Local Government Mandate Statement Kentucky Legislative Research Commission 2018 Regular Session

Part I: Measure Information

Bill Request #: 1487
Bill #: HB 490
Document ID #: 5556
Bill Subject/Title: AN ACT relating to city revenue and declaring an emergency.
Sponsor: Representative Kevin P. Sinnette
Unit of Government: X City X County X Urban-County Unified Local X Charter County X Consolidated Local X Government
Office(s) Impacted:
Requirement: Mandatory Optional
Effect on Powers & Duties: Modifies Existing Adds New Eliminates Existing

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

HB 490 changes the definition of "authorized city" to be any home rule city which includes all cities within Kentucky except Louisville, the only first class city in the state. Home rule cities were previously classified as Class 2 through Class 6 cities.

KRS 91A.390 and 91A.400 currently requires that all moneys collected from the levy of a transient room tax and/or a restaurant tax be turned over to the tourist and convention commissions established in those cities. The tax rate for both taxes is up to 3%. HB 490 amends KRS 91A.390 and KRS 91A.400 to require that all moneys collected from these taxes be turned over to the city to be used for County Employee Retirement System contribution rates established by the Kentucky Retirement Systems board of trustees.

The fiscal impact of this bill on local government is indeterminable. Whereas the impact will vary based upon the local government's current and future tax ordinances, the impact cannot be estimated accurately.

For localities currently collecting these taxes, the amounts will not change; the revenues will be diverted from their tourist and convention commission and to the County Employee Retirement System.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II pertains to the bill as introduced. No prior versions of the bill have been introduced necessitating Part III to be completed at this time.

Data Source(s): LRC Staff, Division of Miscellaneous Taxes (KRC), and the Natinoal

Restaurant Association

Preparer: Wendell F. Butler Reviewer: KHC Date: 3/21/18