

**Local Government Mandate Statement
Kentucky Legislative Research Commission
2024 Regular Session**

Part I: Measure Information

Bill Request #: 1097

Bill #: HB 539

Document ID #: 2756

Bill Title: AN ACT relating to wages for employment.

Sponsor: Representative Rachel Roarx

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

Office(s) Impacted: Local Governments

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 539 creates a new section of KRS Chapter 337 to make it a discriminatory employment action if an employer asks questions about previous salary or wages, relies on previous salary when setting a new salary, or refuses to hire if an applicant does not provide previous salary, except to allow a request for information voluntarily provided in response to an offer of employment. Statute would still allow previous salary to be considered when required by law, for internal transfers, and for public employee positions. HB 539 would also require a notice of these provisions to be posted for employees in an area commonly accessible to employees. A copy of this notice must be sent to associated labor unions.

Section 2 amends KRS 337.990 to assess a civil penalty for a violation of **Section 1**.

The fiscal impact of HB 539 is on local governments is expected to be minimal. Administrative costs may be associated with local government entities amending their

hiring protocols. A small cost may also be associated with posting a notice of these provisions in an area accessible to employees.

If the enactment of HB 539 necessitates action related to local ordinances, local governments will incur costs associated with the drafting, publication, indexing and recording of adopted ordinances, and at least every five years, review and eliminate redundant, obsolete, inconsistent, and invalid provisions.

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. Currently (FY 2023), the average hourly rate was between \$117 and \$128. 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.

Data Source(s): LRC Staff; Kentucky Municipal Statutory Law, Informational Bulletin No. 145, Revised September 2023; Kentucky League of Cities

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