

1 AN ACT relating to annexation.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 81A IS CREATED TO
4 READ AS FOLLOWS:

- 5 *(1) A city that annexes territory in accordance with this chapter on or after the*
6 *effective date of this Act shall compensate the county in which the territory is*
7 *located on an ongoing basis for the economic loss sustained by the county as a*
8 *result of the annexation. Unless otherwise agreed to by the city and the county,*
9 *the amount of the compensation due to the county from the city for the loss shall*
10 *be the sum of the fees and taxes collected by the county for the annexed area*
11 *from the following sources in the calendar year immediately prior to the year in*
12 *which the annexation occurred:*
- 13 *(a) License fees or taxes imposed upon insurance companies in accordance*
14 *with KRS 91A.080; and*
- 15 *(b) License fees imposed on businesses, trades, occupations, and professions in*
16 *accordance with KRS 68.180, 68.185, 68.190, 68.195, 68.197, 68.198, and*
17 *68.199.*
- 18 *(2) The economic loss payments shall be paid by the city to the county on a quarterly*
19 *basis no later than the 30th of the month following each calendar year quarter.*
- 20 *(3) Any action to challenge the calculation of the amount of compensation to be paid*
21 *to the county by the city or to compel payment of the compensation shall be filed*
22 *and maintained in the Franklin Circuit Court.*