Local Government Mandate Statement Kentucky Legislative Research Commission 2021 Regular Session

Part I: Measure Information

Bill Request #: 1587
Bill #: HB 382 GA
Document ID #: <u>6561</u>
Bill Subject/Title: AN ACT relating to the regional development agency assistance fund.
Sponsor: Rep. R. Heath
Unit of Government: City X County Urban-County Charter County Consolidated Local Government
Office(s) Impacted:
Requirement: <u>X</u> Mandatory Optional
Effect on Powers & Duties: Modifies Existing Adds New Eliminates Existing

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

The purpose of the measure is to specify the distribution formula for funds in the existing Regional Development Agency Assistance Fund, to prevent those funds from being used for operational expenses by recipient counties, and to eliminate duplicative reporting requirements related to expenditures from the fund.

The Regional Development Agency Assistance Fund (RDAAF) currently receives \$6,000,000 per year from the General Fund via in-lieu of tax payments received by the Tennessee Valley Authority (TVA). Under this measure, the General Fund moneys would be distributed to the same fund-eligible counties, but the measure explicitly specifies that the amount must be evenly distributed among those counties. This new distribution may have an impact on the amount of funds received by each fund-eligible county. Some counties may receive more moneys, while others may receive less monies.

Similarly, the measure would also prohibit recipient counties from using funds for operational costs, and any fiscal impact from that prohibition would be borne by the county if the county had previously been using these funds for operational costs.

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

Part II, above, pertains to the bill as it passed the House with floor amendment 1, which did not change the bill's provisions or impact to local governments.

Data Source(s): <u>LRC Staff</u>

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