

# KENTUCKY

## COUNTY GOVERNMENT OVERVIEW

### Counties

120

### Government Form

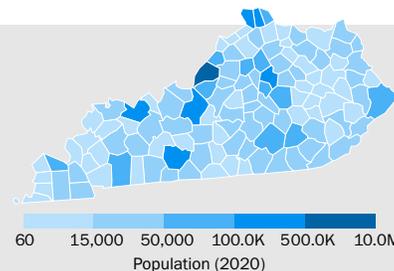
Reformed<sup>1</sup>

### Governing Body Size

4-9\*

### Population (2020)

4.5 million<sup>2</sup>



### County Authority

**Mixed/Restrictive (Mostly Dillon's Rule):** Most counties in Kentucky are governed under general law and therefore only have powers specifically granted by the state legislature. The two exception home rule counties are Lexington-Fayette County and Louisville-Jefferson County, which are an urban-county government and consolidated local government, respectively. While counties in Kentucky cannot form and adopt home rule charters, counties may provide and finance some services consistent with state law.

## TOP REVENUE SOURCES FOR KENTUCKY COUNTIES



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

### Summary of County Services

#### Services counties **MUST** provide:

- Maintain county roads and bridges.
- Provide for the incarceration of inmates.

#### Services counties **MAY** 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.
- Administer Medicaid and SNAP.

<sup>1</sup>“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.”

<sup>2</sup>NACo Analysis of U.S. Census Bureau - 2020 Decennial Census

\*Includes the county judge/executive, who is considered a member of the fiscal court.

# STRUCTURE/AUTHORITY

## SUMMARY

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

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

\*\*The state may consolidate the Jailer with the Sheriff’s position.

Row Officers	Elected/ Appointed	Mandatory/ 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
Justice of the Peace	Elected	Mandatory
Property Valuation Administrator	Elected	Mandatory
Sheriff	Elected	Mandatory
Surveyor	Elected	Mandatory
Treasurer/Tax Collector	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 legislative decision-making body.

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

**Judicial Branch:** Kentucky has circuit courts with 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. 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:** Fiscal courts may enact ordinances, issue regulations, levy taxes, issue bonds, appropriate funds and employ personnel. The county judge/executive executes ordinances and resolutions of the fiscal court, oversees 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 may also cooperate with public or private agencies to promote economic development.

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

**Special Districts:** There are around 30 types of the approximately 600 special districts 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 services, including health departments, housing authorities, hospitals, libraries and many others. Counties may contract to provide and regulate utilities, but have limited authority in this area. Counties may provide services jointly with cities and other governmental entities or establish independent service districts.



### HEALTH AND HUMAN SERVICES

**County Health Department:** A fiscal court **may** establish a local public health department by creating a health district to fund and operate the department. Alternatively, county residents may vote 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 join to establish a regional hospital.

**Child Welfare:** Counties that contain a city of the first class **may** establish a children's home. Counties may provide programs for youth health and welfare.

**Welfare:** Counties **may** provide hospitals, aging and youth programming, ambulance services and other public health facilities and services.



### INFRASTRUCTURE

**Roads:** Counties **must** maintain and operate county roads and bridges. The county may appoint a county engineer to administer road repairs and construction.

**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. The authority may promote and develop mass transportation.

**Urban Renewal:** A fiscal court **may** declare a need to improve blighted areas. The county judge in this case appoints an independent urban renewal and community development agency.

**Utilities:** The **state** regulates and provides most public utilities, including those within local political subdivisions. Counties **may** submit an application to the state to create a water district to establish waterways and water sanitation facilities.

- **Water:** Counties **may** establish water districts to fund the construction and operation of waterways and water sanitation facilities.
- **Solid Waste:** Counties **may** establish solid waste districts to fund, operate and maintain solid waste management systems.
- **Gas:** Counties **cannot** to provide gas utilities.
- **Electric:** Counties **cannot** to provide electric utilities.

# SERVICES, CONTINUED



## PUBLIC AMENITIES

**Parks and Recreation:** County fiscal courts **may** operate and maintain parks and recreation facilities. The fiscal court may establish a parks and recreation board to carry out the court's administrative duties.

**Air Pollution:** The **state** establishes air pollution control districts in each county. However, for the district to exercise its powers, the fiscal court must declare a need for air pollution reduction services.

**Libraries:** Counties **may** establish library districts, independently or with other counties, to fund, operate and maintain library services.



## ZONING AND DEVELOPMENT

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

**Housing Authority:** Counties **may** declare the need for a housing authority and partner with other counties and/or cities to provide this service.

**Improvements:** A fiscal court **may** provide for, construct, and finance improvements to county infrastructure and public buildings. This includes the construction and reconstruction of public ways, sewers, sewage treatment plants, fire hydrants and water mains. Counties containing a city with 3,000 or more people may create an independently governed community improvement district.

**Neighborhood Redevelopment Zone:** Counties **may** designate residential neighborhoods with deteriorating housing stock and related issues as a neighborhood redevelopment zone. A fiscal court may establish these zones on its own initiative or if petitioned by owners or lessees from the proposed zone.

