

Louisville Metro Comprehensive Review

Commission Findings and Recommendations

In 2022 the General Assembly passed HB 314, which, among other things, established the Louisville Metro Comprehensive Review Commission, which was to submit its findings and recommendations to the Legislative Research Commission. The Commission was established in compliance with HB 314, with the following members.

- Co-Chairman Earl Jones, appointed by Greater Louisville, Inc.;
- Co-Chairman Rep. Jason Nemes, appointed by the Speaker of the House;
- Marianne Butler, appointed by the Mayor of Louisville Metro;
- Bonnie Jung, the president of the Jefferson County League of Cities;
- Sen. Julie Raque Adams, appointed by the President of the Senate;
- Sen. Mike Nemes, appointed by the President of the Senate;
- Sen. Gerald Neal, appointed by the Minority Floor Leader of the Senate;
- Rep. Ken Fleming, appointed by the Speaker of the House;
- Pamela Stevenson, appointed by the Minority Floor Leader of the House;
- Councilwoman Cindy Fowler, appointed by the president of the legislative council of the Louisville/Jefferson County Metro Government;
- Councilman Jecorey Arthur, appointed by the president of the legislative council of the Louisville/Jefferson County Metro Government
- Councilman Anthone Piagentini, appointed by the president of the legislative council of the Louisville/Jefferson County Metro Government;
- Shelby Williams, appointed by Greater Louisville, Inc.;
- Scott Shoenger, appointed by Greater Louisville, Inc.; and
- Jeffersontown Fire Chief Sean Dreisbach, appointed by the president of the Jefferson County Fire Chiefs Association.

The Commission met numerous times in 2022 and 2023, and now submits the following findings and recommendations to the General Assembly.

1. The Commission recommends that the state transportation funding model, which was designed in the 1940s, be revised to more properly recognize population, areas of economic development, and KYTC backlogs in its road funding determinations. Roads in many areas are simply not keeping up with development and citizens' needs. One way that this could be done that has already been proposed in Frankfort is to protect the current amounts for counties and cities and then to amend the funding model for dollars over and above the current receipts. For example, the first \$850 million in the Road Fund would be distributed based on the current model and any amounts received above \$850 million would be distributed based on a new formula with the above-referenced goals in mind.
2. The Commission encourages the General Assembly to consider current KBI development incentives to include development and business attraction incentives for corporate

relocation to attract companies in non-manufacturing sectors. This should supplement existing manufacturing incentives to ensure Kentucky can continue to attract manufacturing to our state. Also related to incentives aimed at growing our economy, the Commission also recommends that the General Assembly amend the KBI statutes to include recurring software and licensing costs associated with each new full-time job created as eligible costs to qualify for the program. Making these changes to the KBI program would position Kentucky to compete for high paying job growth, allow Kentucky to scale its homegrown companies and small businesses, and attract cutting-edge enterprises. These changes will also help Kentucky to retain our developing talent and establish Louisville as a regional hub for tech companies.

