

1 AN ACT relating to local taxation.

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

3 ➔Section 1. KRS 67.083 is amended to read as follows:

4 (1) It is the purpose of this section to provide counties as units of general purpose local
5 government with the necessary latitude and flexibility to provide and finance
6 various governmental services within those functional areas specified in subsection
7 (3) of this section, while the General Assembly retains full authority to prescribe
8 and limit by statute local governmental activities when it deems such action
9 necessary.

10 (2) **(a)** The fiscal court of any county is hereby authorized to levy all taxes, **license**
11 **fees, and franchise fees** not in conflict with the Constitution **of the**
12 **Commonwealth of Kentucky, provided that the fee or tax is allowed by**
13 **the**~~and~~ statutes of this state~~[now or hereafter enacted]~~.

14 **(b) No fiscal court of any county is authorized to levy a sales or use tax on:**

15 **1. Retail sales of tangible personal property or digital property; or**

16 **2. The furnishing of any service.**

17 (3) The fiscal court shall have the power to carry out governmental functions necessary
18 for the operation of the county. Except as otherwise provided by statute or the
19 Kentucky Constitution, the fiscal court of any county may enact ordinances, issue
20 regulations, levy taxes, issue bonds, appropriate funds, and employ personnel in
21 performance of the following public functions:

22 (a) Control of animals, and abatement of public nuisances;

23 (b) Regulation of public gatherings;

24 (c) Public sanitation and vector control;

25 (d) Provision of hospitals, ambulance service, programs for the health and welfare
26 of the aging and juveniles, and other public health facilities and services;

27 (e) Provision of corrections facilities and services, and programs for the

- 1 confinement, care, and rehabilitation of juvenile law offenders;
- 2 (f) Provision of parks, nature preserves, swimming pools, recreation areas,
3 libraries, museums, and other recreational and cultural facilities and programs;
- 4 (g) Provision of cemeteries and memorials;
- 5 (h) Conservation, preservation and enhancement of natural resources including
6 soils, water, air, vegetation, and wildlife;
- 7 (i) Control of floods;
- 8 (j) Facilitating the construction and purchase of new and existing housing;
9 causing the repair or demolition of structures which present a hazard to public
10 health, safety, or morals or are otherwise inimical to the welfare of residents
11 of the county; causing the redevelopment of housing and related commercial,
12 industrial, and service facilities in urban or rural areas; providing education
13 and counseling services and technical assistance to present and future
14 residents of publicly assisted housing;
- 15 (k) Planning, zoning, and subdivision control according to the provisions of KRS
16 Chapter 100;
- 17 (l) Adoption, by reference or in full, of technical codes governing new
18 construction, renovation, or maintenance of structures intended for human
19 occupancy;
- 20 (m) Regulation of commerce for the protection and convenience of the public;
- 21 (n) Regulation of the sale of alcoholic beverages according to the provisions of
22 KRS Chapters 241 to 244;
- 23 (o) Exclusive management of solid wastes by ordinance or contract or by both and
24 disposition of abandoned vehicles;
- 25 (p) Provision of public buildings, including armories, necessary for the effective
26 delivery of public services;
- 27 (q) Cooperation with other units of government and private agencies for the

- 1 provision of public services, including, but not limited to, training,
2 educational services, and cooperative extension service programs;
- 3 (r) Provision of water and sewage and garbage disposal service but not gas or
4 electricity; including management of onsite sewage disposal systems;
- 5 (s) Licensing or franchising of cable television;
- 6 (t) Provision of streets and roads, bridges, tunnels and related facilities,
7 elimination of grade crossings, provision of parking facilities, and
8 enforcement of traffic and parking regulations;
- 9 (u) Provision of police and fire protection;
- 10 (v) Regulation of taxis, buses, and other passenger vehicles for hire;
- 11 (w) Provision and operation of air, rail and bus terminals, port facilities, and
12 public transportation systems;
- 13 (x) Promotion of economic development of the county, directly or in cooperation
14 with public or private agencies, including the provision of access roads, land
15 and buildings, and promotion of tourism and conventions;
- 16 (y) Preservation of historic structures; and
- 17 (z) Regulation of establishments or commercial enterprises offering adult
18 entertainment and adult entertainment activities.
- 19 (4) The county judge/executive is hereby authorized and empowered to exercise all of
20 the executive powers pursuant to this section.
- 21 (5) A county acting under authority of this section may assume, own, possess and
22 control assets, rights, and liabilities related to the functions and services of the
23 county.
- 24 (6) If a county is authorized to regulate an area which the state also regulates, the
25 county government may regulate the area only by enacting ordinances which are
26 consistent with state law or administrative regulation:
- 27 (a) If the state statute or administrative regulation prescribes a single standard of

