

KENTUCKY

COUNTY GOVERNMENT OVERVIEW

Counties

120

Government Form

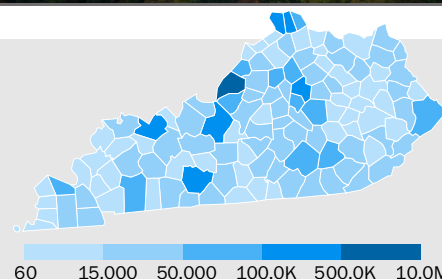
Reformed¹

Governing Body Size

4-9

Population (2020)

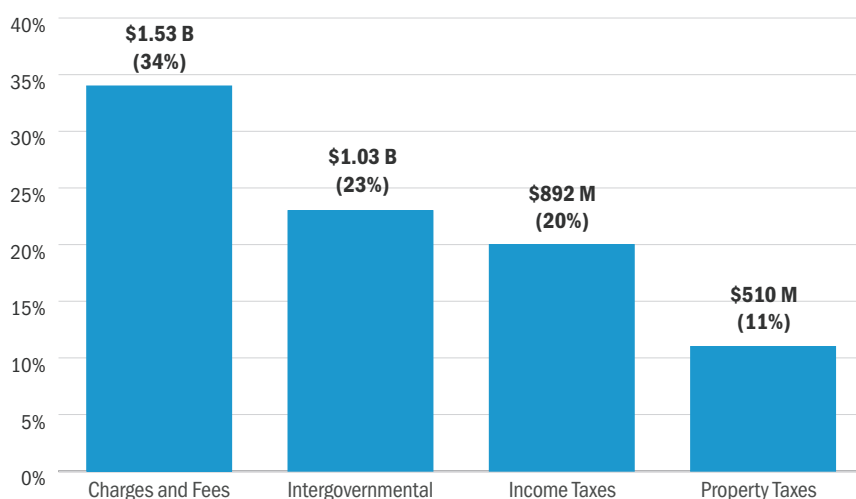
4.5 million²



County Authority

Dillon's Rule: Most counties in Kentucky are governed under general law and therefore only have the powers that have been specifically granted by state legislature. The two exception counties are Lexington-Fayette County and Louisville-Jefferson County which are an urban-county government and consolidated local government, respectively, and are both governed under home rule. Despite not being able to form and adopt home rule charters, counties in Kentucky have been granted some latitude and flexibility to provide and finance various governmental services by the state statute so long as those actions are consistent with state law.

TOP REVENUE SOURCES FOR KENTUCKY COUNTIES



Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Employment, 2017

¹"Government Form" refers to the distribution of executive decision making authority in a county. "Traditional" county states mandate that counties exercise executive decision making power solely through the board of elected officials (commissioners, supervisors, etc.). "Reformed" county states mandate that counties employ an elected or appointed county executive, manager or similar position to take on at least some of the county's executive decision making authority. "Mixed" county states means that some counties in that state are "traditional" and some are "reformed."

²NACo Analysis of U.S. Census Bureau - 2020 Decennial Census

Summary of County Services

Services counties MUST provide:

- Maintain county roads and bridges.
- Issue building permits and inspect buildings.

Services counties CAN provide:

- Administer all forms of public assistance and social services.
- Regulate and restrict the use and construction of buildings and spaces.

Services counties CANNOT provide:

- Administer education services, including community colleges. Public schools are managed by the state.
- Administer Medicaid and SNAP as these programs are managed by the state.

STRUCTURE/AUTHORITY

SUMMARY

Kentucky counties are governed by fiscal courts consisting of either a county judge/executive and 3-8 justices of the peace (also referred to as “magistrates”) elected from each district, or by a county judge/executive and three county commissioners elected by the county at large. Justices of the peace are constitutionally mandated in both government forms but have little authority in the commissioner form. Counties may also adopt one of four types of merged county/city government forms: Charter County and Uniform Local forms merge particular services; an Urban-County form merges all units of city and county government into one government to prevent the duplication of services and a consolidated local government which merges a city of the first class with the county.

