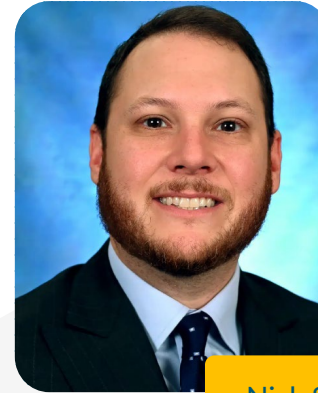


KLC LEGISLATIVE UPDATE 2025

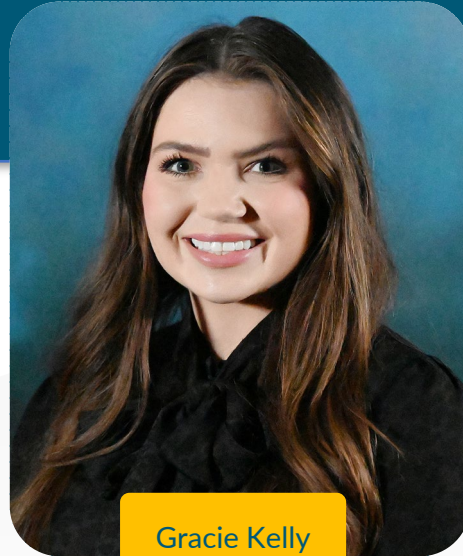


Lauren Lewis

KLC
GOVERNMENT
AFFAIRS TEAM



Nick Storm



Gracie Kelly



Deanna Brandstetter



Scott Tremoulis

TOP PRIORITY: Road Funding Allocations



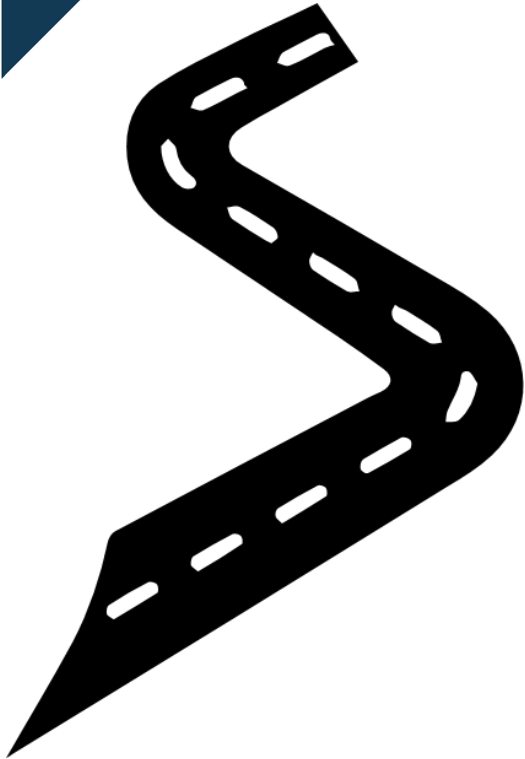
Kentucky will experience a drop of 3.6 cents per gallon in its gas tax in the first 9 months of fiscal year 2025.



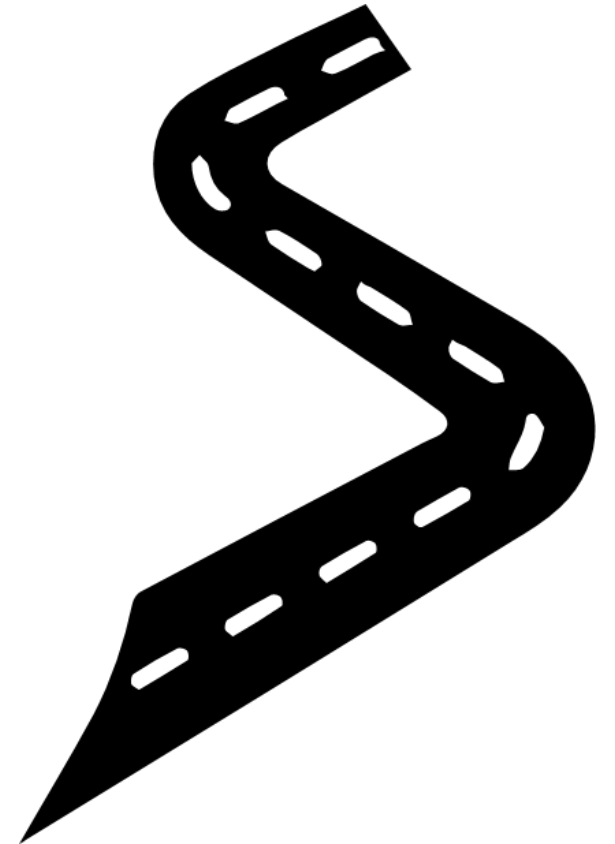
As state and federal funding continues to dwindle, municipalities are forced to do more with less.



