

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

**Part I: Measure Information**

**Bill Request #:** 877

**Bill #:** HB 517

**Document ID #:** 2413

**Bill Subject/Title:** AN ACT relating to the funding of transportation and making an appropriation therefor.

**Sponsor:** Representative Sal N. Santoro

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

*The mandate statement deals only with the aspects of HB 517 that impact local government.*

The fees and taxes collected from Sections 1-4 are deposited into the state road fund and allocated to counties in accordance with the formula established in KRS 177.360(1). Sections 23 and 24 establish the amount of funds available for revenue sharing from revenues collected in Section 2 for the construction, reconstruction, and maintenance of county roads and bridges and urban roads and streets.

**Section 1: Amends KRS 138.210** **Effective Date: July 1, 2019**  
Establishes the wholesale floor price of gasoline at \$2.90 per gallon.

**Section 2: Amends KRS 138.220** **Effective Date: July 1, 2019**  
Sets the minimum supplemental highway user motor fuel tax on gasoline and special fuel to a minimum of 8.5 cents per gallon.

**Section 3: New Section to KRS Chapter 138** **Effective Date: July 1, 2019**

Establishes parameters for an annual adjustment to the supplemental highway motor fuel tax and sets minimum and maximum adjustment limits.

**Section 4: New Section to KRS Chapter 186** **Effective Date: January 1, 2020**

Highway user fees are established for all noncommercial motor vehicles, based upon the combined city/highway fuel efficiency ratings, and a fee of \$175 for electric vehicles, that the county clerk shall collect at time of initial registration and upon renewals and transferred to the road fund.

**Section 7: Amends KRS 186.020** **Effective Date: January 1, 2020**

Adds language allowing registration renewals to be completed online in addition to by mail and removes the fee requirement received by the county clerk for online or mail in renewals.

**Section 8: Amends KRS 186.040** **Effective Date: January 1, 2020**

Except for apportioned vehicles, the initial registration fee payable to county clerk's increases from \$6 to \$7 and if the registration exceeds a 12 month period, the fee increases from \$9 to \$10. There are approximately 4 million motor vehicles registered each year. The \$30 registration fee for vehicles with declared gross vehicle weight of 44,001 pounds or greater is eliminated. There are approximately 28,700 vehicles that exceed 44,001 pounds.

**Section 9: Amends KRS 186.050** **Effective Date: January 1, 2020**

Increases the annual motor vehicle registration fee from \$11.50 to \$22 and imposes an additional fee of \$10 if the registration is not renewed within 30 days of its expiration. There were approximately 409,700 late registrations last year.

There are approximately 4 million registered passenger vehicles including trucks and passenger vans designed to carry 15 passengers or less.

The annual registration fee for motorcycles increases by \$6. There are approximately 117,600 registered motorcycles.

Recreational vehicles will be subject to a \$10 increase in the annual registration fee (\$30, up from \$20). There are approximately 11,500 of these vehicles.

**Sections 10 and 17: Amends KRS 186.162 and KRS 186.164**

**Effective Date: January 1, 2020**

Increases the portion of the fee that county clerks (CF Fee) retain for issuing or renewing special license plates from \$3 to \$7. There are approximately 292,900 special plates.

**Section 18: Amends KRS 186A.130**

**Effective Date: 90 days after sine die**

Increases fees paid for issuing and processing certificates of title from \$9 to \$25. It also increases the portion retained by clerks from \$6 to \$7. Application fees for speed titles is also increased from \$25 to \$40 and the portion retained by county clerks is increased from \$5 to \$8.

**The total approximate increase in revenues to county clerks as a result of the implementation of Sections 7 to 10 and Section 18 is \$51 million.**

Revenues from the motor fuels excise tax and the supplemental highway user motor fuels tax are statutorily shared with local governments. The Transportation Cabinet gives approximately 48.2% of the road fund to cities, counties, and municipalities to pay for maintenance of county roads and city streets within their jurisdiction. **The total increase in revenue resulting from the excise tax and the supplemental tax adjustments to local governments is approximately \$150 million.** The distribution amounts for county road aid and municipal road aid, based on the estimated motor fuels revenue increase, is described below in Sections 23 and 24, respectively.

**Section 23: Amends KRS 177.321 Effective Date: July 1, 2019**

In any fiscal year in which the amount of funds available for revenue sharing is less than or equal to \$760 million, **18.3%** of those funds shall be set aside for the construction, reconstruction, and maintenance of **county roads and bridges**.

In any fiscal year the amount of funds is greater than \$760 million, \$139.080 million plus 13% of those funds in excess of \$760 million shall be set aside for the construction, reconstruction, and maintenance of **county roads and bridges**.

**Section 24: Amends KRS 177.365 Effective Date: July 1, 2019**

In any fiscal year in which the amount of available revenue sharing is less than or equal to \$760 million, **7.7%** of those funds shall be set aside for the construction, reconstruction, and maintenance of **urban roads and streets**. In any fiscal year the amount of funds is greater than \$760 million, \$58.520 million plus 13% of those funds in excess of \$760 million shall be set aside.

**Section 25: Sections 1-3, 23, and 24 take effect on July 1, 2019.**

**Section 26: Sections 4, 5, and 7-17 take effect January 1, 2020.**

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

The Part II section above pertains to the bill as introduced and there are not any prior introduced versions of the bill to complete the Part III section.

**Data Source(s):** LRC Staff, KY Transportation Cabinet

**Preparer:** Mark Offerman **Reviewer:** KHC **Date:** 2/28/19