Local Government Mandate Statement Kentucky Legislative Research Commission 2020 Regular Session

Part I: Measure Information

Bill Request #: 1008
Bill #: HB 181
Document ID #: 1805
Bill Subject/Title: AN ACT proposing an amendment to Section 226 of the Constitution of Kentucky relating to casino gaming.
Sponsor: Rep. Al Gentry
Unit of Government:CityXCountyXUrban-CountyXCharter CountyXConsolidated LocalXGovernment
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

HB 181 proposes to amend Section 226 of the Constitution of Kentucky to authorize the General Assembly to define and permit casino gaming. If the amendment is passed, it would allow for an administrative body funded by license fees and taxes levied on casino gaming to oversee and control casino gaming. The proposed amendment would require that one hundred percent (100%) of proceeds beyond the amount required for oversight and control be paid into the Kentucky Employees Retirement System, Kentucky Teachers' Retirement System, County Employees Retirement System, and State Police Retirement System pension funds, through the fiscal year ending prior to July 1, 2040. Beginning with the July 1, 2040 fiscal year, the administrative body would allocate proceeds as it deems best serves the Commonwealth.

The fiscal impact of requiring local governments to add a constitutional amendment to a ballot would be minimal. Section 256 of the Kentucky Constitution specifies that constitutional amendments are only added to the ballot for the general election in evennumbered years ("next general election for members of the House of Representatives"). Therefore the constitutional amendment would be submitted to the voters in November 2020.

Because the proposed constitutional amendment would be added to an existing ballot on a scheduled statewide election, costs for adding the proposed amendment are limited to those required to add a new category to the ballot. According to Harp Enterprises, a vendor that provides electronic voting machines to most of Kentucky's counties, the costs would range from \$15 per precinct for larger counties such as Fayette with 286 precincts (\$4,004) to \$45 per precinct for counties such as Franklin with 44 precincts (\$1,980).

If the bill passed, and following implementation legislation, the bill could potentially decrease the pension plans' actuarial liability by an amount that may vary each year.

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

Part II pertains to the bill as introduced.

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

Preparer:Robert JenkinsReviewer:KHCDate:1/28/20