

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

Part I: Measure Information

Bill Request #:	180	Bill #:	HB 393
Document ID #:	1489	Sponsor:	Rep. Bill Wesley
Bill Title:	AN ACT relating to the acquisition and ownership of real property by a foreign principal		

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

Office(s) Impacted: Law Enforcement, Jails

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

Section 1 prohibits any foreign principal, defined as a nonresident alien individual or other entity, from directly or indirectly owning or having a controlling interest in real property located in the Commonwealth of Kentucky. A foreign principal that directly or indirectly owns or acquires any interest in real property in Kentucky before the effective date of this Act may continue to own or hold the property. They must register their property with the Cabinet for Economic Development before the effective date.

Section 2 classifies any violations of section 1 as a Class D felony. This section also classifies the sale of property or interest in real property to a foreign principal if the seller is aware they are a foreign principal as a Class D felony.

The fiscal impact of HB 393 is indeterminable but expected to be negative. There is no way to anticipate the number of violations of this act, but there will be costs associated with investigating violations and incarcerating offenders.

When a court denies bail to a Class D felony defendant, the local government is responsible for incarcerating the defendant until disposition of the case in one of Kentucky's 74 full-service jails or three life safety jails. While the expense of housing inmates varies by jail, each additional inmate increases facility costs by an average cost to incarcerate of \$47.43, which includes the \$35.34 per diem and medical expenses that the Department of Corrections pays jails to house felony offenders. Upon sentencing, a Class D felon is housed in one of Kentucky's full-service jails for the duration of his or her sentence. The Department of Corrections pays a jail \$35.34 per day to house a Class D felon. The per diem may be less than, equal to, or greater than the actual housing cost.

Data Source(s): Kentucky Department of Corrections

Preparer: TJ **Reviewer:** JB (MDA) **Date:** 1/15/25