1 conduct, a county ordinance is consistent if it is identical to the state statute or
2 administrative regulation;

3 (b) If the state statute or administrative regulation prescribes a minimal standard
4 of conduct, a county ordinance is consistent if it establishes a standard which
5 is the same as or more stringent than the state standard;

6 (c) A county government may adopt ordinances which incorporate by reference
7 state statutes and administrative regulations in areas in which a county
8 government is authorized to act.

9 (7) County ordinances which prescribe penalties for their violation shall be enforced
10 throughout the entire area of the county unless:

11 (a) Otherwise provided by statute; or

12 (b) The legislative body of any city within the county has adopted an ordinance
13 pertaining to the same subject matter which is the same as or more stringent
14 than the standards that are set forth in the county ordinance. The fiscal court
15 shall forward a copy of each ordinance which is to be enforced throughout the
16 entire area of the county to the mayor of each city in the county.

17 (8) (a) The powers granted to counties by this section shall be in addition to all other
18 powers granted to counties by other provisions of law. These powers, other
19 than the power to tax, may be exercised cooperatively by two (2) or more
20 counties, or by a county and a city, or by a county and a special district, or by
21 a county and the state through, but not limited to, joint contracts, joint
22 ownership of property, or the exchange of services, including personnel and
23 equipment. When counties cooperate in the provision of public services,
24 contracts shall be drawn to document the benefits and relative cost for each of
25 the participating governments. One (1) government may pay one hundred
26 percent (100%), or a lesser percentage, of all or any part of the cost of the joint
27 undertaking, based upon the written contract required by this subsection.

1 (b) A permissive procedure authorized by this section shall not be deemed to be
 2 exclusive or to prohibit the exercise of other existing laws and laws which
 3 may hereafter be enacted but shall be an alternative or supplement thereto.

4 (9) Any agency of county government exercising authority pursuant to subsection (3)(y)
 5 of this section shall, prior to exercising such authority, obtain the voluntary written
 6 consent of the owner of the structure. Consent may be obtained only after advising
 7 the owner in writing of any advantages and disadvantages to the owner which are
 8 likely to result from the exercise of such authority.

9 →Section 2. KRS 92.281 is amended to read as follows:

10 (1) **(a)** Cities of all classes are authorized to levy and collect any and all taxes, **license**
 11 **fees, and franchise fees not in conflict with** ~~provided for in Section 181 of~~
 12 the Constitution of the Commonwealth of Kentucky, **provided that the fee or**
 13 **tax is allowed by the statutes of this state,** and to use the revenue therefrom
 14 for **the** ~~such~~ purposes ~~as may be~~ provided by the legislative body of the
 15 city.

16 **(b) No city of any class is authorized to levy a sales and use tax on:**

17 **1. Retail sales of tangible personal property or digital property; or**

18 **2. The furnishing of any service.**

19 (2) Nothing in this section shall be construed to repeal, amend, or affect in any way the
 20 provisions of KRS 243.070.

21 (3) This section shall not in any wise repeal, amend, affect, or apply to any existing
 22 statute exempting property from local taxation or fixing a special rate on proper
 23 classification or imposing a state tax which is declared to be in lieu of all local
 24 taxation, nor shall it be construed to authorize a city to require any company that
 25 pays both an ad valorem tax and a franchise tax to pay a license tax.

26 (4) This section shall also be subject to the provisions of KRS 91.200 in cities of the
 27 first class having a sinking fund and commissioners of a sinking fund.

