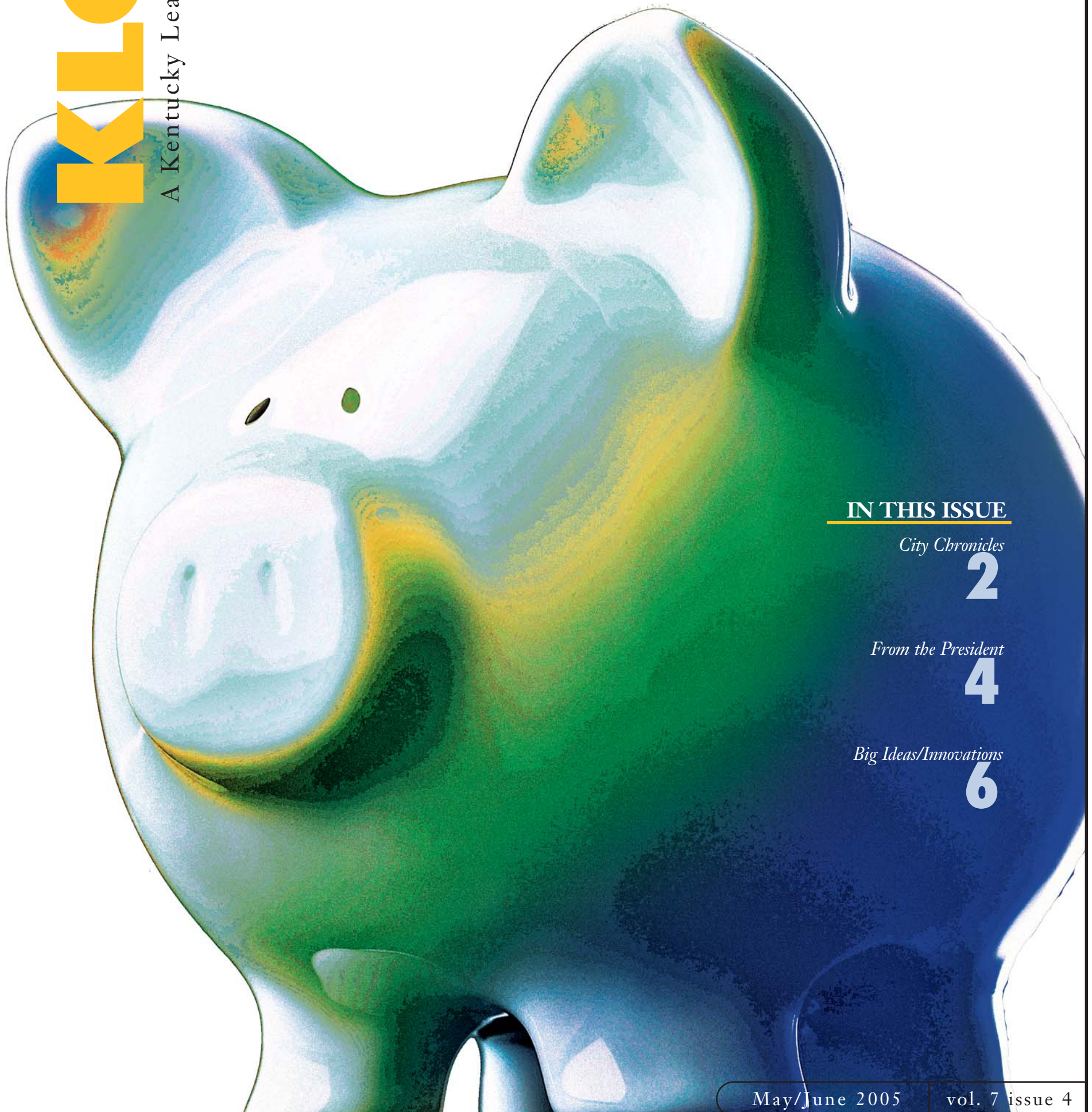


**KLCC** Direct

A Kentucky League of Cities Publication

# The Bottom Line on Session 2005

*(Plus a Forecast on Session 2006)*



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**FRONT PAGE NEWS**

**The Bottom Line on Session 2005**  
*(Plus a Forecast on Session 2006)*



By Neil Hackworth, KLC Deputy Executive Director

In order to get new ideas and legislation passed in Frankfort, it often takes several sessions. This year, although state issues and tax modernization were the focus, legislators did recognize the importance of key local issues - for which KLC has been case building for years.