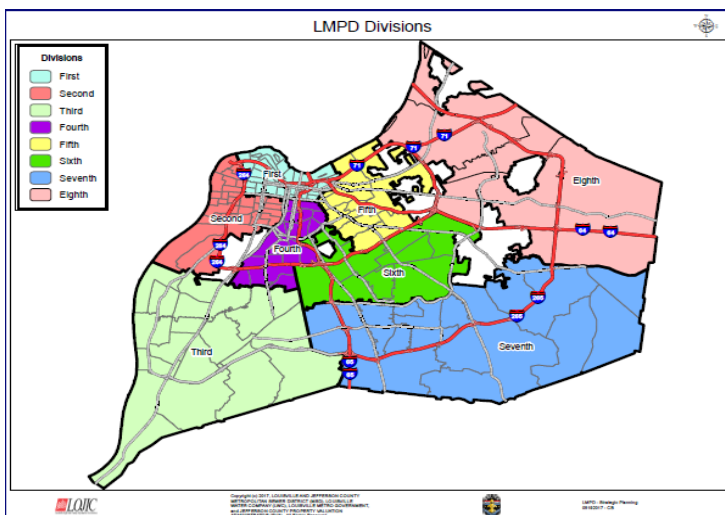
3. Extend the five-year property tax moratorium to 15 – 20 years for redevelopment projects and expand related property tax abatement to include non-manufacturing projects.
4. The Commission has had multiple discussions among commissioners and with the public at public hearings concerning housing. Testimony has also been received from officials with the Metro government that Louisville needs many more affordable housing units. Discussions on this topic have also focused on the need to incentivize home ownership. The Commission recommends, therefore, that the General Assembly enact an affordable housing tax credit to spur economic development of multi-family and single-family affordable housing. This tax credit should be available for urban and rural housing development, as well as multi-family and single-family homes. In crafting this tax credit consideration should be made to construct walkable neighborhoods and increase the tax paying population in the highest taxes areas; transit-oriented development, and homeownership opportunities (whether single family or condominiums). The Commission also acknowledges the unique possibilities in urban areas like Louisville to convert existing office buildings into multi-family and retail functions. This should also include grocery stores to address urban food desert conditions and with an eye toward creating thriving downtown neighborhoods.
5. The Commission notes that discussions have been ongoing concerning TARC. The Commission recognizes that tax income to the agency has risen an inflation-adjusted \$32 million or 38 percent, while ridership has decreased by 65 percent with buses in circulation decreasing by 23 percent. The Commission further finds that a great deal of the Metro area does not receive services from TARC. And while conversations have occurred, the Commission is not prepared to recommend policy changes at this time. However, the Commission recommends that the Metro Council study issues related to TARC to make necessary and substantial improvements primarily focused on persistent government issues and service across the entire community.
6. The Commission makes three recommendations related to Metro Emergency Management Services. First, the Commission recommends that as of July 1, 2025, Louisville Metro EMS' primary jurisdiction be changed to the USD area only. This would make Louisville Metro EMS the fourth USD service, along with fire, sanitation, and street lighting. This means that the citizens who are to pay for the EMS services are residents inside the USD, subject to the additional payments noted in the third

recommendation below. Second, to assist in this transition, the Commission recommends that the law allow up to 10 percent of the expenditures related to the four USD services continue to be paid for by the general fund for five years. As of July 1, 2030, however, no general fund revenue shall subsidize these four USD services provided inside the USD. Third, the Commission recommends that all EMS service providers in the county, along with the Chapter 75 Fire Protection Districts that do not provide EMS services (*i.e.*, Fairdale), enter into interlocal agreements concerning reimbursements for services provided by one service provider to another area outside its primary jurisdiction. The Commission recommends consideration of statutory changes to require part of these interlocal agreements address reimbursements in situations where non-transport services are provided and changes to allow Fairdale to contract with and pay for EMS services provided by another EMS service provider.

7. The Commission recognizes that local governments are restricted in their ability to levy a diversity of taxes to both meet the needs of their citizens and to incentivize economic development. Currently local governments are largely dependent upon property and occupational taxes. The Commission believes a more diverse tax structure is desirable to meet the citizens' needs. The Commission encourages the General Assembly to present Kentucky voters with the opportunity to approve a constitutional amendment that would allow local governments to implement modernized revenue tools.
8. No jurisdiction shall be able to annex an area for the primary purpose or result of obtaining occupational tax revenue from existing businesses.
9. The Commission recommends that prior to incorporating a new suburban city or annexing to join a suburban city or the Urban Services District, residents must be informed about their options to join the Urban Services District, incorporate a new city, join an existing city via annexation, or to create a new services district. Louisville Metro Government must designate a city department responsible for responding to inquiries and informing the citizens of their options. The department must have and display office hours, an address, a phone number, and an email address on its website. The department must have thorough information about how to join existing service districts, how to create a new service district, how to annex into a suburban city, how to incorporate a new city, and how to privately contract for services as an unincorporated area. The information must include financial impact on the constituents as well as services provided from the various service options. The Commission further recommends that the General Assembly make the process to annex into the Urban Services District the same as annexation into a suburban city.
10. The Commission recognizes that Louisville Metro is a large and diverse community with varied interests. Furthermore, the Commission recognizes that there have been and continue to be population shifts and trends that have not been accounted for. To that end, the Commission recommends that all Boards and Commissions throughout the state have diversity of members as defined in KRS 67C.139(1)(a), provided, however, that if diversity cannot be achieved, the appointing authority shall document and make public

the efforts taken to achieve the required diversity and its inability to do so before proceeding to appoint an otherwise qualified candidate.

