Local Government Mandate Statement Kentucky Legislative Research Commission 2019 Regular Session

Part I: Measure Information

Bill Request #: 480
Bill #: SB 26
Document ID #: 1033
Bill Subject/Title: AN ACT relating to the levy of taxes.
Sponsor: Senator Ralph A. Alvarado
Unit of Government: X City X County X Urban-County Unified Local
X Charter County X Consolidated Local X Government
Office(s) Impacted: County Clerks
Requirement: X Mandatory 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

SB 26 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.

SB 26 makes the following changes to recall petitions regarding property tax, occupational license taxes, utility gross receipts license tax, or excise tax for schools:

- The deadline to file a tax recall petition is extended from 45 days to 75 days after passage of the taxes:
- 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.
- The percentage of registered and qualified voters that must sign a recall petition is lowered from 10% to 5%.

The following changes regard property tax only:

- KRS 132.017 is amended to allow local governments and district boards of education to cancel an election on a proposed tax rate increase by amending the proposed tax rate to a rate equal to the compensating tax rate. The local government and local boards of education may also amend to the compensating rate if the proposed rate increase is voted on and fails to pass.
- KRS 160.470 is amended to subject 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.

The fiscal impact of SB 26 on a local government regarding any new taxes or rates is indeterminable.

There are too many variables and the future impact will be dependent on the tax levied and rate.

Additionally, although this measure amends the petition process to include electronic signatures that will need to be verified, it also lowers the required number of signatures from 10% to 5%. This should not have substantial impact on county clerks charged with verifying the signatures.

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

Part II refers to SB 26 as introduced. There are no prior versions of this bill to complete Part III.

Data Source(s): <u>LRC Staff</u>

Preparer: Wendell F. Butler **Reviewer:** KHC **Date:** 1/31/19