



HB 402 Section 6 would establish that local governments may continue to enforce their preexisting local laws regulating such businesses and retain their authority to adopt laws on the subject of adult-oriented businesses that conform with HB 402. That section also provides that the Act does not preempt any local government law regulating adult-oriented businesses that are at least as restrictive as the requirements of the Act.

**The fiscal impact of HB 402 on local governments would be minimal to moderate, depending on the size of the jurisdiction.**

HB 402 does not mandate that local governments enact laws regulating adult-oriented businesses; however, a local government that chooses, or has chosen, to do so must ensure its laws conform to the requirements of the bill.

Many Kentucky cities and counties currently have ordinances regulating the siting of adult-oriented businesses through zoning. The bill would require that they review their ordinances for conformity and, if necessary, amend them to conform. Amending ordinances would require the services of an attorney, and publication 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. Time spent drafting an ordinance is influenced by its complexity and the amount of research that is necessary. The latest estimate of the sum paid by cities to their attorneys is an average hourly rate of \$117-\$128. Rates for publishing legal notices vary greatly depending on the length of the notice, the number of times it needs to be published and the newspaper in which the publication is placed. In 2022, the City of Hopkinsville spent approximately \$12,000 publishing ordinances and notice of public hearings. One city newspaper reports that it charges the city \$18-\$21 dollars a column inch for city advertisements. It reports the average city advertisement is approximately 2"x5" or 10 column inches, for an average of \$180-\$210 per ad, or a total between approximately \$9,360-\$10,920 per year for publishing one ad each week.

The cost of enforcing the requirements of HB 402 would not impact local governments that currently have and enforce regulations regarding the siting of adult-oriented businesses. Those that do not and choose to enact such regulations or ordinances would incur additional, indeterminable code enforcement expense. This writing assumes that in local jurisdictions that don't have a code enforcement officer the requirements of HB 402 would be enforced by the Commonwealth, and would not be an expense to local government.

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

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