# SERVICES, CONTINUED



## PUBLIC SAFETY

**Law Enforcement:** Counties **may** establish, maintain and operate a police department.

**Jails:** Counties **must** maintain a jail or contract with another county to provide one. Counties may also provide facilities, services and programs for 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 **state** funds some of the operating and use costs for county courthouses.

**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 develop a county emergency management plan and program.



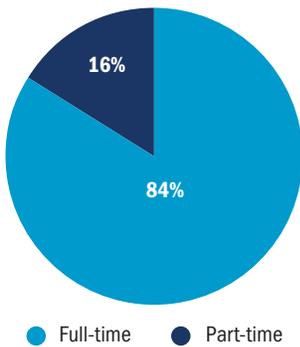
## SCHOOLS

**Education, Generally:** The **state** funds and operates the K-12 education system. 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.

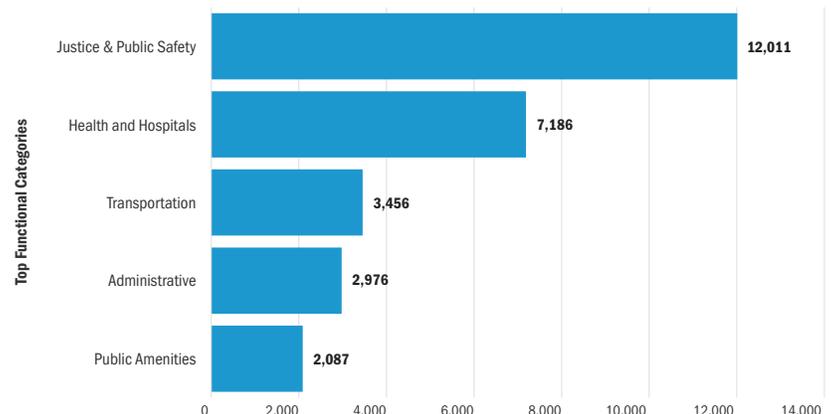
**Community colleges:** A board of regents governs Kentucky community colleges. The board determines the location of community funds and the **state** legislature appropriates the funds for community college operation and construction.

## 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. Authorized taxes include unmined minerals, business licensing, insurance premium and general property taxes. Counties may issue short- and long-term bonds and have broad discretion to take on debt to maintain operations within a fiscal 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 from the prior year (excluding revenue from new property), then the excess rate is subject to recall.

**Income Tax:** 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.

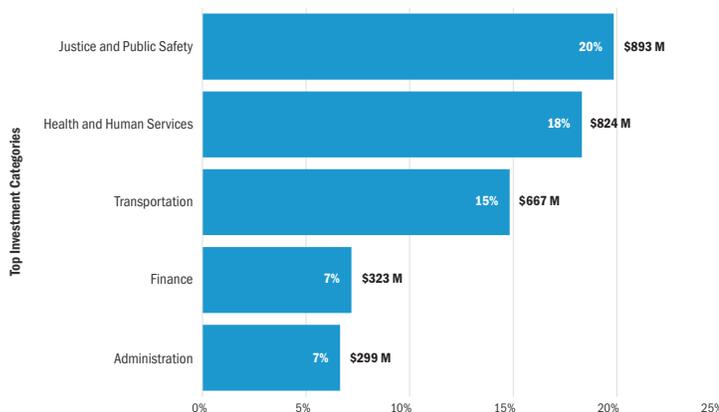
**Mineral Tax:** Counties **may** levy a mineral tax on land of unmined coal, gas and oil based on the state assessment of the value of the unmined assets.

**Gas/Fuel Taxes:** Counties **cannot** levy a gas or fuel tax.

#### Debt and Debt Limit:

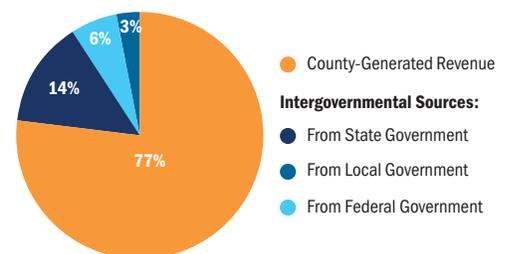
- **General Obligation Bonds:** Counties **may** issue general obligation bonds. The debt incurred may not exceed 2 percent of all taxable property in the county. In addition, the state local debt officer must approve any debt obligation above 0.5 percent of all taxable property within the county.
- **Short-Term Borrowing:** Counties **may** borrow within a fiscal year to pay for 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:** Counties **cannot** incur debt over 2 percent of the value of taxable property. If approved by voters, counties may incur debt up to 5 percent of property valuation for public road purposes. County debt cannot exceed a term of 40 years.

## KENTUCKY COUNTIES INVEST \$4.5 BILLION ANNUALLY



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

## 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. Urban counties have a levy limit of 0.05 percent of the deposits, all other counties have a limit of 0.025 percent.
- **Insurance premium tax:** Counties **may** impose a license tax or fee on insurance companies.
- **Revenue Bonds for County Projects:** Counties **may** borrow money and issue bonds to buy industrial buildings or pollution control facilities, promote economic development, relieve unemployment, encourage industry and retain existing industry through improved energy efficiency.