*The Justice of the Peace (Magistrates) and the Constable are elected for each Justice’s District.

**Can be consolidated with the Sheriff’s position by the state legislature.

Row Officers	Elected/ Appointed	Required/ Optional
Circuit Court Clerk	Elected	Mandatory
Constable*	Elected	Mandatory
Coroner	Elected	Mandatory
County Attorney	Elected	Mandatory
County Clerk	Elected	Mandatory
Jailer**	Elected	Mandatory
Judge/Executive	Elected	Mandatory
Property Valuation Administrator	Elected	Mandatory
Sheriff	Elected	Mandatory
Surveyor	Elected	Mandatory



COUNTY STRUCTURE

Legislative Branch: A fiscal court consisting of the judge/executive and 3-8 members (justices of the peace/magistrates or three commissioners) acts as the sole legislative decision-making body.

Executive Branch: An elected county judge/executive acts as the chief executive officer.

Judicial Branch: Kentucky uses a system of circuit courts which have general jurisdiction over civil matters, capital offenses, felonies, land dispute title cases and probate cases. There are 57 circuit courts, each of which represents 1-4 counties and issues injunctions, writs of prohibition and mandamus. Kentucky also uses a district court system with 60 judicial districts. District trial courts have limited jurisdiction and hear matters of county ordinance violations and civil cases.

Optional Forms of Government:

- Urban-County Government
- Consolidated Local Government
- Charter County Government
- Unified Local Government



COUNTY AUTHORITY

Executive Power: The fiscal court must rely on powers delegated by the Kentucky General Assembly. Fiscal courts are empowered to enact ordinances, issue regulations, levy taxes, issue bonds, appropriate funds and employ personnel. The county judge/executive executes all ordinances and resolutions of the fiscal court, oversees all contracts and enforces state laws.

Ability to Form Partnerships: Counties may cooperate with other units of government and private agencies to provide public services including educational programs. Counties can also cooperate with public or private agencies to promote economic development.

Call a State of Emergency: A majority of the fiscal court may declare an emergency. The fiscal court may then adopt a county ordinance to address that emergency. The county judge/executive or other executive authority may declare a state of emergency and utilize the county’s emergency powers to provide an appropriate response.

Special Districts: There are around 600 special districts throughout the state. There are around 30 types of special district in Kentucky, including agricultural extension and urban services districts. Districts may be created by a petition or by a fiscal court vote.

SERVICES

OVERVIEW OF COUNTY SERVICES

Kentucky counties have broad authority over the operation of services within their jurisdiction. Counties may operate health departments, housing authorities, hospitals, libraries and many other services. Counties have limited authority to provide and regulate utilities service but may contract to provide those services. In addition, many of the public services that counties can provide may be provided jointly with cities and other governmental entities, such as the provision of transit authorities. Some services, such as mass transit, may be provided by independent service districts and authorities which may be established by a county government.



HEALTH AND HUMAN SERVICES

County Health Department: A fiscal court may establish a local public health department through a resolution creating a health district to fund and operate the department. Alternatively, a majority of county residents may elect to have a public health district created. Fiscal courts may also partner with other counties to form regional health departments.

Hospitals: A county may form a hospital district to fund, construct, operate and maintain a county or regional hospital. Multiple counties may also join to establish a regional hospital.

Child Welfare: Counties that contain a city of the first class may establish a children's home. Counties also have general authority to provide programs for the health and welfare of juveniles.

Welfare: Counties have the general authority to provide hospitals, ambulance service, programs for the health and welfare of the aging and juveniles and other public health facilities and services.



INFRASTRUCTURE

Roads: Counties must maintain and operate county roads and bridges outside of the state highway system. The county may appoint a county engineer to administer the necessary repairs and construction of county roads.

Transit Authorities: A county may, either independently or jointly with a city or county, create and establish a transit authority as an independent political subdivision and public body cooperate. The authority is empowered to promote and develop mass transportation in its transit area to serve the needs of those residing within the county or counties.