- 1 (5) License fees or occupational taxes may not be imposed against or collected on
2 income received by precinct workers for election training or work at election booths
3 in state, county, and local primary, regular, or special elections.
- 4 (6) License fees or occupational taxes may not be imposed against or collected on any
5 profits, earnings, or distributions of an investment fund which would qualify under
6 KRS 154.20-250 to 154.20-284 to the extent any profits, earnings, or distributions
7 would not be taxable to an individual investor.
- 8 (7) (a) It is the intent of the General Assembly to continue the exemption from local
9 license fees and occupational taxes that existed on January 1, 2006, for
10 providers of multichannel video programming services or communications
11 services as defined in KRS 136.602 that were taxed under KRS 136.120 prior
12 to January 1, 2006.
- 13 (b) To further this intent, license fees or occupational taxes may not be imposed
14 against any company providing multichannel video programming services or
15 communications services as defined in KRS 136.602. If only a portion of an
16 entity's business is providing multichannel video programming services or
17 communications services including products or services that are related to and
18 provided in support of the multichannel video programming services or
19 communications services, this exclusion applies only to that portion of the
20 business that provides multichannel video programming services or
21 communications services including products or services that are related to and
22 provided in support of the multichannel video programming services or
23 communications services.
- 24 ➔Section 3. KRS 610.350 is amended to read as follows:
- 25 (1) In proceedings in the juvenile session of the District Court, no court fees shall be
26 charged against, and no witness fees shall be allowed to, any party to a petition. No
27 public officer shall be entitled to receive any fee from the service of process or for

1 attendance in court in any such proceedings. All other persons acting under orders
 2 of the court may be paid for service of process and attendance as witnesses. The
 3 payments for fees provided by law for like services in civil cases in the Circuit
 4 Court are to be made out of the county treasury. The county or state may
 5 compensate any officer or person in the amount prescribed by law for the
 6 transportation of a child to a place where he will be detained or placed or the return
 7 of any child to the jurisdiction of the court, and funds for this purpose may be
 8 appropriated and paid by the fiscal court.

9 (2) (a) For the purpose of paying salaries and expenses necessary to carry out the
 10 purposes of KRS Chapters 600 to 645, the fiscal court of any county, or
 11 urban-county council of an urban-county government, may levy taxes, license
 12 fees, and franchise fees and make appropriations within constitutional
 13 limitations, provided that the fee or tax is allowed by the statutes of this
 14 state.

15 (b) No fiscal court of any county, or urban-county council of any urban-county
 16 government, is authorized to levy a sales or use tax on:

17 1. Retail sales of tangible personal property or digital property; or

18 2. The furnishing of any service.

19 (c) The legislative body of any city also is authorized to appropriate funds to
 20 assist the county in carrying out the purposes of KRS Chapters 600 to 645,
 21 including providing facilities for custody and care of children coming within
 22 the purview of KRS Chapters 600 to 645.

23 ➔Section 4. KRS 83.520 is amended to read as follows:

24 (1) The legislative body of a city of the first class shall have the power to exercise all of
 25 the rights, privileges, powers, franchises, including the power to levy all taxes,
 26 license fees, and franchise fees, not in conflict with the Constitution, provided that
 27 the fees or taxes are allowed by the statutes of this state.

1 **(2) No legislative body of a city of the first class is authorized to levy a sales or use**
 2 **tax on:**

3 **(a) Retail sales of tangible personal property or digital property; or**

4 **(b) The furnishing of any service.**~~and so as~~

5 **(3) The powers granted under subsection (1) of this section are** to provide for the
 6 health, education, safety and welfare of the inhabitants of the city, to the same
 7 extent and with the same force and effect as if the General Assembly had granted
 8 and delegated to the legislative body of the city all of the authority and powers that
 9 are within its powers to grant to a municipal corporation as if expressly enumerated
 10 herein.

11 **(4)** Nothing therein contained to the contrary, the provisions of KRS Chapters 65, 66,
 12 76, 77, 79, 80, 91, 95, 96, 97, 98, 99, 103, 104, 106, 107, 108 and 109 shall be
 13 considered permissive rather than mandatory and the powers, rights and duties
 14 therein delineated may be modified or delegated by the legislative body to different
 15 departments and agencies of city government and any restrictions therein set forth
 16 shall not be considered abridging in any manner the complete grant of home rule set
 17 forth in this grant of power except no right heretofore vested by operation of statute
 18 shall in any way be affected.

19 ➔Section 5. KRS 65.760 is amended to read as follows:

20 (1) Any local government may establish 911 emergency service upon approval of the
 21 governing body of the city, county, or urban-county government and may adopt
 22 regulations concerning the provision of this service by ordinance.

