Local Government Mandate Statement Kentucky Legislative Research Commission 2019 Regular Session

Part I: Measure Information

Bill Request #: 1753
Bill #: HB 335 GA
Document ID #: <u>5300</u>
Bill Subject/Title: AN ACT related to disposition of county property.
Sponsor: Representative Larry Elkins
Unit of Government: City X County Urban-County Charter County Consolidated Local Government
Office(s) Impacted: Counties
Requirement: Mandatory X Optional
Effect on Powers & Duties: X Modifies Existing Adds New Eliminates Existing

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

This legislation provides additional measures a county may utilize when disposing of real or personal property. It adds the requirement that fair market value be determined by an independent appraisal or by county officers or employees using the most recent edition of a nationally published valuation publication. The following disposal options are added to KRS 67.0802:

- Property transfers, with or without compensation, for economic development purposes, including real property for the elimination of blight;
- Traded for the same or similar type of property if the property received in exchange equals or exceeds the actual fair market value of the property;
- Property with a fair market value of \$5,000 or less may be sold without requirement of sealed bids as required by KRS 45A.365(3) and (4). Also, the property shall not be sold to a county officer or employee;
- Sold for scrap or disposed of as garbage in a manner consistent with the public interest if the property has nominal or no value;

• Sold by the Finance and Administration Cabinet under an agreement with the county.

These additional property disposal methods will allow counties to more easily divest themselves of lower valued property that is no longer needed or to better align community needs by allowing real property transfers or trades. Any generated compensation resulting from the disposal of real or personal property shall be transferred to the county general fund.

The fiscal impact is indeterminable but minimal as the measures provided in HB 335 may generate some indirect costs savings from the sale of property such as reduced maintenance and/or operational costs, reduction in insurance, etc.

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

The LM statement to HB 335 GA is the same as the LM statement to HB 335 as introduced. No substitutes or amendments were adopted when the bill passed the House.

Data Source(s):LRC Staff

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