Local Government Mandate Statement Kentucky Legislative Research Commission 2024 Regular Session

Part I: Measure Information

Bill Request #: 1752						
Bill #: HB 492 SCS 1						
Document ID #: 8410						
Bill Title: AN ACT relating to background checks.						
Sponsor: Representative Matt Lockett						
Unit of Government: X City X County Unified Local						
X Charter County X Consolidated Local X Government						
Office(s) Impacted: Local Governments						
Requirement: X Mandatory Optional						
Effect on Powers & Duties: Modifies ExistingX_ Adds New Eliminates Existing						

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

HB 492 SCS 1 Section 1 would create a new section of KRS Chapter 65 to require that each employee of a qualified local government who has access to federal tax information sourced from the Internal Revenue Service to submit to a criminal background check by the Department of Kentucky State Police and the Federal Bureau of Investigation. It would require that the fee charged by the Department of Kentucky State Police be no more than the actual cost of processing the background check. It would also authorize the Department of Kentucky State Police to promulgate administrative regulations necessary to implement this section.

Section 2 would amend KRS 68.197 to state that occupational license taxing continues to apply in territory annexed by a city pursuant to KRS 81A.415 but that a city shall remit payments to the county to match the revenue the county received prior to the annexation.

The fiscal impact of Section 1 of HB 492 SCS 1 on local governments is expected to be minimally negative. It appears that Louisville's Revenue Commission is currently the

only local entity that HB 492 SCS 1 would apply to. The Commission currently employs 42 employees that have access to federal tax information. The cost of a state background check through KSP is \$20 and the cost of a federal background check is \$18.

The impact of Section 2 on counties is expected to be neutral because the provisions would require that occupational licensing tax revenue from a territory that has been annexed by a city continue to be of the same amount as prior to annexation when possible. There may be administrative and personnel costs associated with cities remitting payment to counties.

Data Source(s):	Kentucky State Police; Louisville Metro Revenue Commission; Federal			
	Bureau of Investigations			

Preparer:	Jacob Blevins (MS)	Reviewer:	KHC	Date:	3/21/24
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