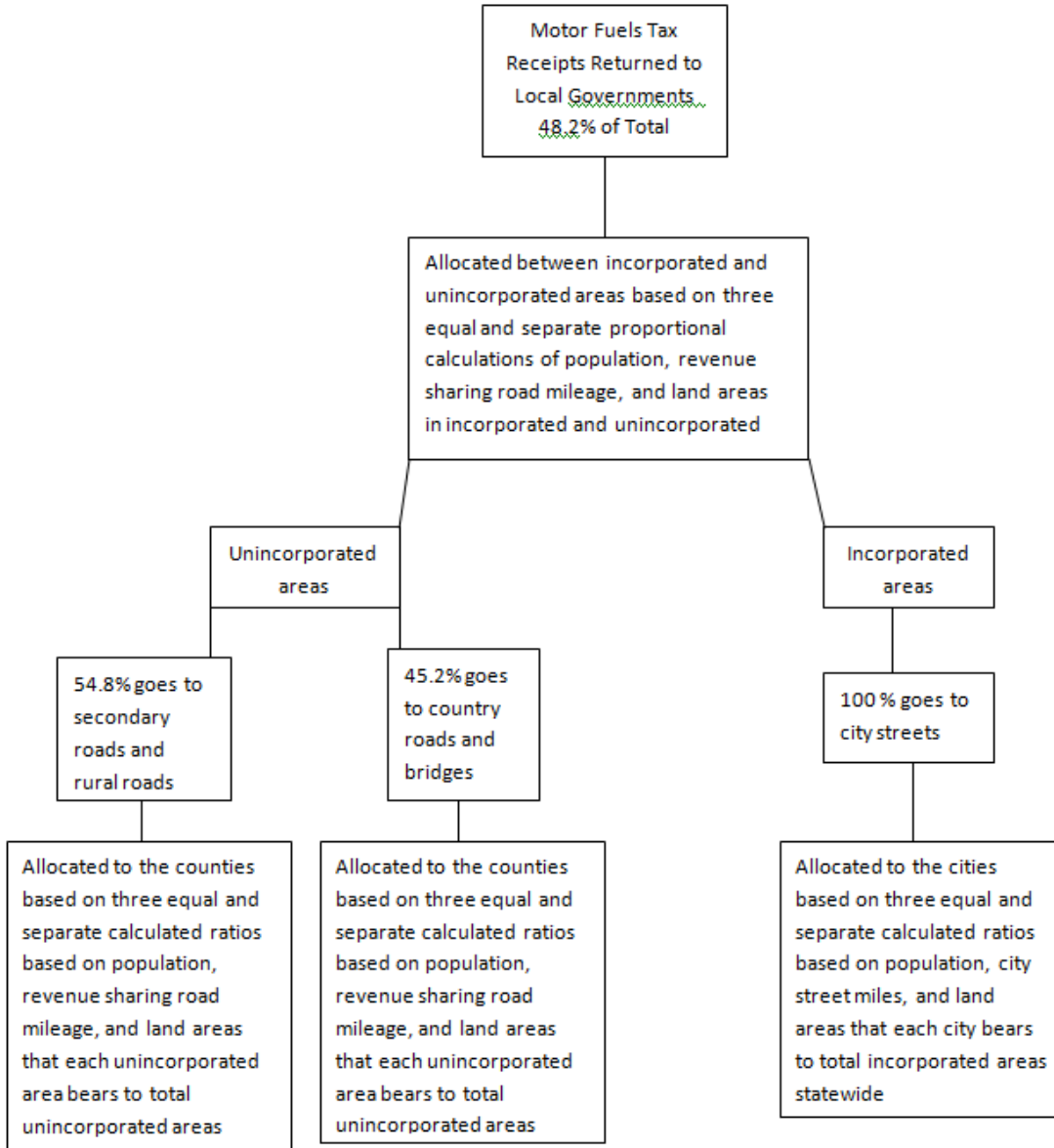
**City expenditures from FY 2013; County totals estimated due to two counties not reporting to date*

An emergency clause is included in order that these changes will take effect with the start of the biennial budget, July 1, 2016.

CURRENT METHOD



PROPOSED METHOD



Data Source(s): LRC Staff, Kentucky League of Cities, Near identical to 2015 RS BR 1374 / HB 289.

Preparer: Wendell F. Butler **Reviewer:** JWN **Date:** 12/4/15