Local Government Mandate Statement Kentucky Legislative Research Commission 2022 Regular Session

Part I: Measure Information

Bill Request #: 2243
Bill #: SB 285 GA
Document ID #: 8454
Bill Subject/Title: AN ACT realting to the confidentiality of tax information.
Sponsor: Senator Christian McDaniel
Unit of Government: X City X County Urban-County Unified Local
X Charter County X Consolidated Local X Government
Office(s) Impacted: An office dealing with tax information.
Requirement: X Mandatory Optional
Effect on Powers & Duties: Modifies ExistingX Adds New Eliminates Existing

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

SB 285 exempts counties and their employees from the confidentiality requirements when the information is a matter of public record or when providing tax information to taxing jurisdictions that request it for audit purposes.

The fiscal impact of SB 285 on local governments is expected to be minimal.

KRS 67.790, which is the statute being amended, provides for confidentiality by requiring authorization to inspect or divulge tax information. SB 285 simply provides two new areas where the rules of confidentiality shall not forbid disclosure. Those are when the information is already a part of public record and when tax information is requested by a taxing jurisdiction for audit purposes.

Local governments might have ordinances in place reflecting current statute. If so, the ordinances may need to be amended to reflect the new law; if no such ordinances exist, the local government may need to draft, post notice for public comment, and pass them.

According to Kentucky League of Cities, 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

Part II refers to the GA version of SB 285. The GA version of SB 285 is the same as the bill as introduced. It passed its chamber of origin without amendments or substitutes.

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

Preparer: Wendell F. Butler **Reviewer:** KHC **Date:** 3/3/22