

Chapters 65 and 96 to clarify the ability of public agencies to jointly enter agreements related to natural gas facilities and to ensure that municipal interlocal gas utilities have the same general authority to extend systems as individual cities.

Several sections that normally limit municipalities from duplicating existing utility systems, or that give existing utilities dominant service rights in annexed areas, do not apply to municipal interlocal gas utilities under this bill. The bill concludes by applying the exemptions and authority granted to these entities retroactively to January 1, 2020.

The fiscal impact of HB 844 on local government is indeterminable. This bill removes municipal interlocal gas utilities from PSC oversight, except as provided in KRS 278.495. Without PSC rate regulation, the utility may set its own rates and service terms. Additionally, this legislation gives municipal interlocal gas utilities new discretionary powers, and each of those powers carries potential financial effects—some that could increase costs for member cities and some that could increase revenues. Because these utilities may choose to implement, expand, or avoid using these powers, the fiscal outcome is unknown.

The Kentucky League of Cities has determined that this legislation would have no fiscal impact on Kentucky cities.

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

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