

operated on fully controlled access highways. Operators of OHVs on public roadways must be at least 18 years of age and possess a valid operator's license.

An OHV operating on a public roadway must be titled and registered, pass inspection performed by a certified inspector, be insured in accordance with limits specified in KRS 304.39-110(3) with proof of insurance kept in the vehicle at all times, and comply with all traffic laws. All occupants of an OHV without a windshield must wear eye protection. Nonresident owners of an OHV shall be exempt from registration if the OHV is registered in a state, that requires the OHV be insured and offers reciprocity to Kentucky registered OHVs for a limited time. A nonresident from a state that does not require OHV registrations or does not offer reciprocity, may apply for a six month temporary registration permit.

Section 5 amends KRS 189.517 to conform.

Section 6 amends KRS 189.990 to conform and makes violation of this legislation a Class B misdemeanor.

Section 7 amends KRS 304.39-110 to conform.

The fiscal impact to county clerks is not able to be determined. The impact is expected to be positive but minimal.

Upon passage of this measure, there will be an increase in the number of OHVs that get registered in the Commonwealth. Any newly registered OHV will now be subject to an annual property tax motor vehicle assessment. This will increase state and local revenue and county clerks will be able to retain four percent of the collected amount. "Off-highway vehicles" not operated on public roadways are not required to be registered.

According to the Kentucky Department of Revenue, registered OHVs would be exempt from sales and use tax but would now be subject to the six percent motor vehicle usage tax. County clerks would retain three percent of collected tax.

Since current law does not require an owner to register an OHV, and not all OHVs will be required to be registered under the proposed legislation, there is no way to estimate the number of new registrations or additional revenues.

For local governments, it is expected that any financial impact would be minimal to none.

Local governments that choose to create ordinances approving the operation of OHVs will incur costs associated with the drafting, publication, indexing and recording of adopted ordinances, and at least every five years, review and eliminate redundant, obsolete, inconsistent, and invalid provisions.

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 an ordinance is influenced by its complexity and the amount of research that is necessary. In FY 2019, the median hourly rate was approximately \$100. 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.

Class B misdemeanors:

A person convicted of a Class B misdemeanor may be incarcerated for up to 90 days. Misdemeanants are housed in one of Kentucky's 77 full service jails or three life safety jails. While the expense of housing inmates varies by jail, this estimated impact will be based on \$31.34 per day, which equals the per diem and medical expenses that the Department of Corrections pays jails to house felony offenders. While the majority of misdemeanor defendants are granted bail, those who do not will also cost local jails an average of \$31.34 per day.

The overall expected fiscal impact is indeterminable, but is expected to be minimal.

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

The fiscal impact statement to SB 75 HCS 1 remains the same as the original local mandate for SB 75.

HCS 1 requires that local governments **proactively approve** the use of OHV on specified county roadways. Previously, local governments had to prohibit OHV use on certain county roadways they deemed the operation of an OHV on to be unsafe.

Data Source(s): Kentucky Department of Revenue, Department of Corrections, LRC Staff

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