Urban Renewal: A fiscal court may, by resolution, declare that there is a need to improve slum and blighted areas in the county through the powers, funds and duties of the county government. The county judge in this case appoints an independent urban renewal and community development agency.

Utilities: The Kentucky Public Service Commission is responsible for the regulation and service of most public utilities within the state, including those within local political subdivisions. Counties may submit an application to the commission to create a water district for the establishment of waterways and water sanitation facilities within the district.

- **Water:** Counties may establish water districts to fund the construction and operation of water ways and water sanitation facilities.
- **Solid Waste:** Counties may establish solid waste districts to fund, operate and maintain solid waste management systems throughout the county jurisdiction.
- **Gas:** Counties are not authorized to provide gas utilities.
- **Electric:** Counties are not authorized to provide electric utilities.

SERVICES, CONTINUED



PUBLIC AMENITIES

Parks and Recreation: County fiscal courts have the power to operate and maintain parks and recreation facilities. In addition, the fiscal court may establish a parks and recreation board to carry out the court's administrative duties.

Air Pollution: Kentucky statute establishes air pollution control districts in each county. However, in order for the district to be able to exercise any of its powers within the county, the fiscal court must declare by resolution that there is a need for an air pollution control district and the air pollution reduction services that it would provide.

Libraries: Counties may establish library districts and/or partner with other counties to establish library districts to fund, operate and maintain library services within the district.



ZONING AND DEVELOPMENT

Zoning Power: The governing body of a county may appoint a 5-20 member planning commission to carry out zoning powers throughout the county. Counties have broad zoning authority to regulate and restrict the use and construction of buildings and spaces including population density and distribution in all unincorporated areas, as well as incorporated areas if the locality chooses not to implement their own planning and zoning. Counties may also establish planning units, either independently or jointly with cities and/or other counties.

Housing Authority: The governing body of a county may declare through resolution the need for a housing authority and may partner with other counties to provide this service. In addition, the governing bodies of a county and city may declare the needs for a joint city-county housing authority.

Improvements: A fiscal court may provide for, construct, and finance improvements to county infrastructure and public buildings which includes but is not limited to the construction and reconstruction of public ways, sewers, sewage treatment plants, fire hydrants and water mains. Counties containing a city of 3,000 or more may also create an independently governed community improvement district.

Neighborhood Redevelopment Zone: Counties and any other local government may, by ordinance, designate residential neighborhoods that have deteriorating housing stock and other related issues as a neighborhood redevelopment zone. A fiscal court may establish such a neighborhood on its own initiative or upon a petition signed by owners or lessees from the proposed zone.

SERVICES, CONTINUED



PUBLIC SAFETY

Law Enforcement: A county may establish, maintain and operate a police department within their jurisdictions.

Jails: State law places a responsibility on each county to provide for the incarceration of prisoners. A county fiscal court may meet this responsibility by maintaining a jail in the county or by contracting with another county. Counties may also provide facilities, services and programs for the juvenile rehabilitation.

Courthouses: Counties may construct, operate and maintain courthouses. The circuit court and the district court must be held in the courthouse unless the Kentucky Supreme Court orders otherwise. The fiscal court receives an “operating costs allowance” and a “use allowance.”

Fire: Fiscal courts may establish fire protection districts to fund, operate and maintain fire departments. Counties may also contract with city fire districts and fire departments established as non-profit corporations.

Ambulance: A county fiscal court may establish a county ambulance service, establish an ambulance service taxing district or contract with a city or private ambulance service provider.

Emergency Management Agency: Counties must establish and maintain an emergency management agency and must also develop a county emergency management plan and program. Each local emergency management agency shall have jurisdiction over the entire county that it serves.



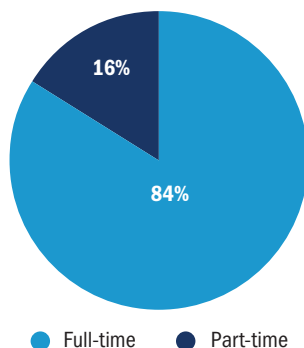
SCHOOLS

Education, Generally: The Kentucky legislature is responsible for the funding and operating of a K-12 education system and levying the necessary funds to do so. Counties generally have little to no administrative involvement.