With the help of some key legislators, cities have benefited from positive legislation during the 2005 session. Much of this

was the result of some long term effort by the Kentucky League of Cities, KLC members and city leaders. In particular, KLC has been working on brownfields and historic tax credits issues for years. Now, laws allowing real, locally based solutions for brownfield development, as well as real incentives for rehabilitating historic property can begin to work for our cities. This legislation takes a broad "global" view of the issue - addressing an age old problem with a solution that will not only help cities preserve and redevelop their unique or older areas, but also and more importantly, build on what's already there. It was common sense in action.

Bigger changes are also on the horizon. With the guidance of our board of directors, KLC is working with our members, our legislative committee and legislators to create options that will address the

worsening threat to cities. We must address a dangerous, continuing trend, as expenditures in Kentucky cities outpaced revenues by an average of three percent this year. Why? Cities still don't have the options they need to generate revenue - and even worse; there are distressing signals that cities may even lose autonomy in choices such as provision of health insurance.

We all want to help promote the Kentucky "Unbridled Spirit" brand around the country and around the world in order to attract wealth to our state. But here at home, cities, like businesses, need to be "unbridled" and unburdened of the many restrictions they have, and be given the tools to thrive and create wealth from the inside to achieve quality of life for citizens today - and for the future.

In the meantime, hopefully, what is happening in Frankfort is a sign that our efforts are indeed working. We are thrilled to see results in areas such as historic tax credits and brownfield legislation. And, we are encouraged that Democratic and Republican legislators, as well as our executive branches, are realizing that the overwhelming majority of Kentuckians live in incorporated cities. They are making the critical connection that the success of the Commonwealth overall is directly tied to the success of its cities.



**Premium Option for Insurance Members**

In 2003, the KLC Insurance Agency formed the Kentucky League of Cities Premium Finance Company, specifically developed to benefit KLC insurance members. With it, KLCIS liability, property and workers' comp customers can choose customizable billing options for annual insurance premiums. This helps cities, whose budgets continue to shrink, benefit from flexible billing cycles, budget payments throughout the year, enhance cash flow to help meet other financial obligations, and benefit from equitable, competitive rates, regardless of city size. It ultimately helps all KLCIS customers by dramatically increasing timely customer payments, keeping costs down for everyone.

In the first two years of operation, the KLC Premium Finance Company has successfully financed 218 members' insurance premiums.

*If you have cash flow concerns, please consider using this valuable member service. For more information on the premium finance options, contact Amy Loftus at 800-876-4552, ext. 3783 or email aloftus@klc.org.*

**THE CHECK'S IN THE MAIL:**

*Please update KLC Payment Addresses*

KLC changed their lock box address last year. Please make sure your records are updated to ensure proper crediting for your KLC payments!

All payments relating to KLC, KLC Insurance Services, KLC Workers' Compensation Trust and KLC Unemployment Trust should be mailed to:

**Kentucky League of Cities  
PO Box 34128  
Lexington, KY 40588-4128**

Please send ONLY KLC Premium Finance payments to:

**KLC Premium Finance  
PO Box 73100  
Cleveland, OH 44193**

Don't get caught sending your check to the wrong address. Thanks for your assistance!



See all the Legislative Session Summaries on the special **KLC Direct** flap!

**Financial Options for Your City**

As city needs continue to increase while revenue sources remain limited, the resources of KLC Finance remain an attractive option.

The reason is twofold. KLC Finance offers competitive rates that are routinely better than what banks offer, and the interest earned is reinvested in serving Kentucky cities rather than applied to profit margin.

In 2004, KLC:

- ♦ Issued \$10 million for two housing authorities through the Capital Funds Loan Program.
- ♦ Issued \$50 million in tax-exempt bonds for the last KLC bond pool, which provided borrowers with an average interest rate of under 2 percent.
- ♦ Loaned \$24.5 million to 21 cities and agencies.
- ♦ Financed projects that included a city-owned cable system, utility projects, water and sewer projects and city hall renovations.

"Like the rest of the League, our goal in financial services is to help cities thrive in every way we can," says Nancy Wylie, KLC's municipal finance advisor. "Giving them the best possible rate not only allows them to begin needed projects, the savings can help them take on more projects than they might otherwise be able to assume."

KLC offers both variable and fixed rates with terms up to 30 years.

"We also have low closing costs, and often none whatsoever," notes Garrett Drakeford, director of financial services. "Add such things as rapid turnaround time on loans and no prepayment penalties on most loans, and we think we offer advantages for cities that few if any outside institutions can provide."

