

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

MEASURE

2024 BR NUMBER 236

HOUSE BILL NUMBER 61

TITLE AN ACT relating to the property tax homestead exemption.

SPONSOR Representative Ryan Dotson

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: _____

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

FISCAL ESTIMATES	2023-2024	2024-2025	2025-2026	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			(\$18,000,000)	(\$18,000,000)
EXPENDITURES				
NET EFFECT			(\$18,000,000)	(\$18,000,000)

() indicates a decrease/negative

PURPOSE OF MEASURE: HB 61 amends the amount of the property tax homestead exemption to be 50 percent of the first \$250,000 in assessed valuation. The bill only becomes effective upon the ratification of an amendment to Section 170 of the Kentucky Constitution permitting the General Assembly to determine the amount of the homestead exemption.

FISCAL EXPLANATION: If HB 61 is enacted and the related constitutional amendment is ratified, the fiscal impact is expected to be negative \$18,000,000 each year.

65 And Over:	FY 2026
# Homeowners with Property value <\$250,000	302,276
Median Home Value	\$131,084
Exemption Value	\$65,542
# Homeowners with Property value >\$250,000	109,121
Maximum Exemption Value (50% X \$250,000)	\$125,000
Tax Rate (11.4 cents/\$100)	.00114
65 And Over Exemption Value	\$38,135,196

Disabled:	FY 2026
# Homeowners with Property value <\$250,000	60,401
Median Home Value	\$112,310
Exemption Value	\$56,155
# Homeowners with Property value >\$250,000	17,411
Maximum Exemption Value (50% X \$250,000)	\$125,000
Tax Rate (11.4 cents/\$100)	.00114
Disabled Exemption Value	\$6,347,856
HB 61 Exemption Value	\$44,483,052
Current Exemption Value	\$26,495,633
FY 2026 Fiscal Impact	(\$17,987,419)

It is important to note that if enacted, HB 61 would decrease the property tax burden for qualifying homeowners whose permanent residence is assessed at a value that is more than double the current homestead exemption amount and would increase the tax burden for qualifying homeowners whose permanent residence is assessed at a value that is less than double the current homestead exemption amount.

Currently, qualified homeowners with a residence valued below the current homestead exemption amount do not pay property tax on their home; however, under HB 61, these qualified homeowners would pay property taxes on 50 percent of the assessed value of their residence.

DATA SOURCE(S): US Census Bureau Public Use Microdata 2022, Kentucky Department of Revenue, National Association of Realtors, LRC staff

PREPARER: Cynthia Brown NOTE NUMBER: 50 REVIEW: JH DATE: 2/28/2024