Local Government Mandate Statement Kentucky Legislative Research Commission 2021 Regular Session

Part I: Measure Information

Bill Request #: 1546	<u> </u>		
Bill #: SB 274 SCS	1		
Document ID #: 599	96		
Bill Subject/Title: AN ACT relating to local government.			
Sponsor: Senator Robert Stivers			
Unit of Government:	X City	X County	X Urban-County Unified Local
	X Charter County	X Consolidated Local	
Office(s) Impacted:	Home Rule Class Citi	ies	
Requirement: X Mandatory Optional			
Effect on Powers & Duties: X	Modifies Existing	X Adds New E	liminates Existing

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

A new section of KRS Chapter 81A is created to establish requirements and procedures for a city, whose boundaries are wholly contained within two counties, intends to annex land in an additional county and includes affected property owners consent. It also amends KRS 81A.410 to conform.

SB 274 SCS 1 amends KRS 68.197 to require that after the effective date of this legislation, any city who annexes territory pursuant to this legislation, and both the city and county in which the territory annexed contains a license fee or occupational tax, then the county shall receive at least the same amount of revenue that was generated in the preceding tax year by the county license fee. In the event the revenue generated by both the city and county license fees for the annexed territory is less, then the revenue received by the county shall be proportionally reduced. Any increase in the license fee rate by the city or the county after the date of the annexation shall be subject to the crediting provisions currently set out in KRS 68.197.

The fiscal impact of this legislation is indeterminable. The impact to counties should be neutral to minimal due to the fact they should continue to receive revenue comparable to that received prior to the annexation. A similar impact to cities is expected.

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

The fiscal impact of SB 274 SCS 1 remains the same as the impact to SB 274 as introduced.

SCS 1 retains the original provisions of the bill but replaces reference to KRS 81A.420 with KRS 81A.412 in Section 1(2)(a) of the Act, incorporating property owner consent of the annexation.

Data Source(s): LRC Staff

Preparer: Mark Offerman **Reviewer:** KHC **Date:** 3/1/21