*For additional information on KLC financial services, call 1-800-876-4552 or 859-977-3700. Information, a contact form, and online applications are also available online at [www.klc.org](http://www.klc.org).*

**"The difficulty in life is the choice."**  
-- George A. Moore, from *The Bending of the Bough* (act IV)

**NLC NEWS**

**Take Advantage of a Special NLC Membership Offer!**

**Join for one year at 25 percent off or two years at 35 percent off!**

The National League of Cities (NLC) provides Kentucky leaders with the opportunity to share and learn with cities of all sizes across the nation on meeting the needs of their communities and addressing the day-to-day challenges of municipal governance. As your city prepares its FY 2006 budget, please consider joining the National League of Cities and remember to include your NLC dues.

*Visit [www.nlc.org](http://www.nlc.org) for a membership application or to view NLC's dues scale.*

## CITY CHRONICLES

### Sylvia's Diary for KLC Direct



This monthly column is not necessarily new, just recast in an ever evolving effort to communicate better with all of you. Each month we're doing our best to bring you news of events and happenings and a glimpse of upcoming milestones.

April was a great month and one in which many of KLC's annual initiatives really began to pick up speed. The planning for the annual convention, the budget and the board meeting in June is keeping us quite busy. The board meeting is June 10 and 11 in the city of Maysville, home of KLC President Mayor David Cartmell.

In April, we celebrated the Governor's Tax Modernization plan and the fact that Bill Nighbert has been named secretary for the Transportation Cabinet, Ellen Williams as vice-chair of the Kentucky Public Service Commission and Darrell Brock as chairman of the Republican Party of Kentucky. Each have attained new status in their roles with state government and we thank them for their many contributions. Additionally we met with Teresa Hill, the new executive director of Boards and Commissions - Office of the Governor.

I've been speaking on behalf of KLC and the NewCities Foundation to spread our message among others. These engagements have taken me to Campbellsville, Somerset, Owensboro, United Way of Franklin and the city clerks annual conference in Lexington.

Our NewCities Foundation board of directors met during April and considered several initiatives. We hope to make announcements of major initiatives in the near future.

We celebrated Earth Day with winning entries from several of our cities. At this celebration we unveiled the first KLC report on recycling titled *The Good, the Bad, the Green: Recycling's Impact and Potential for Kentucky*. There will be more of these to come including an edition on city fiscal distress.

While Mayor Cartmell and I stayed behind to celebrate Earth Day, Neil Hackworth led a delegation of our leadership to the Southern Municipal Conference (SMC) in Alabama with 1st Vice President, Brad Collins, as well as Past President, Tom Holocher. Mayor Holocher is also the vice chair of the SMC and we are so proud of his efforts!

Leaders of our executive board traveled to Washington, D.C., with me and Joe Ewalt, director of policy development, to visit with the Kentucky delegation. On this trip, we scored a coup, meeting with every single member on issues such as on going funding for CDBG and transportation.

Meetings are the name of the game as KLC held our Funding Trust meeting in April. Neil and I met with KLC's 2nd Vice President David Willmoth, mayor of Elizabethtown. Then, Neil, Mayor Cartmell and I met with Brad Cowgill, state budget director, and finally, we met with and reacquainted ourselves with David Adkisson, the new president of the Kentucky Chamber. Many of you may remember David as the former mayor of Owensboro and we welcome him back "home".

Our staff continues to discuss issues pertaining to the development of our legislative agenda, particularly on tax reform.

Our big news is that we've just learned that Mayor David Cartmell will be going to China along with the NLC delegation in late June, all expenses paid thanks to NLC!

Sincerely,

  
Sylvia L. Lovely, KLC Executive Director/CEO



Sylvia L. Lovely with PRSA President, Jacqueline Allen of Lexmark, Intl.

## Congratulations

to KLC Executive Director/CEO, **Sylvia L. Lovely**,  
named *Kentucky Communicator of the Year*  
by the Thoroughbred Chapter of the **Public Relations Society of America**.

## CITY POSTCARD

### A Look at the City of Munfordville



**Mayor:** John T. Johnson

**Population:** 1,563

**Location:** Halfway between Louisville and Nashville off Interstate-65, Munfordville lies in Hart county, situated on the banks of the Green River.

**History:** Munfordville is perhaps best known for its role in the American Civil War between 1861 and 1865. The battle of Munfordville took place in September of 1862, when Confederate forces invaded a Union garrison that was protecting the valuable rail bridge over the Green River.

