

The fiscal impact of SB 88 SCS 1 on local governments is expected to be neutral to minimally positive. Savings to cities would be mostly administrative dealing with staff time, printing, and mailing costs and costs related to enacting an ordinance. Impact to county clerks would be minimal as well.

According to the Kentucky League of Cities (KLC), there are approximately 120 annexations filings submitted each year. Currently, cities generally receive the annexation maps from surveyors electronically. Cities would then pass an ordinance describing the changes to the city boundary, print the maps and either mail or deliver the package to the Secretary of State's (SOS) office. The SOS would then review and approve the map. If corrections were necessary, the process repeats itself. Once in final form, the SOS records the final ordinance and forwards the map to the State mapping office to for inclusion in the state's mapping system.

Local governments that choose to create ordinances will incur costs associated with the drafting, publication, indexing and recording of adopted ordinances, and at least every five years, review and eliminate redundant, obsolete, inconsistent, and invalid provisions.

Most cities, especially the smaller ones, retain their city attorney on contract and pay on an hourly basis. Time spent drafting an ordinance is influenced by its complexity and the amount of research that is necessary. In FY 2020, the average hourly rate was \$107. Rates for legal notices vary greatly depending on the length of the publication, the number of times it needs to be published and the newspaper in which the publication is placed. Therefore, these costs are unknown.

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

The fiscal impact of SB 88 SCS 1 remains the same as the original LM to SB 88.

SCS 1 retains the original provisions of the bill, but amends Sections 1 and 2 to provide that the specified documentation is to be in either paper or electronic format. SCS 1 adds Section 3 and amends KRS 116.200 to require documentation of an annexation be sent to the county clerk pursuant to only KRS 81A.470.

Data Source(s): Kentucky League of Cities, LRC Staff

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