## Local Government Mandate Statement Kentucky Legislative Research Commission 2021 Regular Session

## **Part I: Measure Information**

<b>Bill Request #:</b> 1303	
Bill #: SB 171 GA	
<b>Document ID #:</b> 5945	
Bill Subject/Title: AN ACT relating to local government.	
Sponsor: Senator Wil Schroder	
Unit of Government:xCityxCountyxUrban UnifiexCharter CountyxConsolidated LocalxGovernment	d Local
Office(s) Impacted: Parks and Recreation; fiscal court	
Requirement: <u>x</u> Mandatory Optional	
Effect on Powers & Duties: <u>x</u> Modifies Existing <u>x</u> Adds New <u>x</u> Eliminates Exi	sting

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

The fiscal impact of SB 171 GA is indeterminate, minimal, and positive. The cumulative effect of provisions affecting the two issues addressed by the bill should result in cost savings and administrative flexibility.

The bill creates a new section of KRS Chapter 211 to **require the Cabinet for Health and Family Services to promulgate regulations regarding splash pads** that are operated by local governments

The Act amends KRS 66.480 relating to the investment of moneys subject to various governing jurisdictions to exclude from the investment maximum of 40% mutual funds consisting of specified investments and amends KRS 58.150, relating to the issuance of bonds, removing the exception that notes of amounts of less than \$1 million are not advertised pursuant to KRS 424.360 and providing that in such cases the publications required under the section are sufficient.

Regarding SB 171 GA "splash pad" provisions the Kentucky League of cities (KLC) states as follows:

• Although KLC does not have a specific count of how many cities operate splash **pads**, it is aware of that city officials are installing them more frequently because they are cheaper to operate and the public demand for them has grown recently. Current **regulations require cities to operate splash pads as though they are swimming pools**. Swimming pool regulations require the items listed in § 1(2)(b), but splash pads do not need lifeguards, or supplies associated with them (e.g., life pole, ring buoy), and other current pool requirements that are unnecessary for splash pads. These pool requirements add several hundreds of dollars to the cost to install and operate a splash pad. In addition, superfluous items must be replaced if they are damaged or vandalized in order to stay in compliance with regulations. SB 171 would require the Cabinet for Health and Family Services to create a regulation that better addresses the needs and operation of splash pads, saving cities money by reducing certain pool-related requirements.

Regarding investment provisions the KLC states:

- The **investment portion of the bill cleans up an oversight in a previous change to allowable municipal investments**. Some cities want to invest in mutual funds that consist solely of investments that are unlimited by current law. The law would increase flexibility for cities to invest in the lowest risk mutual funds. Otherwise, mutual funds with restricted investments would still be limited to 40% of their total money invested. This change would simply make it easier for cities to invest in low-risk funds and more easily diversify their investments.
- SB 171 GA's **\$1 million advertisement limit** should not impact cities much, given that most, if not all, of these notes presently total over \$1 million. As a result, the KLC does not foresee increased costs resulting from this provision.

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

SB 171 GA was passed with SB 171 SCS and no amendments. **The fiscal impact** remains indeterminable, minimal and positive.

Data Source(s):	Kentucky Association of Chiefs of Police; Kentucky Sheriffs Association;
	Kentucky Leage of Cities; Kentucky County Judge Judge Executive
	Association; Kentucky Association of Counties; LRC staff

	<b>Preparer:</b>	H. Marks	<b>Reviewer:</b>	KHC	Date:	3/1/21	
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