After a three day siege, the Union army surrendered the bridge, cutting off a major transportation center and supply channel.

**Festivals:** Today, Munfordville still celebrates its historic tradition by hosting the Hart County Civil War Days in September. The festival includes a battle re-enactment, arts and crafts, a parade, live music, and a Blue and Grey Ball. The 26th annual Civil War Days will be held September 9 - 11, 2005.

*(The Civil War mural seen in the postcard was sponsored by the Munfordville Tourism Commission, and is located right downtown across from the courthouse.)*

## KLC Direct

### OFFICERS

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Mayor of Morehead, First Vice President

Mayor David L. Willmoth  
Mayor of Elizabethtown, Second Vice President

Karen L. Cunningham  
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Sylvia L. Lovely  
Executive Director/CEO, KLC

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Mayor of Jenkins

J. P. Wiles  
Mayor of Somerset

The voice of Kentucky cities

**KLC Direct** is published monthly by the Kentucky League of Cities (KLC). KLC is a voluntary association of nearly 400 cities and provides a multitude of services to assist in improving local government. Please address any correspondence to KLC Direct, Kentucky League of Cities, 101 East Vine Street, Suite 600, Lexington, Kentucky 40507-3700. Phone (859) 977-3700 or 1-800-876-4552. Fax: (859) 977-3703. [www.klc.org](http://www.klc.org).

### EDITORIAL STAFF

Publisher, Sylvia L. Lovely

Editor, Terri Johnson

Design/Layout, Ulysses C. Hayes

Senior Writer, John McGill

Director of Communications, Bobbie Bryant

For a full list of KLC staff visit [www.klc.org](http://www.klc.org).

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## FROM THE PRESIDENT

### Slowly, But Surely



City issues haven't always gotten the attention they deserve in the state legislature. But I have a feeling our elected officials in Frankfort are slowly waking up to the economic, cultural and social importance of cities in the Commonwealth. Cities are where jobs are created, ideas spawned, and amenities offered. Fortunately, the 2005 General Assembly session offers a bit of hope that cities will be taken more seriously in the future.

In addition to its major accomplishment of giving the state a formal budget, coupled with some much needed adjustments to our tax structure, the General Assembly passed several bills that will help cities. But the most important thing to come out of the most recent session was a broad recognition that Kentucky needs to keep investing in its infrastructure, services and educational institutions to succeed. That means investing in cities.

Several reinvestment items were included in the executive branch budget that emerged from the

session. Most significantly, the budget includes \$50 million in bonding for city streets and roads. The bonds are to be paid off by continuing the penny per gallon increase on the gas tax. Half of the \$50 million will be distributed to cities using the formula for municipal road aid, while the other half will be allocated through an application process. As details on the application process become available, KLC will share them with you through this and other League publications.

The legislature also allocated \$2 million for the Renaissance Kentucky program, which has been so important to revitalization efforts in cities of all sizes. Hopefully, cities will be able to leverage these and other funds to continue their campaigns to bring economic vitality back into our downtown areas.

None of this would have happened without the hard work put in by my fellow mayors and other city leaders across the state. I am very proud of the dedication shown by everyone. When a city official comes to Frankfort to meet with a state legislator or give testimony before a legislative committee, he or she is usually doing it on his or her own time, and often paying for expenses out of his or her own pocket. That kind of commitment can't be praised too often.

I'm also proud of the good work done by the KLC staff, the tireless energy that our Executive Director Sylvia Lovely puts into the legislative effort, and the impressive understanding of the political process that Neil Hackworth brings to the task. The KLC staff really does take the interests of cities to heart. When our crackerjack lobbying team hits the halls of the Capitol, they are viewed as sincere advocates, not just hired guns. Jerry Deaton, Bert May and Phil Huddleston all deserve a vote of gratitude, as do the legal advisors, and research and communication teams that back them up.

In the final analysis, though, it's the city representatives themselves who tip the bucket. Nothing gets the job done like a local elected official going toe-to-toe with a state elected official. I'm thrilled to see so many mayors, councilmembers and commissioners getting involved. We really are making a difference, a difference that will only grow in the years to come.

Sincerely,

Mayor David Cartmell  
City of Maysville, KLC President

## CITY BEAUTIFUL

### Celebrating Earth Day in Our Corner of the World



The Kentucky League of Cities was pleased to join Governor Ernie Fletcher, the Kentucky Environmental Quality Commission and the Kentucky Association of Counties to recognize 12 communities for initiatives that exemplify principles of sustainability.

