

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2021 REGULAR SESSION**

MEASURE

2021 BR NUMBER 1454

HOUSE BILL NUMBER 587

TITLE AN ACT relating to the West End Opportunity Partnership and making an appropriation therefor.

SPONSOR Representative Ken Fleming

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: _____

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

FISCAL ESTIMATES	2020-2021	2021-2022	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES		(indeterminable)	(indeterminable)
EXPENDITURES		indeterminable	\$10,000,000
NET EFFECT		(indeterminable)	(indeterminable)

() indicates a decrease/negative

PURPOSE OF MEASURE: The purpose of HB 587 is to provide funding to the West End Opportunity Partnership to assist with the revitalization efforts in the development area. HB 587 specially defines the development area as a region within a consolidated local government bounded by:

- (a) To the south, Algonquin Parkway to the Seventh Street south intersection;
- (b) To the east, Ninth Street south to the Seventh Street south intersection and then Seventh Street south to Algonquin Parkway; and
- (c) The Ohio River to the north and west.

HB 587 requires the General Assembly to appropriate \$10 million dollars to the West End Opportunity Partnership, once the partnership receives a combined \$20 million from private sector investors and a consolidated local government.

HB 587 also requires the state to pledge 80% of its incremental state tax revenues to the West End Opportunity Partnership for a 30-year term beginning in the calendar year following the full receipt of the \$30 million in initial funds. The incremental state tax revenues are described as the difference in old revenues and new revenues that are received from property tax, individual income tax, and sales tax collected within the development area. Old revenues are the revenues received in the calendar year immediately preceding the calendar year in which the \$30 million in initial funds were received, and new revenues are the revenues received beginning in the calendar year the \$30 million in initial funds were received.

FISCAL EXPLANATION: The fiscal impact of HB 587 is indeterminable. The specific tax data needed from the development area to determine the estimated amount of the fiscal impact is not available. With a \$10 million appropriation from the General Fund and the pledged incremental state tax revenues, the fiscal impact is expected to decrease the General Fund. However, since the pledge of funds from the state is contingent upon the West End Opportunity Partnership first receiving a combined \$20 million from private sector investors and a consolidated local government, it is unknown exactly which fiscal year the General Fund will be negatively impacted.

DATA SOURCE(S): LRC Staff

PREPARER: Cynthia Brown **NOTE NUMBER:** 69 **REVIEW:** JAB **DATE:** 3/2/2021