Motor fuels taxes are the only portion of the road fund shared with local governments.



- In fiscal budget year 2023, cities expensed approximately \$395 million to maintain and construct over 10,000 miles of roads.
- In comparison, counties expensed \$381.1 million that fiscal year.
- On average over the last five fiscal years (FY 2019-2023), cities spent \$349.2 million on streets and roads while counties expensed \$322 million over that same period.
- This discrepancy exists despite a greater percentage of Kentucky's population living in city areas (58.7%) versus 41.3% in counties.



CITY vs COUNTY: % of Road Expenditures Paid for by Revenues

		REVENUES	EXPENDITURES	
FY 2018	CITY	54,046,584	328,943,221	16% vs 48%
	COUNTY	128,448,400	267,293,450	
FY 2019	CITY	54,575,297	341,287,933	16% vs 48%
	COUNTY	129,704,928	271,369,590	
FY 2020	CITY	52,333,513	343,110,531	15% vs 41%
	COUNTY	127,422,900	311,453,614	
FY 2021	CITY	52,768,257	325,804,153	16% vs 43%
	COUNTY	125,410,300	292,226,407	
FY 2022	CITY	54,560,214	362,228,351	15% vs 37%
	COUNTY	129,669,105	353,890,368	
FY 2023	CITY	56,353,969	394,568,927	14% vs 35%
	COUNTY	133,932,160	381,138,769	

Restaurant Revenue

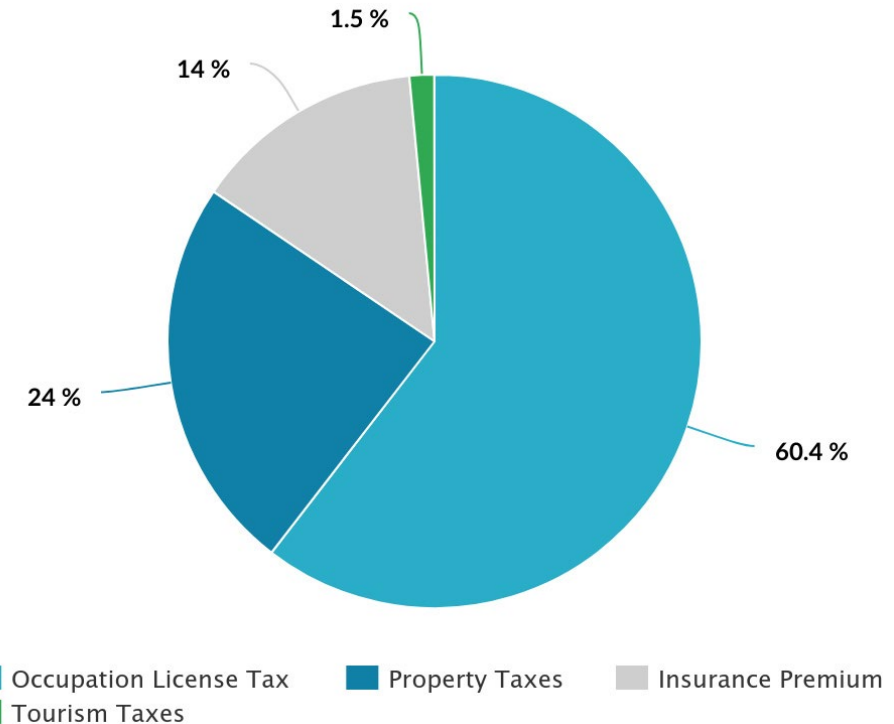
- KLC supports legislation that would sever the statute that limits the ability of cities that are of a specific size to collect consumption-based restaurant revenue rather than imposing a net profits or gross receipts tax on restaurant businesses.
- This approach ensures that every city can benefit from the economic advantages of restaurant revenue to support increased tourism in our communities.



Revenue Diversification



KLC is seeking an amendment to Section 181 of the Kentucky Constitution to permit local governments to impose any tax (that is not in violation of the Kentucky Constitution) without the addition of any mandate that would force cities to lose any local flexibility.



County Employees Retirement System (CERS) Administration

- Continue to monitor the independence and administration of CERS and Kentucky Public Pensions Authority (KPPA) administration expenses paid by CERS.
- Ensure the local pension system continues to operate efficiently and in the best interest of employers and members.



KPPA

Kentucky Public Pensions Authority



CERS

County Employees Retirement System

Opposing Centralized Collection



KLC OPPOSES
STATE CENTRALIZED
COLLECTION OF LOCAL
OCCUPATIONAL TAXES

Centralized Collection: Complicated. Costly. Inefficient.

Download the Full Agenda



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