2005 Earth Day Award Winners:

Strodes Creek Watershed Action Plan, City of Winchester
Elkhorn City Adventure: Where Nature Meets Culture, Elkhorn City
Carnation/Nestle/Silgan Mitigation and Redevelopment Project, City of Maysville
Paducah Lower Town and Artist Relocation Program
Greenbelt System, Bowling Green
Partnership for a Green City, Louisville
Lexington Clean Indoor Air Ordinance
Regional Community Stewardship, Northern Kentucky
Preston Project, Bath County
Kentucky Artisan Heritage Trails, Eastern Kentucky University
KP Hall and the Concerned Citizens, Logan County
Brownfield Initiative, Kenton County



### Recycling On Point!

Read the KLC Policy Development's premiere issue of *KLC On Point: Research and Trends of Key Kentucky Issues* entitled "The Good, The Bad, The Green: Recycling's Impact and Potential for Kentucky." This first in a series of timely research reports focuses on the state of recycling across the Commonwealth. Download a pdf version of the report online at [www.klc.org/publications/general\\_publications](http://www.klc.org/publications/general_publications).



1. Mayor David Cartmell of Maysville accepts a Kentucky Earth Day Award from KLC Executive Director/CEO Sylvia L. Lovely 2. Sylvia presents Gary Epperson, Claire Sipple and Kenny Book with an Earth Day Award honoring the Strodes Creek Conservancy 3. The Elkhorn City Adventure - Where Nature Meets Culture was honored with an Earth Day Award. (l-r) Stephanie Richards of Artists Collaborative Theatre and Pike County Extension Agent for Fine Arts; Patty Wallace, EQC Commissioner presenting the award; Elkhorn City Mayor Richard Salyers; and Timothy D. Belcher of Elkhorn City Area Heritage Council 4. University of Louisville President James Ramsey (right), Metro Louisville Deputy Mayor Joan Reibm and Jefferson County Public School Superintendent Dr. Stephen Daeschner (left) accept a 2005 Earth Day Award from Lindell Ormsbee, EQC for the Green City Partnership 5. Mayor Teresa Isaac (l) and Dr. Melinda Rowe (r) accept an Earth Day Award from Betsy Bennett honoring Lexington's Clean Air Ordinance to protect indoor air quality.

## MEET ME AT KLC

### Staff Profile



**Matthew Parsons**  
Database Manager  
Joined KLC June 2002

After graduating from Indiana University in May of 2002, Matt Parsons joined KLC a month later. His role

as the Database Manager/Developer for the Information Technology department gave him the opportunity to be a force for positive change in a dynamic environment. By streamlining the reporting and organization of institutional data, Matt helps lead the KLC staff to better and more informed decision making.

However, Matt's continual pursuit as "Renaissance Man" will lead him away from KLC.

In July, he will enroll in the University of Kentucky College of Law where he aims to use his technology background to focus on Intellectual Property Law. Matt's extensive IT knowledge and entertaining sense of humor will be missed. Best of luck to Matt as a new Wildcat!

Matt enjoys tennis, golf, skiing, travel and reading.

## BIG IDEAS/INNOVATIONS

### COOL Way to Grow in Business and Quality of Life in Louisville



Retail business growth is critical to maintaining healthy neighborhoods and business corridors. **Louisville Metro Mayor Jerry Abramson** created the Corridors of Opportunity in Louisville (COOL) program, which encourages and facilitates retail development business along Louisville's commercial corridors to enhance the quality of

life of the citizens of Louisville, and create healthy, thriving neighborhoods with restaurants, coffee shops, and small drugstores.

COOL staff works with residents to understand their needs and wants, as well as with landowners, retailers, developers, real estate professionals, lenders, government agencies and others to encourage and facilitate retail development to identify and promote sites, recruit retailers, and provide information about the toolkit of incentives available through Louisville Metro including loans for improvements and gap-financing for business start-ups. It's a venture that is working well for Louisville Metro, and more importantly, for the city's citizens and businesses.

For more information about COOL, visit [www.LouisvilleRetail.info](http://www.LouisvilleRetail.info).

