## Local Government Mandate Statement Kentucky Legislative Research Commission 2019 Regular Session

**Part I: Measure Information** 

Bill Request #: 67					
Bill #: HB 26 SCS	<u> </u>				
Document ID #: 6084					
Bill Subject/Title: AN ACT relating to local procurement.					
Sponsor: Representative Rob Rothenburger					
Unit of Government: <u>x</u>	•		Unified Local		
Office(s) Impacted: An	•	x Consolidated Local rement and contracting re			
Requirement: Man	datory <u>x</u> Opti	onal			
Effect on Powers & Duties:x_ M	odifies Existing	Adds New F	Eliminates Existing		

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

HB 26 SCS amends KRS 45A.385 to increase (from \$20,000 to \$30,000) the maximum amount of a contract for which a local public agency may use for small purchase procedures, and amends KRS 424.260 to allow local officials to make contracts up to \$30,000, rather than up to \$20,000, without taking out newspaper advertisements for bids. HB 26 SCS also amends KRS 45A.430 and 45A.435 to raise the threshold requirement for obtaining construction contract security bonds, from \$25,000 to \$100,000 (for both bidder and awarded contracts).

The Kentucky League of Cities reports that about 3 of 10 Kentucky cities operate under the Model Procurement Code, with the rest using the general bidding statute. Because this bill would affect both procurement methods, it would apply to all cities. The Kentucky League of Cities does not have data on the number of contracts between \$20,000 and \$30,000 and cannot determine how much this bill would save.

The fiscal impact of HB 26 SCS is indeterminate and minimal. All local governments would save money as a consequence of less frequent advertising of purchase contracts. Local governments may also save minimal time and effort costs related to obtaining and processing construction contract security bonds.

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

HB 26 SCS retains the original provisions of HB 26 and adds provisions raising the threshold requirement for obtaining construction contract bidder and awarded security bonds from \$25,000 to \$100,000.

HB 26 SCS does not change the fiscal impact of HB 26 as introduced.

Data Source(s):	Kentucky League of Cities; Ke	ntucky Association of C	<u>ounties</u>	
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Preparer: H. Ma	arks <b>Reviewer:</b>	KHC	Date:	3/12/19