

**Local Government Mandate Statement
Kentucky Legislative Research Commission
2025 Regular Session**

Part I: Measure Information

Bill Request #:	952	Bill #:	HB 297
Document ID #:	1621	Sponsor:	Representative James Tipton
Bill Title:	AN ACT relating to school districts.		

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

Office(s) Impacted: County Clerks

Requirement: Mandatory Optional

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

Other Fiscal Statement(s) that may exist: Actuarial Analysis Corrections Impact
 Health Benefit Mandate State Employee Health Plan

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

HB 297 proposes to amend KRS 160.041 to expand the circumstances under which school district mergers can occur. Currently, KRS 160.041 outlines the process for merging an independent school district with a county school district in Kentucky. Under existing law, an independent school district’s board must first record and convey its desire to merge to the county school district’s board. The county board of education must then decide on the merger request. If the county board denies the request or the two boards cannot agree, the question of merger is submitted to voters in both districts at the next regular election.

HB 297 would alter this process by removing the requirement that an independent school district initiate the merger. Instead, any contiguous school districts would be permitted to merge under this framework. If the board of education receiving the merger request refuses or the two boards cannot agree on the terms, the merger question would be submitted to voters at the next regular election, provided the question is filed with the county clerk by the second Tuesday in August preceding the election. Additionally, the bill maintains that if a school district is unable to meet its operating expenses from

projected revenue and cannot negotiate a merger with a contiguous district, the Kentucky Board of Education must direct and establish the terms of the merger.

The costs of HB 297 to local governments due to adding a local option question regarding school board mergers to a ballot are indeterminable but would likely be minimal.

According to the Kentucky Department of Education, there are 171 school districts in Kentucky: 120 county districts, representing each of Kentucky's 120 counties, and 51 independent school districts, which are managed by local municipalities. Independent school districts are located within 38 counties; 8 of these counties have more than one independent district (21 of the 51 independent school districts), while 30 counties each have only one independent district. The other 82 counties do not have an independent school district.

If passed, the impact of HB 297 is unclear. The bill would permit county districts to initiate mergers, a process currently limited to independent districts, potentially increasing the number of school district mergers. However, this change would likely only affect the 38 counties where independent school districts exist. Additionally, it would require specific conditions to result in a local option election: a board of education must initiate the merger, and the other district must either refuse or fail to reach an agreement. Additionally, if a merger is necessitated by a school district being unable to meet its operating expenses, the Kentucky Board of Education is required to direct the merger with a contiguous district and determine the terms. Given these requirements and the fact that mergers are already allowed when initiated by independent districts, any increase in merger activity resulting in a local option due to HB 297 would likely be rare.

Should a local option occur under HB 297, costs would be incurred by local governments for balloting and publishing the proposed local option questions. Balloting and publishing these questions is a regular duty of county clerks, paid for by the county fiscal court. According to information received in early 2020 from Harp Enterprises, a vendor which provides electronic voting machines to almost 100 Kentucky counties, there are additional programming costs associated with adding a new category (local option question or constitutional amendment) to the ballot on an already scheduled statewide election. For example, the cost to add a new category to the ballot for Lexington-Fayette Urban County Government, with 286 precincts, has recently been estimated at between \$3,500 and \$4,500, and for Franklin County, with 44 precincts, the cost has been estimated at between \$1,700 and \$2,500.

Ballot printing costs are also a factor in election expenses. If the proposed amendment results in additional pages needed for the ballot, that would be an additional cost to the county clerk's office.

Data Source(s): Kentucky Department of Education; Harp Enterprises; LRC Staff

Preparer: BW **Reviewer:** AS (MDA) **Date:** 1/28/25