## FROM THE FIELD

### Georgetown's "Raid" Recognized for its Authenticity as Living History Event

The roar of the cannon, the smell of gunpowder, the pounding of horses' hooves. History comes alive at **Georgetown's** Cardome Centre June 17-19 with the annual reenactment of Confederate Brigadier General John Hunt Morgan's historical raids on the Bluegrass State. Since the Raid began in 1987, it has grown into one of the most authentic living history events



in the nation, recreating the 1860's look and feel of America during the turbulent times of the Civil War. It includes battle scenarios, Morgan's Grand Masquerade Ball, a barn dance, a ladies social on Saturday, a period church service and more.

The event is free to the public. For more information, visit [www.morgansraid.com](http://www.morgansraid.com).

### Newport Italianfest

The **City of Newport** celebrates its 14th Annual Italianfest, June 9-12 with entertainment, kids' activities, loads of food including a pizza eating contest and the Spaghetti Nob Walk to benefit charity. Italianfest celebrates the city's history of Italian families that settled in Newport generations ago.

### Louisville Recognized

**Louisville's** Parks and Open Space plan has been highlighted by the Trust for Public Land. Several years ago, the people of Louisville and Jefferson County began working to develop a common vision for growth. Specific parks goals were created with input from residents. Included in the plan is a goal to acquire 8,000 additional acres of parks and open space. Louisville Metro Mayor Jerry Abramson recently added the expansion of the Jefferson Memorial Forest to the plan. It's a 108-mile hiking trail encircling the perimeter of the city.

An article in a Trust for Public Land publication cites the organization's public-private partnership with the city's leading philanthropists to raise needed funds and acquire green space. The TPL already has an option to purchase a 300-acre property in the Jefferson Memorial Forest and is negotiating with other landowners in priority areas.

## Williams Joins GOLD



On May 1, Governor Ernie Fletcher appointed Ellen Williams to serve as commissioner of the Governor's Office for Local Development (GOLD). Williams replaced Darrell D. Brock, Jr., who was recently elected chairman of the Republican Party of Kentucky.

Governor Fletcher said, "Ellen has extensive experience with public officials at every level of government."

Williams says it's an honor to accept the new appointment. "As commissioner of GOLD, I look forward to new opportunities to build upon existing relationships with local government leaders throughout the Commonwealth. Local leaders are the backbone of our communities. I look forward to working with them and working closely with Governor Fletcher."

Williams has vast experience in working with the public sector including most recently as vice chairman of the Public Service Commission (PSC). Her move to the PSC came after five years as chairman and executive director of the Republican Party of Kentucky.

KLC has a strong relationship with GOLD and has worked on several partnership programs.

## Clark-Parham Recognized



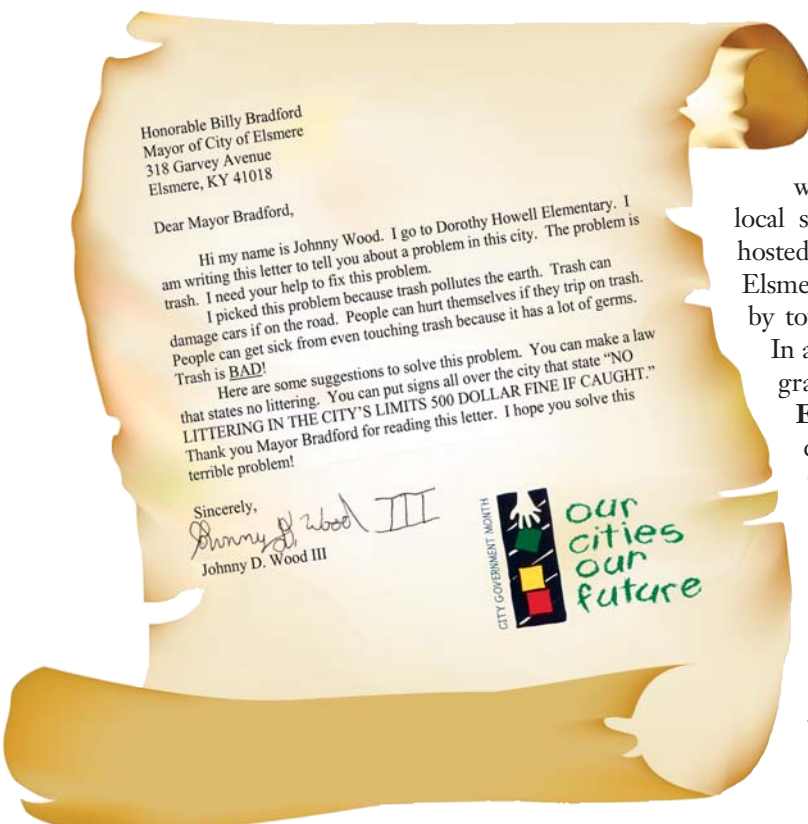
On May 10, before a crowd of more than 500, Murray Councilmember, Doris Clark-Parham, was recognized as one of the three finalists for the 2005 Martha Layne Collins Award. The award, given at the Women Leading Kentucky Conference, acknowledges women who

exemplify leadership and public service in Kentucky.

