

**Local Government Mandate Statement
Kentucky Legislative Research Commission
2021 Regular Session**

Part I: Measure Information

Bill Request #: 1244

Bill #: HB 249-SCS/EN

Document ID #: 7499

Bill Subject/Title: AN ACT relating to revenue, making an appropriation therefor, and declaring an emergency.

Sponsor: Rep. J. Petrie

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

Office(s) Impacted: _____

Requirement: **X** Mandatory Optional

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

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

In Section 2 of HB 249-EN, KRS 132.590(10) is amended to alter the bracketed amount of the total sum to be paid by a fiscal court to any property valuation administrator’s office. The total sum paid is based on the assessed value of property subject to county tax. The bracket which is amended is currently based on the assessed value of property of at least \$7.5 billion but less than \$15.0 billion. This change increases the bracket to the assessed value of property of at least \$7.5 billion but less than \$30.0 billion. The payment for a county which falls within this bracket shall not exceed \$250,000. The highest bracket is related to the assessed value of property of at least \$20.0 billion. The payment for a county which falls within this bracket shall not exceed \$400,000. Multiple counties may be impacted by the change. The Property Valuation Offices within these counties may realize a decrease in the total amount paid by the impacted counties, moving from the highest bracket to the next highest bracket and the total sum paid being limited to \$250,000, instead of \$400,000.

In HB 249-EN, Section 14 is created to allow one tax district to share a refund application that is submitted to it by an employee seeking a refund of any amount of tax withheld and paid by his or her employer to that tax district with another tax district that is referenced in the refund application or any related information. This provision will allow an easier administrative process at the local level when completing the taxpayer's request for a refund.

The local impact from HB 249-EN is a reduction to the expense of using PVA data by certain counties and a corresponding reduction of revenue to the Property Valuation Administrator's office within those counties.

Part III: Differences to Local Government Mandate Statement from Prior Versions

HB 249-SCS restructures the local alcohol regulatory license fee to allow a sales and use tax exemption related to those gross receipts. No impact will occur to a local jurisdiction related to this restructuring.

Additionally, the property of a veteran service organization assessed on January 1, 2022, is exempt from taxation if over 50% of the veteran service organization's annual net income is expended on behalf of military veterans and other charitable causes. A small impact to revenues may occur in certain counties containing this type of property if the compensating rate process is not sufficient to replace receipts from the exempted property.

Data Source(s): LRC staff

Preparer: Jennifer Hays **Reviewer:** KHC **Date:** 3/29/21