



**Sections 4 and 5** of the bill direct the Secretary of State to take the actions required by the Constitution to publish the proposed amendment and to certify the question to the county clerk of each county. Each county clerk shall then have the entire question and proposed certified amendment placed on the ballot provided to voters. The county fiscal court is responsible for election costs.

**The fiscal impact of HB 475 GA requiring local governments to add a constitutional amendment to a ballot would be minimal, though for counties with smaller budgets the impact may be minimal to moderate.** Section 256 of the Kentucky Constitution specifies that constitutional amendments are only added to the ballot for the general election in even-numbered years (“next general election for members of the House of Representatives”). Therefore, the constitutional amendment would be submitted to the voters in November 2022. Balloting and publishing proposed constitutional amendments is a regular duty of county clerks, paid for by the county fiscal court.

According to information received in early 2020 from Harp Enterprises, a vendor which provides electronic voting machines to almost 100 Kentucky counties, there are additional programming costs associated with adding a new category (local option question or constitutional amendment) to the ballot on an already scheduled statewide election. For example, the cost to add a new category to the ballot for Lexington-Fayette Urban County Government, with 286 precincts, has recently been estimated at between \$3,500 and \$4,500, and for Franklin County, with 44 precincts, the cost has been estimated at between \$1,700 and \$2,500.

**Passage of HB 475 GA would have a significant positive fiscal impact on local governments.** Sources agree HB 475 GA would open the door to further legislation that would allow local governments additional revenue sources and lead to desired changes in local government tax structures.

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

Part II applies to HB 475 as amended by floor amendment and passed by the General Assembly. The GA version would not change the fiscal impact of HB 475 as introduced. HB 475 GA differs from the bill as introduced, as follows:

-- The bill as introduced at Section 2(1), line 13 would have allowed the General Assembly to authorize local governments to assess and collect “license fees and franchise fees”; the GA version eliminates the language “franchise fees” and changes it to “license fees, including license fees on franchises . . . .”

**Data Source(s):** Kentucky Association of Counties; Kentucky League of Cities; Harp Enterprises; LRC staff

**Preparer:** Mary Stephens (wfb) **Reviewer:** KHC **Date:** 2/28/22