

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2018 REGULAR SESSION**

**MEASURE**

2018 BR NUMBER **0254**

**SENATE** BILL NUMBER **25**

RESOLUTION NUMBER \_\_\_\_\_

AMENDMENT NUMBER **SCS1**

**SUBJECT/TITLE** **An ACT relating to special purpose governmental entities.**

**SPONSOR** **Senator Ralph Alvarado**

**NOTE SUMMARY**

FISCAL ANALYSIS:  IMPACT     NO IMPACT     INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT:  STATE     LOCAL     FEDERAL

BUDGET UNIT(S) IMPACT: **Department for Local Government**

FUND(S) IMPACT:  GENERAL     ROAD     FEDERAL     RESTRICTED AGENCY \_\_\_\_\_     OTHER

**FISCAL SUMMARY**

<b>FISCAL ESTIMATES</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>ANNUAL IMPACT AT FULL IMPLEMENTATION</b>
<b>REVENUES</b>				
<b>EXPENDITURES</b>		\$107,800	\$107,800	\$107,800
<b>NET EFFECT</b>		(\$107,800)	(\$107,800)	(\$107,800)

( ) indicates a decrease/negative

**MEASURE’S PURPOSE:** This measure requires special purpose governmental entities to submit in writing any new, or revised, ad valorem taxes and fees projected to generate more revenues than levy of the compensating tax rate. Subsequently, the establishing entity of the special purpose governmental entity must, within 30 days, approve or fail to act, or disapprove the proposal.

**PROVISIONS/MECHANICS:** Section 1 creates a new section of KRS 65A that establishes the process by which special purpose governmental entities must propose new or increased revenue generating ad valorem taxes and fees; establishes the process by which establishing entities must respond to ad valorem and fee proposals; and makes exemptions for certain ad valorem taxes and fees from revised processes.

Section 2 amends KRS 132.023 to conform.

Section 3 amends KRS 132.025 to conform.

Section 4 repeals KRS 65A.100.

Section 5 makes the Act effective January 1, 2019.

**FISCAL EXPLANATION:** As written, the Department for Local Government (DLG) must calculate rates on behalf of a special purpose governmental entity, if requested to do so. DLG currently has one staff member who performs similar calculations for 118 counties. Increased requests for rate calculations would necessitate one additional staff member at an average annual salary and benefits of \$107,800.

**DATA SOURCE(S):** LRC Budget Review Staff

**PREPARER:** Tammy Branham **NOTE NUMBER:** 48 **REVIEW:** JAB **DATE:** 1/22/2018