School Board: Each county constitutes a school district that is administered by a school board consisting of 5-7 members.

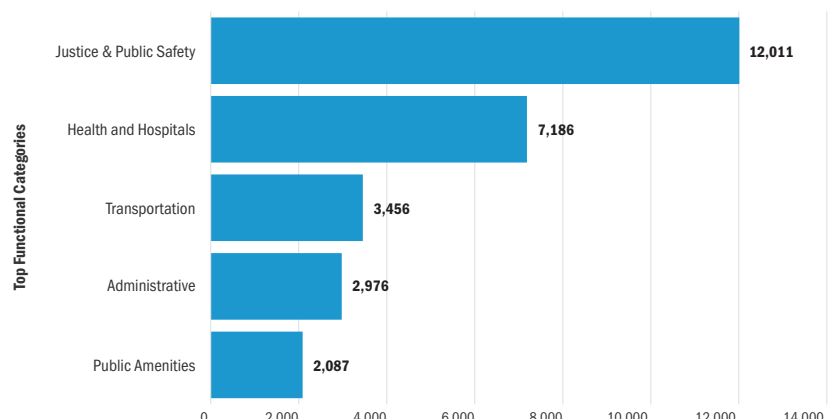
Community colleges: Community colleges are under the jurisdiction of the board of regents of the Kentucky community and technical college system. The board determines the location of community funds and the state legislature appropriates the funds for their operation and construction.

KENTUCKY COUNTIES EMPLOY 32,328 GOVERNMENT EMPLOYEES



Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Employment, 2017

KENTUCKY COUNTY GOVERNMENT EMPLOYEES BY TOP FUNCTIONAL CATEGORIES



Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Employment, 2017

TAXATION/FINANCES

OVERVIEW OF COUNTY FINANCE STRUCTURE

Kentucky counties cannot levy any tax unless expressly authorized by the general assembly. The taxes authorized by the state include unmined minerals, business licensing, insurance premium and general property taxes. In addition, counties may issue short- and long-term bonds and have broad discretion to take on debt to maintain operations within a fiscal budget year.



FINANCES, TAXES AND LIMITATIONS

Property Tax: Counties may levy a property tax that cannot exceed 0.5 percent of the value of all taxable property. If a county levies a property tax rate that will increase revenue more than 4 percent over the prior year (excluding revenue from new property), then the part of the rate above 4 percent is subject to recall.

Income Tax: All counties may levy an occupational license tax on the salaries, wages or net profits of any business, trade, occupation or profession. Counties with a population of at least 300,000 may impose a rate not to exceed 1.25 percent. Counties with a population between 30,000 and 300,000 may impose a rate not to exceed 1 percent.

Sales Tax: Counties cannot levy a sales tax. The flat state sales tax is 6 percent.

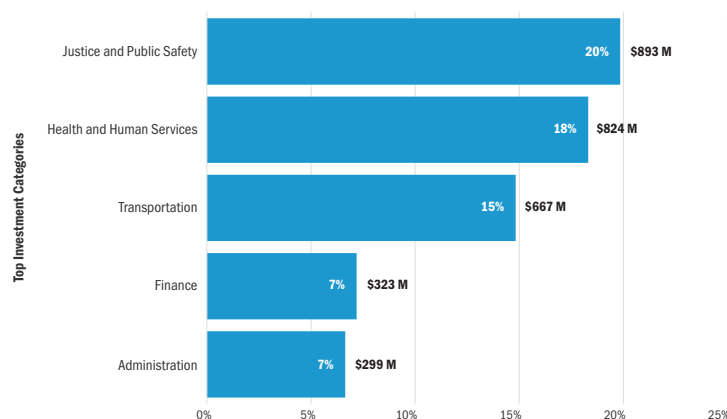
Mineral Tax: Counties may levy a mineral tax on land of unmined coal, gas and oil based on the state assessment of the value of the unmined assets.

Gas/Fuel Taxes: Counties may not levy a gas or fuel tax.