23 (2) Any local government, or any combination thereof, may with the approval of their
 24 governing bodies enter into an interlocal cooperation agreement creating a joint 911
 25 emergency service.

26 (3) (a) The funds required by a local government to establish and operate 911
 27 emergency service, or to participate in joint service with other local

1 governments, may be obtained through the levy of any special tax, license, or
 2 fee not in conflict with the Constitution and statutes of this state, **provided**
 3 **that the special tax, license, or fee is allowed by the statutes of this state.**

4 **(b) No local government, or any combination thereof, is authorized to levy a**
 5 **sales or use tax on:**

6 **1. Retail sales of tangible personal property or digital property; or**

7 **2. The furnishing of any service.**

8 **(c)** The special tax, license, or fee may include a subscriber charge for 911
 9 emergency service that shall be levied on an individual exchange-line basis,
 10 limited to a maximum of twenty-five (25) exchange lines per account per
 11 government entity.

12 ~~**(d)**~~ Any private commercial telephone service or owner of a dispersed
 13 private telephone system (DPTS) that provides local and 911 emergency
 14 service to subscribers for compensation shall collect and remit the subscriber
 15 charge to the local government on the same basis as the primary local
 16 exchange carrier, except that this requirement shall not apply to a state agency
 17 that currently maintains an independent 911 system with its own public safety
 18 answering point.

19 ~~**(e)**~~ Any provider of interconnected VoIP local and 911 emergency services
 20 to subscribers for compensation shall collect and remit any special tax,
 21 license, or fee levied under paragraph (a) of this subsection to the local
 22 government, except that the special tax, license, or fee levied under paragraph
 23 (a) of this subsection shall not apply to a commercial mobile radio service
 24 subject to a fee imposed under KRS 65.7629 or 65.7634.

25 (4) All revenues raised from any special tax, license, or fee levied under subsection (3)
 26 of this section shall be expended only as provided in this subsection and only to the
 27 extent that the expenditure is directly attributable to the establishment, operation, or

1 maintenance of a PSAP, the delivery of 911 emergency services, or the provision of
2 wireless enhanced 911 services, as follows:

3 (a) The hiring of personnel;

4 (b) The following costs for employees:

- 5 1. Salaries;
- 6 2. Fringe benefits;
- 7 3. MSAG coordination;
- 8 4. Uniforms; and
- 9 5. Addressing and database development and management;

10 (c) Facility costs for the following expenses:

- 11 1. Capital improvements for construction, remodeling, or expansion;
- 12 2. Lease or rental payments;
- 13 3. Utilities;
- 14 4. Heating and air conditioning;
- 15 5. Fire suppression systems;
- 16 6. Security systems;
- 17 7. Cleaning and maintenance;
- 18 8. Emergency power and uninterruptable power equipment;
- 19 9. Insurance;
- 20 10. Office supplies;
- 21 11. Printing and copying services; and
- 22 12. Furniture;

23 (d) Training and memberships in professional associations, including:

- 24 1. Vendor-provided training;
- 25 2. Conferences;
- 26 3. Necessary travel and lodging;
- 27 4. On-the-job training; and

- 1 5. Memberships in 911-related associations;
- 2 (e) Costs for the following equipment shall be allowed to the extent its function is
- 3 directly attributable to the provision of 911 emergency services, whether on
- 4 the premises or remotely located:
- 5 1. 911 controllers, equipment, or software;
- 6 2. 911 trunks or administrative lines for the 911 center;
- 7 3. Remote 911 hardware or modems;
- 8 4. ACD systems or other call management facilities and software;
- 9 5. Call-time stamping or other clock functions;
- 10 6. Computer workstations;
- 11 7. Telephone and related services to support the receipt of 911 contact
- 12 from the deaf and hard of hearing community;
- 13 8. Voice and data recording systems;
- 14 9. Radio systems, including consoles and any fixed radio asset that is not
- 15 mobile or portable and that is used for 911 and emergency response;
- 16 10. CAD, GIS mapping, paging, mobile data, LINK/NCIC, or AVL systems
- 17 and associated databases;
- 18 11. Network connectivity;
- 19 12. Software licenses; and
- 20 13. Maintenance or service agreements for equipment or software listed in
- 21 this subsection;
- 22 (f) Vehicle costs for the following, either as reimbursement to an employee for
- 23 the use of a private vehicle or direct costs for a vehicle assigned to the agency:
- 24 1. MSAG development and maintenance;
- 25 2. GIS data development, verification, and testing; and
- 26 3. Public education;
- 27 (g) Costs for the following professional services:

