Local Government Mandate Statement Kentucky Legislative Research Commission 2021 Regular Session

Part I: Measure Information

| Bill Request #: 1542 |
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| Bill #: HB 513 GA |
| Document ID #: 6159 |
| Bill Subject/Title: AN ACT relating to sheriffs fees. |
| Sponsor: Representative Matt Lockett |
| Unit of Government: X City X County X Urban-County Unified Local |
| X Charter County X Consolidated Local X Government |
| Office(s) Impacted: Sheriff |
| Requirement: X Mandatory Optional |
| Effect on Powers & Duties: Modifies ExistingX Adds New Eliminates Existing |

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

HB 513 GA creates a new section of KRS Chapter 70 to require that any local government placing any special tax, license, or other charge on a property tax bill shall negotiate a collection fee of up to 4.25% for any sheriff collecting this fee, tax, or license.

The proposed collection fee of up to 4.25% is in line with current commission rates. Currently, the compensation the sheriff receives for collections made on behalf of the Commonwealth and counties is set at 4.25% (KRS 134.119); the compensation the sheriff receives for collecting school district taxes is equal to any expenses incurred and be no less than 1.5% and no greater than 4% (KRS 160.500); and for cities choosing to have city property taxes collected by the sheriff, the compensation would cover cost but shall not exceed 4.25% (KRS 91A.070).

The major difference between the current rate structures and the proposed rate is the proposed rate shall be negotiated between the sheriff and the governing body and not tied to expenses or cost incurred by the sheriff.

The fiscal impact of HB 513 GA on local governments is indeterminable. We don't know which local governments will impose a special tax, license, or other charge to be billed and collected as part of the property tax bill, nor do we know the rate at which the collection fee will be set, except it will be no more than 4.25%.

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

Preparer: Wendell F. Butler **Reviewer:** KHC **Date:** 3/4/21