Debt and Debt Limit:

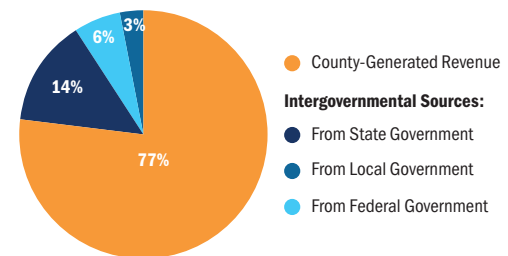
- **General Obligation Bonds:** Counties may issue general obligation bonds if approved by the majority of the governing body. The debt incurred may not exceed 2 percent of all taxable property in the county. In addition, the state local debt officer must approve any debt obligation that would exceed 0.5 percent of all taxable property within the county.
- **Short-Term Borrowing:** Counties may borrow within a fiscal year to pay down obligations of the current budget year based on unrealized income within the budget. Counties may borrow up to 75 percent of unrealized income to pay obligations within the budget year.
- **Long-Term Borrowing:** No county may incur indebtedness in excess of 2 percent of the value of the taxable property in the county. However, with approval of the voters, a county may incur a total indebtedness up to 5 percent of its assessed valuation for public road purposes. No county debt may exceed a term of 40 years.

KENTUCKY COUNTIES INVEST \$4.5 BILLION ANNUALLY

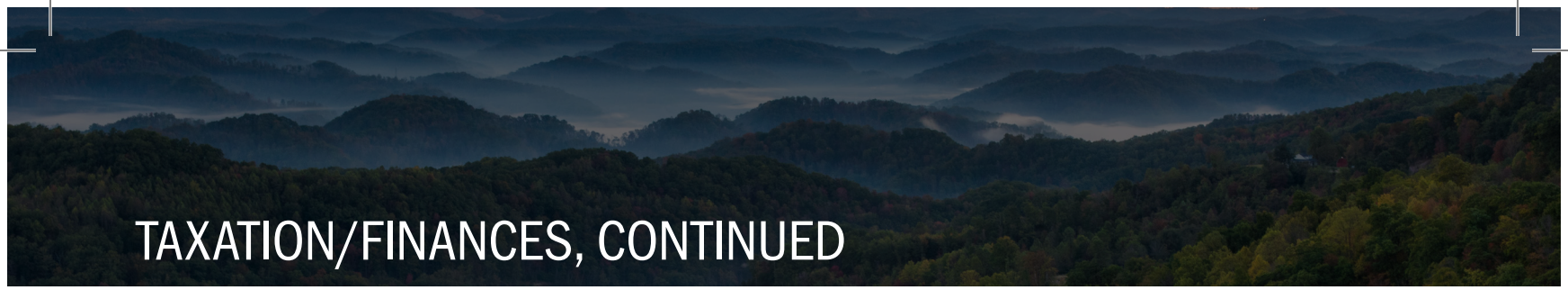


Source: NACo Analysis of U.S. Census Bureau - 2017 Census of Individual Governments: Finance

KENTUCKY COUNTIES RECEIVE \$1 BILLION FROM INTERGOVERNMENTAL SOURCES



Source: NACo Analysis of U.S. Census Bureau - Census of Individual Governments: Finance, 2017



TAXATION/FINANCES, CONTINUED

Other Finance Info:

- **Franchise tax:** Counties may impose a franchise tax on financial institutions measured by the deposits in each institution. The county levy may not exceed 0.025 percent of the deposits for most counties, although urban counties have a limit 0.05 percent.
- **Insurance premium tax:** Counties may impose a license tax or fee on insurance companies for the privilege of doing business in the county.
- **Revenue Bonds for County Projects:** A county fiscal court may adopt an ordinance or resolution to borrow money and issue negotiable bonds to defray the cost of acquiring any industrial building or pollution control facility in order to promote the economic development of the Commonwealth, to relieve conditions of unemployment, to encourage the increase of industry and to aid in the retention of existing industry through improved energy efficiency in manufacturing facilities.