

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2024 REGULAR SESSION**

**MEASURE**

2024 BR NUMBER 1360

HOUSE BILL NUMBER 256

**TITLE** AN ACT relating to the promotion of stronger homes to resist losses due to catastrophic weather events and making an appropriation therefor.

**SPONSOR** Representative Michael Sarge Pollock

**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: Department of Insurance

FUND(S) IMPACTED:  GENERAL  ROAD  FEDERAL  RESTRICTED Strengthen  
Kentucky Homes Program, Examination Expense Revolving Fund, Insurance Regulatory Trust Fund

FISCAL ESTIMATES	2023-2024	2024-2025	2025-2026	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			\$5,000,000	
EXPENDITURES			(\$5,000,000)	(\$330,000)
NET EFFECT			\$0	(\$330,000)

( ) indicates a decrease/negative

**PURPOSE OF MEASURE:** The purpose of this measure is to establish the Strengthen Kentucky Homes Program, which will provide financial grants to assist in reducing losses due to catastrophic wind and hail events with fortified construction standards. The bill also requires property insurance companies to provide premium discounts for properties that have received a qualifying certificate of compliance.

**FISCAL EXPLANATION:** The bill transfers \$5 million in Restricted Funds in fiscal year 2026 from the Department of Insurance into the Strengthen Kentucky Homes Program fund to implement and administer the program. The department will require three additional personnel to review premium discounts and rate reductions submitted by insurers, perform audits, and provide enforcement of the program, which is estimated to cost \$330,000 annually. The commissioner is also required to seek and obtain grants from the federal government to supplement appropriations made to the fund. This program will have recurring expenditures annually with new personnel and operating costs; however, it only provides one-time funding with the Restricted Funds transfer.

**DATA SOURCE(S):** LRC Staff

**PREPARER:** Sara Rome **NOTE NUMBER:** 44 **REVIEW:** JB **DATE:** 2/9/2024