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

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

| Bill Request #: 939   |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|
| Bill #: SB 145  |  |  |  |  |  |  |  |
| <b>Document ID #:</b> 1513  |  |  |  |  |  |  |  |
| <b>Bill Subject/Title:</b> AN ACT proposing an amendment to Section 226 of the Constitution of Kentucky relating to gaming. |  |  |  |  |  |  |  |
| Sponsor: Sen. Morgan M. McGarvey  |  |  |  |  |  |  |  |
| Unit of Government:CityXCountyXUrban-CountyXCharter CountyXConsolidated LocalXGovernment                                    |  |  |  |  |  |  |  |
| Office(s) Impacted: County clerks   |  |  |  |  |  |  |  |
| Requirement: <u>X</u> 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 145 proposes to amend Section 226 of the Constitution of Kentucky to authorize the General Assembly to define, permit, oversee, and regulate casino gaming. An administrative body funded by license fees and taxes levied on casino gaming would oversee and control gaming. Prior to July 2040, all of the casino gaming proceeds, in excess of oversight administrative expenses, would be allocated to the Kentucky Employees Retirement System nonhazardous pension fund, the Kentucky Employees Retirement System hazardous pension fund, and the Kentucky Teachers' Retirement System pension fund, as determined by the General Assembly to best meet the needs of the respective funds. The bills also sets forth the question to be placed on the ballot.

Most cities and counties participate in the County Employees Retirement System (CERS) and not the KERS or KTRS, distributions from the casino gaming proceeds to KERS and KTRS would have little impact on local government pension obligations.

SB 145 requires the Secretary of State to certify the question to each county clerk, who must place the entirety of the question and amendment on the ballots provided to voters in paper or electronic form, as applicable, in each county or precinct.

# 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 even-numbered 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 96 Kentucky counties, the costs would range from \$15 per precinct for larger counties such as Fayette with 291 precincts (\$4,365) to \$45 per precinct for counties such as Franklin with 44 precincts (\$1,980).

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

Part II, above, pertains to the bill as drafted.

| Data Sourc | e(s):  | Harp Enterprises; | Kentucky Cou     | nty Clerks Association |       |         |
|------------|--------|-------------------|------------------|------------------------|-------|---------|
| Preparer:  | Robert | t Jenkins         | <b>Reviewer:</b> | KHC                    | Date: | 1/13/20 |