- 1 1. Legal;
- 2 2. Architectural;
- 3 3. Auditing; and
- 4 4. Consultation; and
- 5 (h) Costs for public education regarding the proper use of 911 emergency
- 6 services.
- 7 (5) A local government shall not use revenues from any special tax, license, or fee
- 8 levied under subsection (3) of this section for personnel costs, facility costs, training
- 9 and membership costs, equipment costs, vehicle costs, professional services costs,
- 10 public education costs, nor any of the following costs, unless the expense is directly
- 11 attributable to the delivery of 911 emergency services:
- 12 (a) Personnel costs for the following personnel, unless directly functioning as
- 13 PSAP staff:
- 14 1. Law enforcement;
- 15 2. Emergency medical services personnel;
- 16 3. Fire protection personnel;
- 17 4. Emergency management staff; and
- 18 5. Shared support or technical staff;
- 19 (b) Facility costs for the following purposes and facilities, except for that portion
- 20 used for the delivery of 911 emergency services:
- 21 1. Capital and furnishing costs for facilities whose primary purpose is not
- 22 the delivery of 911 emergency services;
- 23 2. Facilities primarily intended for use by police, fire, emergency medical
- 24 services, or other emergency management personnel; and
- 25 3. Facilities providing general offices for local government operations;
- 26 (c) Training and membership costs for the following purposes:
- 27 1. Costs for training for staff not directly involved in the delivery of 911

- 1 emergency services or courses whose content is not intended to increase
2 the knowledge, skills, and abilities of 911 personnel with regard to
3 delivery of 911 emergency services; and
- 4 2. Costs for memberships in organizations or associations whose primary
5 purpose is not public safety communications or the delivery of 911
6 emergency services;
- 7 (d) The following hardware, software, or peripheral costs:
- 8 1. Law enforcement, fire protection, emergency medical services, or jail
9 record management systems;
- 10 2. Word processing and other general computer applications;
- 11 3. GIS applications providing data layers not needed for the location of
12 emergency calls or other general mapping and locations services for
13 government operations;
- 14 4. Court information systems;
- 15 5. Field equipment used outside of the PSAP by emergency responders or
16 other government personnel for radio, paging, mobile data, LINK/NCIC,
17 ACD, or AVL systems;
- 18 6. Internet connectivity for an application listed in this subsection;
- 19 7. A maintenance or service agreement for an application listed in this
20 subsection; and
- 21 8. A software license for an application listed in this subsection;
- 22 (e) The cost of an emergency response or other government vehicle;
- 23 (f) Costs for professional services; and
- 24 (g) Costs for public education.
- 25 (6) The governing body may apply for and accept federal moneys and may accept
26 contributions and donations from any source for the purpose of funding 911
27 emergency service.

1 (7) Nothing in this section shall preclude other means of establishing or funding a 911
2 emergency service within any local area or exchange, nor require the operation of
3 such service by any local government.

4 ➔SECTION 6. A NEW SECTION OF KRS CHAPTER 92 IS CREATED TO
5 READ AS FOLLOWS:

6 *(1) No municipal corporation that is authorized to levy and collect taxes, license fees,*
7 *or franchise fees shall levy the tax or fee unless the tax, license fee, or franchise*
8 *fee is allowed by the statutes of this state.*

9 *(2) Municipal corporations are not authorized to levy a sales or use tax on:*

10 *(a) Retail sales of tangible personal property or digital property; or*

11 *(b) The furnishing of any service.*

12 ➔Section 7. This Act shall become effective only upon the ratification, in the
13 regular election of November 8, 2022, of an amendment to Section 181 of the Kentucky
14 Constitution permitting the General Assembly to confer upon counties, cities, towns, and
15 other municipal corporations the power to collect taxes, license fees, and franchise fees
16 that are not in conflict with the Constitution. If such an amendment is not ratified, this
17 Act is void.