

two (2) years of the effective date of this Act. Although the fiscal impact of HB 179 on these cities is indeterminable, we do know that the revenue they might collect would more than offset the cost of preparing and publishing the ordinance resulting in a minimal positive fiscal impact. These seven cities may realize an estimated \$70,000 in fee revenue depending on where they set their rate.

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 an ordinance is influenced by its complexity and the amount of research that is necessary. In FY 2020, the average hourly rate was \$107. 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, above, pertains to the GA version. The GA version is the same as the bill as introduced. No amendments or substitutes were adopted when the bill passed its chamber of origin.

Data Source(s): LRC Staff, Kentucky League of Cities, Department of Alcoholic Beverage Control

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