

**Local Government Mandate Statement
Kentucky Legislative Research Commission
2023 Regular Session**

Part I: Measure Information

Bill Request #: 1085

Bill #: HB 215

Document ID #: 1900

Bill Subject/Title: AN ACT relating to the levy of occupational license fees.

Sponsor: Representative Tom Smith

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

Office(s) Impacted: City and County Occupational Tax Collector / Treasurer

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

HB 215 amends KRS 68.197 to:

- remove language requiring a minimum population requirement of 30,000 before a county may impose license fees;
- remove language limiting occupational license fees to no more than 1%;
- allow for the crediting of city and county occupational license fees by agreement **only**.
- repeals KRS 68.199 regarding the treatment of occupational license fee credits between county and city governments that attain a population of 30,000. This will not be a factor since the minimum population requirement of 30,000 is removed by the amending of KRS 68.197.

The fiscal impact of HB 215 cannot be determined beyond a positive impact on counties. It is unknown if, and by how much, counties may increase their occupational license fees once the 1% limitation is removed. Additionally, whereas HB 215 will remove statutorily defined crediting of city license fees against county license fees, the

county will be able to receive the full amount of occupational license fees due them **except in instances where there is an agreement between the county and city governments regarding credits.**

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

Part II refers to HB 215 as introduced. There are no prior versions.

Data Source(s): LRC Staff

Preparer: WB (MS) **Reviewer:** KHC **Date:** 2/16/23