

The Kentucky League of Cities (KLC) does not have data on how many cities currently have single contracts greater than \$100,000 or those that have contracts with employers with at least 10 full-time employees. KLC believes that the provisions of this legislation will be particularly hard for cities to enforce although they do not believe that it would result in significantly increased costs associated with the contracts themselves. KLC also states that the bill does not include anything related to legal challenges, but presumably, a contract could be challenged alleging that the city has entered into a contract that violates the legislation. As a result, there could be litigation or breach of contract costs.

According to Kentucky League of Cities, most cities, especially the smaller ones, retain their city attorney on contract and pay on an hourly basis. Currently (FY 2020), the average hourly rate was \$107. Therefore, any litigation costs are unknown, but could be substantial.

The Kentucky Association of Counties also believes that the impact would likely be negligible, however the impact is indeterminable.

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

Part II, above, pertains to the bill as introduced.

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

Preparer: MJO/ms **Reviewer:** KHC **Date:** 1/5/22