

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2025 REGULAR SESSION**

MEASURE

2025 BR NUMBER 1189

HOUSE BILL NUMBER 546/HCS 1

TITLE AN ACT relating to roads and streets maintained by local governments.

SPONSOR Representative Jason Petrie

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE STATE
EMPLOYEE HEALTH PLAN IMPACT

APPROPRIATION UNIT(S) IMPACTED: Revenue Sharing

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

FISCAL ESTIMATES	2024-2025	2025-2026	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			
EXPENDITURES		<\$250,000	<\$250,000
NET EFFECT		(<\$250,000)	(<\$250,000)

() indicates a decrease/negative

PURPOSE OF MEASURE: This measure establishes and formalizes the Local Assistance Road Program (LARP), which supersedes the County Priority Projects Program from House Bill 265 (2024 Regular Session, Transportation Cabinet Operating Budget). This measure implements a structured framework for LARP grant administration, encompassing funding caps and submission deadlines. It delineates comprehensive evaluation criteria for the Kentucky Transportation Cabinet (KYTC), including photographic documentation requirements and scoring methodologies. Additionally, the measure introduces a population-based sliding scale for local matching funds and mandates electronic progress reports to the General Assembly for all LARP projects.

FISCAL EXPLANATION: HB 546/HCS 1 is anticipated to have a minimal fiscal impact, estimated at less than \$250,000 per year. This impact primarily stems from potential requirements for additional staffing and programming modifications to accommodate new statutory scoring criteria and local match requirements. The Department of Rural and Municipal Aid currently manages multiple programs with approximately twelve full-time personnel, including but not limited to: County Priority Projects Program; Rural Secondary Program; County Road Aid Program; Municipal Road Aid Program; and Energy Recovery Program.

Project listings are currently submitted to the legislature in Microsoft Excel format, which may require modification to include scope of work photographs under HB 546/HCS 1.

Under the new criteria of the bill, it is anticipated that the Department of Rural and Municipal Aid may require one additional Grants Administrator staff position to coordinate with the Department of Highways for evaluation, district ranking, and photographic documentation. One-time programming enhancements may be required for improved tracking and reporting of projects. KYTC was contacted on February 18, and February 21, 2025, regarding their assessment of this measure, but as of this fiscal note's preparation, no information has been received.

DATA SOURCE(S): LRC Staff, KYTC Budget Request

PREPARER: Savannah Wiley NOTE NUMBER: 110 REVIEW: JMR DATE: 2/26/2025