

Local Government Mandate Statement
Kentucky Legislative Research Commission
2019 Regular Session

Part I: Measure Information

Bill Request #: 368

Bill #: HB 49 HCS

Document ID #: 4586

Bill Subject/Title: An ACT relating to the levy of property taxes.

Sponsor: Representative Stan Lee

Unit of Government: City County Urban-County
 Charter County Consolidated Local Unified Local Government

Office(s) Impacted: County Clerks

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 49 HCS clarifies that the list of government entities affected by this legislation to include unified local governments. Previously, this form of government was included within “other taxing districts”. To date, no unified local government has been created in Kentucky.

HB 49 HCS makes the following changes to recall petitions regarding property tax:

- The deadline to file a tax recall petition is extended from 45 days to 50 days after passage of a property tax.
- The petition committee is required to state in an affidavit whether or not the petition committee is willing to incur all of the expenses associated with electronic petition signatures. If the petition committee is not willing to incur all of the expenses, then electronic petition signatures shall not be allowed for the petition.
- All petition papers shall be *substantially* the same size and style.

- Each sheet of the petition *may* contain the names of voters from **more than one voting precinct**.
- The inclusion of an invalid signature (electronic and nonelectronic) shall not invalidate an entire page of the petition, but will result in the invalid signature not being counted.
- Electronic signatures are allowed only if they comply with the Uniform Electronic Transaction Act. Additionally, each signature, electronic and nonelectronic, shall be followed by the name and number of the designated voting precinct.
- After the expenses associated with electronic petition signatures have been incurred in accordance with the Act, then the electronic petition signatures shall be included in determining whether the required number of petition signatures have been obtained.

The fiscal impact of HB 49 HCS on a local government regarding the imposition of a property tax is indeterminable.

HB 49 HCS is not expected to directly impact tax revenues. There could be an increase in the county clerk's expenditures, depending on the amount of time and staff required to verify the petition signatures. The process to verify the petition signatures will differ depending on whether the petition is submitted in paper or electronic format. The process to verify petition signatures is dependent upon a taxing district levying a tax rate that is eligible for recall and a petition committee submitting a petition. Overall, there are too many variables to accurately estimate the county clerk's expenditures.

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

HB 49 HCS makes the following changes to HB 49 as introduced.

- The deadline to file a tax recall petition is extended from 45 days to 50 (changed from 75 days in the bill as introduced) days after passage of a property tax:
- Added that the petition committee is required to state in an affidavit whether or not the petition committee is willing to incur all of the expenses associated with electronic petition signatures. If the petition committee is not willing to incur all of the expenses, then electronic petition signatures shall not be allowed for the petition.
- The HCS removes the change within the bill as introduced relating to the percentage of registered and qualified voters that must sign a recall petition. The HCS keeps the percentage at 10%.
- Added that after the expenses associated with electronic petition signatures have been incurred in accordance with the Act, then the electronic petition signatures shall be included in determining whether the required number of petition signatures have been obtained.
- Removed the amendment to KRS 132.017 to allow local governments and district boards of education to cancel an election on a proposed property tax rate increase by amending the proposed tax rate to a rate equal to the compensating tax rate. Also removed is the provision that local governments and local boards of education may

- also amend the compensating rate if the proposed rate increase is voted on and fails to pass.
- Removed the change relating to KRS 160.470 subjecting a property tax increase in excess of the compensating rate to a recall vote. Currently, the threshold for a recall vote is more than 4% of the compensating rate.

Data Source(s): LRC Staff

Preparer: Wendell F. Butler **Reviewer:** KHC **Date:** 2/21/19