# Local Government Mandate Statement Kentucky Legislative Research Commission 2020 Regular Session

#### **REVISED 2/6/2020**

#### **Part I: Measure Information**

Bill Request #: 1425					
Bill #: HB 347					
<b>Document ID #:</b> <u>3680</u>					
Bill Subject/Title: AN ACT relating to regulatory licensing fees.					
Sponsor: Representative Phillip R. Pratt					
Unit of Government: X City X County Urban-County   Charter County Consolidated Local Government					
Office(s) Impacted:					
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 347 expands the authorization to impose a regulatory license fee to counties that contain a city with a population larger than 20,000 **that had imposed a regulatory license fee prior to January 1, 2019.** 

HB 347 allows any city or county that held a local option election between July 15, 2014 and July 15, 2017 to enact a regulatory licensing fee within two (2) years of the effective date of this Act.

**The fiscal impact of HB 347 on local governments is indeterminable**, but any possible direct impact will be contained to the following counties or cities. We don't know which counties or cities will impose a regulatory license fee, nor the rate up to 5% at which it will be set.

The 2020 population projections show the following counties with cities of populations over 20,000 and thus, could be authorized to charge a regulatory license fee as provided by HB 347.

City (County)	2020 Projected Population
Louisville/Jefferson County	620,800
Lexington-Fayette	329,495
Bowling Green (Warren)	69,269
Owensboro (Daviess	59,828
Covington (Kenton)	40,677
Georgetown (Scott)	36,830
Richmond (Madison)	36,401
Florence (Boone)	33,486
Nicholasville (Jessamine)	30,789
Elizabethtown (Hardin)	30,548
Hopkinsville (Christian)	30,392
Henderson (Henderson)	28,745
Frankfort (Franklin)	28,215
Independence (Kenton)	27,957
Jeffersontown (Jefferson)	27,313
Paducah (McCracken)	26,033
Radcliff (Hardin)	22,757
Ashland (Boyd)	20,639

The following cities and counties held a local option election between July 15, 2014 and July 15, 2017, and therefore may enact a regulatory licensing fee within two (2) years of the effective date of this Act.

CITIES					
Adairville	Berea	Hartford	Louisa	Pineville	
Barbourville	Campbellsville	lnez	Mayfield	Russell	
Bardwell	Cave City	Jenkins	Middlesboro	Sacramento	
Barlow	Flemingsburg	La Center	Morgantown	Warfield	
Beaver Dam	Hanson	Leitchfield	Owenton	Whitesville	
Bellefonte	Harrodsburg	London	Perryville	Williamsburg	

COUNTIES					
Adair	Breathitt	Grant	Marshall	Oldham	Russell
Barren	Cumberland	Henry	Metcalfe	Robertson	Shelby

Imposition of a regulatory license fee must be by ordinance. Costs related to an ordinance would include the time and expense of drafting the ordinance, advertising the proposal in

a local newspaper, placing the ordinance on the business docket for necessary action, and dependent on the results of the fiscal court vote, putting the proposal on the ballot for the people to vote on. There would also be cost related to printing a revised list of ordinances if the ordinance passes.

According to Kentucky League of Cities, most cities, especially the smaller ones, retain their city attorney on contract and pay on an hourly basis. Time spent drafting ordinances is influenced by its complexity and the amount of research that is necessary. In FY 2018, the median hourly rate was approximately \$106. Rates for legal notices vary greatly depending on the length of the publication, the number of times it needs to be published and the newspaper in which the publication is placed. Therefore, these costs are unknown.

Municipalities must revise their ordinances, at least every five years by state law, to eliminate "redundant, obsolete, inconsistent, and invalid provisions." The cost of this mandate would be less if the repeal or revision were done in conjunction with this periodic updating of ordinances.

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

Part II refers to HB 347 as introduced.

Data Sourc	ce(s):	LRC Staff, Ke	ntucky League	e of Cities, Kentu	icky Data Center	
<b>Preparer:</b>	Wende	ll F. Butler	Reviewer	r: KHC	Date:	2/6/20