11. Review KRS to include residents' and other appropriate stakeholders' input as cases are reviewed in making local planning decisions.
12. The Commission recommends that the Louisville Metro Consolidated Local Government move to nonpartisan elections.
13. As part of the ongoing efforts to promote comity and greater consensus in addressing the concerns and needs of county residents, the Commission recommends that Metro Council, working with residents, and representatives of community, social and business leaders, with the support of University of Louisville, undertake a review to assess whether Metro Council's structure and resources remain adequate to address the needs of Metro residents two decades into the 21st century. The review should include, but not be limited to, election by district and the appropriate number of districts, election in at-large districts, council staffing, procedures and organization. Results of the review that require approval by the General Assembly under Chapter 67C shall be forwarded to the General Assembly.
14. The Commission acknowledges that Louisville Metro Police Department services are not adequately provided across the county. The Commission understands policing decisions are difficult and complex. For example, in 2022, almost half (52%) of violent crimes (assault, homicide, robbery, sex), occurred in just a few Divisions—1, 2 and 4. These same divisions had 59% of the homicides, and 73% of the non-fatal shootings. (data.louisvilleky.gov) However, large areas of the county are underserved: there is one LMPD police officer for every 2,887 residents in Division 8, one LMPD police officer for every 1,051 residents in Division 3 while there is one LMPD police officer for every 374 residents in Division 1. (See map)



The Commission acknowledges that many of these underserved areas have contracted

with other police departments or with off-duty police officers to provide police services. Other underserved areas have created additional police departments to provide policing services. The Commission calls on Metro government, working together with suburban police departments, to evaluate and recommend crime-prevention services to provide adequate policing across the entire county.

15. The Commission recognizes that citizens from all across the Commonwealth of Kentucky and businesses in every county in Kentucky contribute to the success of Louisville. We also acknowledge that much of the success over our city's history and today in no small part depends upon the resources and workers in many other counties. The Commission also recognizes that Louisville Metro is the strongest economic engine of the Commonwealth of Kentucky and that our state is strong when Louisville is strong. To that end, the Commission calls on the General Assembly to work with local governments in Jefferson County and community leaders to find ways to further the economic development of Metro Louisville, which includes addressing issues of crime, education, public health, incentivizing home ownership, and attracting and retaining businesses to our Metro area.
16. The Commission recommends that the PVA annually demonstrate that assessments are consistent throughout the county and uniformity exists among property types, with the goal to achieve a more equitable and uniform assessment roll. To that end, the Commission recommends a group of five individuals be appointed to review any and all appropriate records related to the above-referenced issues and report its findings to the General Assembly and to the Department of Revenue. The five appointments shall be made the following way: two appointed by Greater Louisville Association of Realtors, two appointed by the Louisville Real Estate Brokers Association, one appointed by the Appraisal Associates, one appointed by the mayor of Louisville Metro, and one appointed by the Jefferson County League of Cities, all of whom must be qualified to evaluate property for tax assessment purposes.
17. The Commission recognizes that many city services and interaction points have been reduced since merger. For example, closures of government centers have occurred even though the population in areas outside the Urban Services Area has increased. The Commission believes Metro government and the mayor's office should continue to remedy this situation by considering creation of an office of suburban services and/or by appointing a deputy mayor or two who reside in underserved areas in the county.
18. The Commission recommends that funds received from the state government for road and transportation capital improvements should be fairly distributed across the county's nonincorporated areas based on population growth, population density and economic development.
19. The Commission recommends that the General Assembly amend KRS Chapter 75 to require that elections to boards of directors of Fire Districts be held on the same cycle as general elections and included on the same ballot.

20. Many projects are held up because of the backlog of projects at KYTC, due to severe understaffing. Projects can easily take a year or more for review because the staffing level is so low. The Commission believes staff should be allocated based on caseload rather than equally in each district. At a couple of public hearings, it was brought up on the maintenance of the ingress and egress ramps for the interstates. Currently KYTC mows the interstates and the ramps no less than three times per year. KYTC should undertake an assessment to ensure mowing is adequate and realize this is in an urban area, with a lot of pedestrians, and the mowing of the interstate should occur no fewer than four times per year.

Dated: September 15, 2023