

Local Government Mandate Statement
Kentucky Legislative Research Commission
2023 Regular Session

Part I: Measure Information

Bill Request #: 1493

Bill #: HB 393 GA

Document ID #: 5421

Bill Subject/Title: AN ACT relating to municipal transactions.

Sponsor: Representative Jonathan Dixon

Unit of Government: City County Urban-County
Unified Local
 Charter County Consolidated Local Government

Office(s) Impacted: Any local government agency that buys or sells assets.

Requirement: Mandatory Optional

Effect on Powers & Duties: Modifies Existing Adds New Eliminates Existing

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

HB 393 GA amends KRS 82.083 to:

- Allow a city to be able to sell property for its appraised fair market value if the property is valued at \$10,000 or less in an independent appraisal. Currently, the threshold is \$5,000.
- Allow a city to sell or dispose of items without value or of negligible value as determined by an independent appraisal; and
- Allow an animal used in service to the city, to be given to the animal's primary handler or trainer, without compensation, when the animal is retired or is no longer capable of performing service to the city.

HB 393 GA also creates a new section of KRS Chapter 82 to allow a city, urban-county, or consolidated local government to bypass the Kentucky Model Procurement Code (KRS 45A.345 to 45A.460) and the bid process when procuring goods or services in the following circumstances:

- There is a single source of the product or service in the locality;
- When the product is a replacement part for personal property or equipment where the need cannot be reasonably anticipated and maintaining an inventory of replacements part is not feasible; and
- The product or service are provided by one of the following programs:
 - o blind and visually impaired;
 - o severe disabilities;
 - o qualified veteran’s workshop operated by the United States Department of Veterans Affairs;
 - o Nonprofit organization offering transitional or support programs to individuals with severe mental or physical disabilities or those recovering from substance abuse; or
 - o Nonprofit organizations when it is determined that both the organization and the local government would mutually benefit by:
 - Furthering the purpose of the organization;
 - Providing a service or product need by the government;
 - Advancing specific public purposes;
 - Serving the interest of the public;
 - o In case of a tie, the government shall award the contract using the selection criteria of its competitive bidding process.

The fiscal impact of HB 393 GA is indeterminable, but expected to be minimally to moderately positive. By raising the threshold from \$5,000 to \$10,000 for which an asset may bypass the auction or bid process will expedite the disposal process and save cost related to storing and tracking the item prior to auction. Likewise, for items that have been appraised as having no or negligible value.

Allowing retiring animals to be transferred to their handler or trainer will reflect minimal fiscal saving.

The biggest impact will be cities, consolidated local governments, and urban county governments being able to bypass the competitive bidding process in specific circumstances. Among other benefits, local governments will not have to give preferential treatment to resident bidders, thus providing the possibility of accessing lower prices for goods and services.

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

Part II refers to HB 393 GA. The GA version of HB 393 is the same as introduced. HB 393 passed its chamber of origin without amendments or substitutes.

Data Source(s): LRC Staff

Preparer: WB **Reviewer:** KHC **Date:** 3/6/23