Clark-Parham, who is also active in the Kentucky Black Caucus of Local Elected Officials (KBC-LEO), received the distinction from dozens of nominees throughout Kentucky, narrowed to 16 nominees, and then down to the final three.

## YOUNG VOICES

### More City Government Month Celebrations



The **City of Elsmere** celebrated City Government Month for the seventh year with special programs for students. Organizer Councilwoman **Betty Wehner** said 19 local students and their parents were hosted to breakfast prepared by the Elsmere Police Department, followed by tours of several city departments. In addition, the city asked area fifth graders to write a letter to **Elsmere Mayor Billy Bradford** concerning problems they see in the city. The winner was Johnny D. Wood, III, from Dorothy Howell Elementary, who shared his strong feelings with Mayor Bradford that litterbugs should pay for trashing the city! Read Johnny's letter to the left.

Meanwhile, **Morehead Mayor Brad Collins** observed City Government Month by paying a visit to Clearfield Elementary School, where he spent time with forty fifth graders, discussing and answering questions about city government.



Mayor Brad Collins with Clearfield Elementary students and teachers.

## CALENDAR OF EVENTS

### Educate, Celebrate, Participate

JUNE 2005

- 9** Abandoned, Blighted, and Tax Delinquent Properties  
KLC 7th Floor Training Room, Lexington, KY  
9:00 a.m. - 4:00 p.m.
- 28** The Legacy of Leadership: Building Cities and Economics that Work in an Era of Change  
Calvert City Area Fire Training Center, Calvert City, KY  
9:00 a.m. - 4:00 p.m.

**Mark Your Calendar!**  
2005 Kentucky League of Cities Annual Convention



**CITIES WITHOUT LIMITS**  
UNLIMITED POSSIBILITIES

Galt House Hotel ♦ Louisville, Kentucky ♦ October 5-8, 2005

For more information or to register online, visit KLC's website at [www.klc.org/leadership](http://www.klc.org/leadership). With questions, contact Karen Butcher at 800-876-4552, or [kbutcher@klc.org](mailto:kbutcher@klc.org).

## We Want to Hear from You!

To submit a story or commentary for KLC *Direct* departments, please contact the KLC staff listed or go to [www.klc.org](http://www.klc.org). For overall feedback, contact Terri Johnson at 1-800-876-4552, ext. 3784, or [tjohnson@klc.org](mailto:tjohnson@klc.org).

## ASSOCIATION NEWS

### KBC-LEO Plans Work on Issues



The Kentucky Black Caucus of Local Elected Officials (KBC-LEO) held its 2005 Spring Summit, April 15-16 in Louisville, Kentucky.

KBC-LEO President George Brown (councilmember from Lexington-Fayette Urban County Government) presided over the association's two-day summit, themed "Maximizing Our Power Through Legislative Cooperation." The summit featured distinguished speakers and guests that discussed ideas and effective advocacy for KBC-LEO's focus areas of justice, education, health care, employment and economic development.

1. (l-r) Teresa Barton, executive director Office of Drug Control Policy; Police Chief Robert White, Louisville Metro; Attorney General Greg Stumbo; George Brown, Jr. KBC-LEO president 2. (l-r) Councilman Jacques Wigginton, LFUCG; Congressman James Clyburn, South Carolina and former Chair of the Congressional Black Caucus; President George Brown, LFUCG and president KBC-LEO; and Robert Jefferson, Lexington's first KBC-LEO president pose after Con. Clyburn's luncheon keynote address. 3. Some of the KBC-LEO membership pictured with Con. Clyburn following his luncheon keynote address 4. Louisville Metro's newest Councilmember David Tandy talks with Dr. Adewale Troutman, MD after his presentation on the health care panel. 5. Priscilla Johnson and Annazette Fields of Murray sit with Shedrick Jones, Sr. and one of the nine members of a Sister Cities delegation from Tomali, Ghana.

*KLC Direct is designed internally to save our members money.*



May/June 2005 VOL. 7 Issue 4



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# What Tax Modernization Means to You!

Cities are the beneficiaries of a very productive 2005 legislative session, including the two most important bills of the session, the state budget (HB 267) and tax modernization plan (HB 272).

