Local Government Mandate Statement
Kentucky Legislative Research Commission
2024 Regular Session

Part I: Measure Information

Bill Request #: **2268**

Bill #: HB 687

Document ID #: 6471

Bill Title: AN ACT relating to municipal payments to counties for jails and declaring an emergency.

Sponsor: Representative Ryan Dotson

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

Office(s) Impacted: City and county governments

Requirement: **X** Mandatory ___ Optional

Effect on Powers & Duties: **X** Modifies Existing ____ Adds New ____ Eliminates Existing

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

HB 687 amends KRS 441.035 to establish how cities and counties share the costs of housing prisoners in county jails. It requires cities to establish agreements with their respective counties regarding the sharing of expenses related to housing prisoners arrested within city limits. These agreements must be finalized annually by July 1st, or they can encompass multiple years. If cities and counties fail to reach an agreement within this timeframe, the city defaults to paying 40% of the actual costs incurred by the county for each prisoner arrested within city boundaries and charged with misdemeanors or felonies. However, this responsibility only extends to felony charges from the time of arrest until the commencement of per diem payments as specified by law. If cities and counties already have an existing agreement before this legislation takes effect, these provisions won't apply until the expiration of that agreement.

HB 687 could have varied fiscal impacts on local entities, particularly cities and counties:

Cities: For cities, the fiscal impact would depend on whether they can negotiate favorable agreements with their respective counties for sharing the costs of housing prisoners. If cities are able to reach agreements, they may have predictable and manageable expenses related to housing prisoners. However, if agreements are not reached, cities would default to paying 40% of the actual costs, which could strain their budgets, especially if there is a significant number of arrests within city limits.

Counties: Counties would likely benefit from this legislation as it establishes a mechanism for sharing the costs of housing prisoners with cities. If agreements are successfully negotiated, counties could receive additional revenue from cities to offset the expenses associated with operating jails. However, if agreements are not reached, counties would still receive payments from cities, albeit at a lower rate (40% of actual costs), which may not fully cover the expenses incurred.

Overall Fiscal Impact: The legislation aims to address the strain on county budgets caused by jail costs by establishing a framework for sharing expenses with cities. However, the fiscal impact could vary depending on the specific agreements reached between cities and counties. It's possible that some cities may find the default payment of 40% of actual costs burdensome, while others may negotiate agreements that are more favorable. Overall, the legislation seeks to distribute the financial burden of housing prisoners more equitably between cities and counties, but the actual fiscal impact would depend on the effectiveness of negotiations and the number of prisoners housed within each jurisdiction.

Data Source(s): LRC Staff

Preparer: Ryan Brown (JB) **Reviewer:** KHC **Date:** 2/26/24