

PROPOSED LEGISLATION

Provides that any state legislation enacted that has an estimated cost to local government in excess of \$100,000 or that causes the combined fiscal impact of laws enacted to increase local government expenditures by more than \$1,000,000 shall not be mandatory, unless it is fully funded by either:

- (1) a dedicated state appropriation;
- (2) a dedicated funding source provided for within the legislation; or
- (3) a dedication of the increase in state shared revenues from the previous year adjusted for inflation until such funds have been expended.

Provides that no agency, department or other entity of state government may deny funds to, fine or otherwise penalize a local government solely on the basis that the local government opted not to comply with a law that was not fully funded.

Provides that no agency may adopt a fee increase or new fee that will principally impact local governments in any year where general state revenues appropriated to the division, program, department, office or other agency unit that regulates, monitors, oversees or otherwise governs the activity supported by the fee, have decreased from the previous year.

BENEFIT TO MUNICIPALITIES

Passage of this proposed legislation would ensure that cities are not obligated to comply with any act of the general assembly that exceeds the established costs thresholds, unless those costs are fully offset by the state. Additionally, this legislation would provide protection against certain penalties for electing not to comply with a qualifying act that was not fully funded. Lastly, the bill would prevent any state agency that operates a program serving local governments from increasing fees on local governments in a year in which state funding for such a program has been reduced.