The budget provides significant new money to cities for road improvements and continued funding of the Renaissance program.

The tax modernization bill will impact cities in many ways.



Title	What it Does
<b>Enterprise Initiative Act</b>	Creates a tax incentive program to replace the expiring Enterprise Zone program which was available only in certain communities. The new program allows eligible companies statewide to receive a refund of sales and use tax on building and construction materials. Eligibility is limited to approved companies that establish a new facility or expand an existing facility in specified industries.
<b>Brownfields Cleanup</b>	Establishes tax incentives to encourage cleanup of environmentally contaminated brownfield sites.
<b>Tourism, Meeting and Convention Marketing Act</b>	Imposes a 1% tax on hotel and motel lodging in the Commonwealth effective June 1, 2005 for deposit in a newly created Tourism, Meeting, and Convention Marketing Fund in the state treasury for use by the state in marketing and promoting tourism.
<b>Task Force on Local Taxation</b>	Provides for creation of a task force to review the current structure of local taxation and report recommendations for local government tax modernization to the Interim Committee on Appropriations and Revenue and the Interim Local Government Committee by November 1, 2005.
<b>Telecommunications Tax</b>	Establishes a new tiered system of state taxation on communication services, including telephone service, cable television service, and direct broadcast satellite service, effective January 1, 2006. The new tax will replace all city and county franchise fees, and the public service company property tax on communication services utilities. The Department of Revenue will collect all revenues for allocation to state and local governments pursuant to specific formulas, including funds to replace previous local government receipts from franchise fees.

## More! Additional Bills of Interest Passed by the 2005 General Assembly

Bill & Title	What it Does
<b>HB 59 Homeland Security Records</b>	Creates an Open Meetings Act and Open Records Act exception for homeland security records to exclude from public access records the disclosure of which would have a reasonable likelihood of threatening public safety, such as counter-terrorism measures and plans.
<b>HB 77 Open Records Information</b>	Requires distribution by mayors, county judges, and school superintendents to elected and appointed officials within their respective jurisdictions of information prepared by the OAG on the requirements of the Open Records Act.
<b>HB 116 Occupational License Fees</b>	Extends the compliance deadline for KRS 67.750-KRS 67.795 regarding the levy of a net profits or gross receipts occupational license tax on businesses from January 1, 2006 to July 15, 2008.
<b>HB 35 Legal Publications</b>	Requires a newspaper to charge its lowest rate generally charged for advertising for legal advertisements required to be published by a public agency.

# Looking Ahead to 2006:

## Local Government Issues Likely to be Considered by the General Assembly

Issue	Impact - 2005	Plan for 2006 Session
<b>Expanded Gaming</b>	<ul style="list-style-type: none"> <li>◆ Issue continues to come up</li> <li>◆ Various bills filed</li> </ul>	<p>KLC will continue to monitor the issue.</p> <p><b>Message to Legislators:</b> Whatever happens to gaming, city governments will be impacted and should receive a portion of the revenue.</p>
<b>Local Government Tax Modernization</b>	<ul style="list-style-type: none"> <li>◆ Tax modernization bill provides for creation of a Task Force on Local Taxation</li> <li>◆ Legislators began to see need for reform</li> </ul>	<p>KLC will proceed with development of a proposal for local government tax modernization and a campaign to convey the message.</p> <p><b>Message to Legislators:</b> Cities need more options to raise revenue based on what works for them.</p>
<b>Merger of Cities and Counties</b>	<ul style="list-style-type: none"> <li>◆ Issue continues to come up as state becomes more urbanized</li> <li>◆ Merger of services seen as an option</li> </ul>	<p>KLC will work to develop a proposal.</p> <p><b>Message to Legislators:</b> Current merger laws have not been effective in allowing cities to merger. Other options need to be made available that enable cities and counties to deliver local services in the most cost efficient manner.</p>
<b>Local Government Employee Health Insurance</b>	<ul style="list-style-type: none"> <li>◆ Blue Ribbon Panel on Public Employee Health Insurance Benefits established by the legislature</li> </ul>	<p>KLC will monitor the Blue Ribbon Panel and review proposals.</p> <p><b>Message to Legislators:</b> The state employee health insurance problem will not be solved by requiring city employees to participate in the state health plan.</p>

**www.klc.org** Visit the Kentucky League of Cities website to view complete summaries of all bills relating to city governments enacted by the 2005 Kentucky General Assembly.

