

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2021 REGULAR SESSION**

**MEASURE**

2021 BR NUMBER 1534

HOUSE BILL NUMBER 479/HCS1

**TITLE** AN ACT relating to legal actions involving the Commonwealth of Kentucky and declaring an emergency.

**SPONSOR** Representative John Blanton

**FISCAL SUMMARY**

STATE FISCAL IMPACT:  YES  NO  UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY:  ACTUARIAL ANALYSIS  
 LOCAL MANDATE  CORRECTIONS IMPACT  HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Attorney General

FUND(S) IMPACTED:  GENERAL  ROAD  FEDERAL  RESTRICTED Unknown Attorney General Restricted Funds

FISCAL ESTIMATES	2020-2021	2021-2022	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES	Indeterminable	Indeterminable	Indeterminable
EXPENDITURES	Indeterminable	Indeterminable	Indeterminable
NET EFFECT	Indeterminable	Indeterminable	Indeterminable

( ) indicates a decrease/negative

**PURPOSE OF MEASURE:** Section 1 allows the Attorney General to bring actions challenging constitutionality of statutes, executive orders, and administrative regulations in any county where the constitutional harm may allegedly occurred. Section 2 allows the Attorney General to investigate claims and judgements without a request from the Department of Revenue. Section 3 removes reference to the Financial Integrity Enforcement Division, but expands the Attorney General’s powers to investigate theft and fraud, specifically in cases where a person’s identity is used to obtain a benefit provided by the government. Section 4 adds the President of the Senate and the Speaker of the House to the list of people who can request the Attorney General’s participation in identified cases and investigations. Section 5 adds statutory authority for which the Attorney General can initiate or intervene in actions. Section 6 waives the Commonwealth’s immunity found in the Eleventh Amendment to the US Constitution for freedom of religion cases, but only for purposes of federal injunctions; the provision maintains immunity for monetary damages and other court costs.

**FISCAL EXPLANATION:** Sections 1 through 5 of HB 479 HCS 1 add or modify permissive language, meaning HB 479 HCS 1 does not require the Attorney General to perform additional responsibilities. Because the language is permissive, the Office of the Attorney General states

that the costs to the Office of the Attorney General are indeterminable. The Office of the Attorney General says that additional costs may arise if the Attorney General chooses to use the discretionary provisions provided in the bill. Likewise, revenues could potentially increase if the Attorney General uses the provisions of the bill to pursue investigations and cases that may result in settlements or judgements with monetary awards. The fund source of the potential revenues and expenditures from Section 1 to 5 are unknown at this time.

The fiscal impact of Section 6, which waives immunity from freedom of religion suits in federal court brought by citizens in other states or other countries, is indeterminable. If the Commonwealth is sued due to waiving its Eleventh Amendment immunity in freedom of religion cases, the Commonwealth would presumably have costs for its defense. The provision in Section 6 does specify that the Commonwealth does not waive its immunity with regard to monetary damages, costs, and attorney fees if the Commonwealth loses these freedom of religion cases. The costs to defend the Commonwealth in these specific cases are indeterminable, but would be dependent on the number of these cases brought against the commonwealth. The fund source of the potential indeterminable expenditures due to Section 6 would likely be paid with General Fund resources.

Section 7 contains an emergency clause which makes the measure effective upon its passage and approval by the Governor or upon its otherwise becoming a law.

Overall, the fiscal impacts of the bill are indeterminable.

**DATA SOURCE(S): Kentucky Office of the Attorney General, LRC Staff**

**PREPARER: Nick Peak NOTE NUMBER: 110 REVIEW: JAB DATE: 3/15/2021**