

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

Part I: Measure Information

Bill Request #:	BR 1416	Bill #:	HB 644
Document ID #:	4444	Sponsor:	Representative Michael Sarge Pollock
Bill Title:	AN ACT relating to group health insurance		

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

Office(s) Impacted: Local government tax revenue

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

KRS 91A.080 authorizes local governments to impose and collect license fees or taxes on policy premiums paid to insurance companies that do business in the local government’s jurisdiction. The insurance premium tax is a significant revenue source for local governments. Regarding health insurance, the statute currently prohibits a license fee or tax imposed on premiums received for group health insurance for state employees, on health insurance policies issued to individuals, and on policies for high deductible health plans as defined by federal law. HB 644 would amend KRS 91A.080 to prohibit a local government levying a license fee or tax on premiums paid for any health insurance policy.

HB 644 would have an indeterminable negative fiscal impact on local governments that impose an insurance premium tax on employer-based health insurance premiums. Most Kentucky cities and counties do not impose a fee or tax on health insurance premiums and would not be impacted by HB 644. In FY 2024 147 cities that impose an insurance premium tax do not tax health insurance premiums. As of July 1, 2024 only 8 counties levy an insurance premium tax on health insurance premiums.

Data Source(s): Kentucky League of Cities; LRC staff
Preparer: MS **Reviewer:** JB (MDA) **Date:** 2/24/25