

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

Part I: Measure Information

Bill Request #: 1260

Bill #: HB 553 GA

Document ID #: 7095

Bill Subject/Title: AN ACT relating to unemployment insurance fraud.

Sponsor: Rep. C. Ed Massey

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

Office(s) Impacted: Local law enforcement offices; peace officers, courts and jails

Requirement: 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**

The fiscal impact of HB 553 GA is indeterminate and minimal. HB 553 GA amends KRS 341.990 to make it a Class D felony to make false statements relating to COVID-19 benefits. The bill provides for a minimum term of one year without benefit of any form of early release. The amended section of the statute is in effect until June 30, 2023. Costs associated with Class D felony incarcerations are described below.

When a court denies bail to a Class D felony defendant, the local government is responsible for incarcerating the defendant until disposition of the case in one of Kentucky's 77 full service jails or three life safety jails. While the expense of housing inmates varies by jail, each additional inmate increases facility costs by an average cost to incarcerate of \$37.35, which includes the \$31.34 per diem and medical expenses that the Department of Corrections pays jails to house felony offenders. Upon sentencing, a Class D felon is housed in one of Kentucky's full service jails for the duration of his or her sentence. The Department of Corrections pays a jail \$31.34 per day to house a Class D felon. The per diem may be less than, equal to, or greater than the actual housing cost.

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

The fiscal impact of HB 553 GA is essentially the same as for HB 553. HB 553 GA deleted the provisions of HB 553, Section 1-13 as introduced, and (only) amended KRS 341.990 to provide Class D Felony sanctions for fraudulent unemployment claims related to the COVID-19 pandemic. HB 553 GA provides for a minimum of one year Class D felony incarceration with no early release. **Costs associated with Class D felony incarceration are described in Part II above.**

Data Source(s): Kentucky Department of Corrections; Kentucky Jailers Association; Kentucky Association of Chiefs of Police. Kentucky Sheriffs Association

Preparer: H. Marks **Reviewer:** KHC **Date:** 3/16/21