

**Local Government Mandate Statement
Kentucky Legislative Research Commission
2025 Regular Session**

Part I: Measure Information

Bill Request #:	459	Bill #:	HB 129
Document ID #:	1084	Sponsor:	George A Brown Jr.
Bill Title:	AN ACT relating to a living wage.		

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

Office(s) Impacted: All who receive occupational license taxes or employ persons earning below a living wage as defined in the bill

Requirement: Mandatory Optional

Effect on Powers & Duties: Modifies Existing Adds New Eliminates Existing

Other Fiscal Statement(s) that may exist: Actuarial Analysis Corrections Impact
 Health Benefit Mandate State Employee Health Plan

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

HB 129 would create a new section of KRS Chapter 337 to require any employer that begins doing business in Kentucky on or after the effective date of the bill to pay all of its employees at least a living wage for the employee's starting base salary if the business: receives any local, state, or federal government subsidies, economic incentives, tax incentives, financing, workforce assistance, loans, or grants; is located in an enterprise zone or opportunity zone in Kentucky and tax incentives have been provided or will be provided to the business or its investors; contracts with any local, state, or federal government agency to provide goods or services; or leases or subleases any local, state, or federal government property. The bill defines “living wage” as a wage level equivalent to or greater than 130% of the poverty level for the county in which the employee is employed.

HB 129 could have a positive fiscal impact on cities and counties that impose an occupational license tax on workers in their jurisdiction. HB 129 could have a negative fiscal impact on cities and counties that do not levy a percentage payroll tax, since their payroll costs from paying employees, a higher wage could increase and not be offset by increased revenues from occupational license taxes.

Counties may impose an occupational license tax, with some exceptions, ranging from 1% to 1.25% depending on population size. The Kentucky Association of Counties estimates 86 Kentucky counties currently impose an occupational license fee on workers in their county and would benefit from increased revenue from salary increases. License fees paid to a city are, generally, credited against the county license fee. Counties without an occupational license fee would not enjoy increased revenue from HB 129 but could have increased salary expenses for their employees who do not make a living wage as defined by HB 129.

The following are the 2024 Poverty Guidelines for the 48 Contiguous States and the District of Columbia as published by the Office of the Assistant Secretary for Planning and Evaluation under the United States Department of Health and Human Services.

Number of Persons in Family / Household	Poverty Guidelines*	130% of Poverty Level
1	\$15,060	\$19,578
2	\$20,440	\$26,572
3	\$25,820	\$33,566
4	\$31,200	\$40,560
5	\$36,580	\$47,554
6	\$41,960	\$54,548
7	\$47,340	\$61,542
8	\$52,720	\$68,536

*For families/households with more than 8 persons, add \$5,380 for each additional person.

Poverty level is not currently determined at the county level. Currently, all Kentucky counties adhere to the Federal poverty level depicted above. Additionally, poverty level is determined by the size of the household. Thus, in order to determine 130% of poverty level, an employer would have to look at each household under his hire to determine the size of the household. If this legislation passes as introduced, it may necessitate that the poverty level be determined for each county.

LRC staff also reached out to the Kentucky League of Cities (KLC). If KLC provides information this mandate statement may be amended.

Data Source(s): LRC Staff; US Department of Health & Human Services; KACo

Preparer: AS **Reviewer:** MS (MDA) **Date:** 1/29/25