



Also in regards to fee requirements, SB 5 HCS 1 lists a number of exempted fees and charges that the new fee requirements would not apply. Because of the large number of exempted fees that are applicable to entities related to cities, **the Kentucky League of Cities (KLC) believes that many cities would not be impacted at all**, thus the bill would have zero fiscal impact on these cities.

KLC has identified additional concerns with SB 5 HCS 1. For information on those, LRC's fiscal statement review staff recommends contacting the Kentucky League of Cities directly.

The Secretary of State's office states that there should not be any additional cost to enact the legislation. The office would include these changes to the statewide voter registration system (VRS) to allow county clerks to code voters by taxing district. This ensures voters are provided the correct ballot. This coding will be time consuming for county clerks. The need to code voters by taxing district for the SPGE would be in the event of a recall of the tax rate.

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

**The impact of SB 5 HCS 1 is the same as SB 5 GA.** SB 5 HCS keeps the provisions of SB 5 GA except for removing ambulance services from the provisions of the proposal allowing them to enact ad valorem taxes without fiscal court approval. This puts ambulance services in the same category as Chapter 75 Fire Districts.

SB 5 HCS 1 clarifies that a governing body may approve a rate that is less than the proposed rate, but greater than the compensating rate, or a rate that is less than the proposed rate if the entity is proposing a first time ad valorem tax.

**The impact SB 5 GA on local governments is the same as it was with SB 5 SCS.**

The local government impact to the SCS is the same as the impact to the bill as introduced. The SCS states that the ad valorem tax or fee levied by a SPGE does not apply to fire protection districts and clarifies that the governing body may approve a rate or rates that are less than the proposed rate or rates.

**Data Source(s):** LRC Staff, Kentucky League of Cities

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