

Local Mandate Fiscal Impact Estimate
Kentucky Legislative Research Commission
2017 Regular Session

Part I: Measure Information

Bill Request #: 1502

Bill #: HB 479

Bill Subject/Title: AN ACT relating to occupational license taxes.

Sponsor: Rep. R. Rothenburger

Unit of Government: City County Urban-County
 Charter County Consolidated Local Unified Local Government

Office(s) Impacted: _____

Requirement: Mandatory Optional

Effect on Powers & Duties: Modifies Existing Adds New Eliminates Existing

Part II: Purpose and Mechanics

The purpose of the bill is to modify which counties may impose the occupational license fees, to remove the upper limit of the tax rate, and to modify the set off and crediting provisions for the occupational license fees.

The bill amends KRS 68.197 to allow each county having a population of less than 300,000 to impose license fees on franchises, provide for licensing any business, trade, occupation, or profession, and the using, holding, or exhibiting of any animal, article, or other thing. Currently, each county having a population of 30,000 or more may by ordinance impose the license fees.

KRS 68.604 is amended to conform. KRS 68.198 and 68.199 are repealed. The Act takes effect July 1, 2018.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

Currently, the eligible counties may only impose a rate not to exceed 1%. The 1% cap will be removed if the proposal is enacted.

Finally, the set off or credit provisions of city license fees against county license fees that currently exist are repealed, except those set off or credit provisions that are executed via an agreement between the city and the county. A county and city may be required to negotiate a crediting provision if the proposal is enacted to maintain the current level of revenues. Without this negotiation, additional revenues may be remitted by taxpayers within the local jurisdictions.

Counties imposing occupational license fees may be impacted by this proposal. Cities are not impacted.

There is not sufficient data to determine the exact impact to any specific local jurisdiction.

Data Source(s): _____

Preparer: Jennifer Hays **Reviewer:** KHC **Date:** 2/24/17