Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2016 Regular Session

Part I: Measure Information

Bill Request #: 1586
Bill #: SB 167 GA
Bill Subject/Title: AN ACT relating to city government.
Sponsor: Senator Mike M. Wilson
Unit of Government: X City County Urban-County Unified Local Charter County Consolidated Local Government
Office(s) Impacted:
Requirement: X Mandatory X Optional
Effect on Powers & Duties: X Modifies Existing X Adds New Eliminates Existing
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Part II: Purpose and Mechanics

SB 167 defines "independent appraisal" as an appraisal made by:

- an individual or organization not affiliated with the city or its officers or employees, using a generally accepted national or professional standard.
- a city's officers or employees using a national published calculation of property based on the most recent edition of the publication.

SB 167 provides that real or personal property whose value is determined by independent appraisal **may** be:

- Transferred with or without compensation for economic development purposes including the elimination of blight,
- Traded towards the purchase of the same or similar type of property, if the trade-in value received equals or exceeds the actual fair market value of the property,
- Sold for its appraised fair market value or a greater amount if the property is valued at \$5,000 or less. Property sold for less than \$5,000 may not be sold to a city officer or employee or family member,
- Sold for scrap or disposed of as garbage if the property has no value,
- Sold by the Finance and Administration Cabinet

SB 167 provides the following provisions for legislative bodies of cities: The city **may** by ordinance be divided into wards based on:

- The number of legislative body members, or
- A hybrid ward system allowing for a specific number of legislative body seats shall be based on the ward system, and a specific number of seats shall be elected at large.

Both scenarios shall have their wards as equal in population as possible. The two candidates receiving the highest number of votes cast in each ward shall be deemed to be nominated from the ward.

SB 167 removes the language requiring that the mayor be present when police officers take their oath.

SB 167 provides that the legislative body of a city **may** by ordinance reduce the number serving of the city's war memorial commission from 15 to not less than 5.

SB 167 exempts the transfer of real or personal property between governmental agencies from the bid process.

SB 167 provides that the publishing of the ordinance adopting the ad valorem tax rate will satisfy the newspaper publishing requirement of the ad valorem due date if the due date is included as a component of the published ordinance.

SB 167 moves the language of a KRS 381.700 to a new subsection of KRS 381.697 allowing the governing authorities of a city to require the owner or those having claims to a public or private burial grounds to properly care for them. KRS 381.700 is subsequently repealed.

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

The fiscal impact of SB 167 is expected to be nil to minimal.

There would be minimal impact regarding the additional guidance provided within existing statute for the trade or sale of real or personal property. Kentucky League of Cities believes this provision will offer more flexibility, thus allowing local governments to dispose of their surplus property in different ways and at a minimal savings. They can reduce costs by not having to publish and take bids for smaller items, and they could reduce administrative and financing costs by trading in vehicles with a new vehicle purchase.

There would be minimal if any fiscal impact regarding the makeup of wards within a city. If the number of legislative body seats increase then there would be a proportionate increase in expenses associated with these seats. If there is a reassignment of ward seats to at-large seats, then related aggregate expenses would remain the same.

There is no fiscal impact regarding the mayor not needing to be present when police officers take their oath.

There may be a decrease in travel expenses related to the reduction of people serving on a city's war memorial commission from 15 to not less than 5.

There would a savings equal to the cost of publishing the ad valorem tax due date since the requirement would be fulfilled with the publishing of the ordinance adopting the ad valorem tax rate inclusive of the due date.

Data Source(s): <u>LRC Staff, Kentucky League of Cities</u>

Preparer: Wendell F. Butler **Reviewer:** JWN **Date:** 2/19/16