Local Government Mandate Statement Kentucky Legislative Research Commission 2023 Regular Session

Part I: Measure Information

Bill Request #: 1685
Bill #: SB 257
Document ID #: 4054
Bill Subject/Title: AN ACT relating to acceptance of cash by public and private businesses and government agencies.
Sponsor: Senator Adrienne Southworth
Unit of Government: X City X County X Urban-County Unified Local X Charter County X Consolidated Local X Government
Office(s) Impacted: All offices that collect fees.
Requirement: X Mandatory Optional
Effect on Powers & Duties: Modifies ExistingX Adds New Eliminates Existing Port H. Pill Provisions and the Estimated Fiscal Impact Polating to Local

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

SB 257 **Section 1** would require local government agencies that collect fees for licenses, certificates, and other services to accept cash in payment of such fees in a face-to-face transaction. Agencies would be prohibited from requiring payment by credit.

Section 2 would impose a \$200 fine for each violation of Section 1.

SB 257 would have no to minimal fiscal impact on local governments. The Kentucky League of Cities (KLC) and the Kentucky Association of Counties (KACO) both provided input for this mandate analysis. While the number of cities that don't accept cash is unknown, KLC believes that number is very few. KACO is unaware of any counties that do not currently accept cash as payment.

A local government that does not currently accept cash payments would need to implement a method for safe keeping and accounting of cash, and procedures for depositing cash payments with an appropriate banking institution. The cost of developing and implementing these measures is unknown.

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

Part II applies to SB 257 as introduced. There is no earlier version for comparison.

Data Source(s): <u>Kentucky League of Cities; Kentucky Association of Counties</u>

Preparer: Mary Stephens **Reviewer:** KHC **Date:** 3/27/23