

Local Government Mandate Statement
Kentucky Legislative Research Commission
2026 Regular Session

Part I: Measure Information

Bill Request #:	1342	Bill #:	HB 265
Document ID #:	2706	Sponsor:	Representataive Michael Lee Meredith
Bill Title:	AN ACT relating to regulatory authorizations by the commissioner of insurance.		

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

Office(s) Impacted: Those seeking to form self-insured workers' compensation insurance groups; cities with ordinances prohibiting dissolution of self-insured plans; county clerks

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 265 Section 1 would establish a new section of KRS Chapter 299 to authorize a solvent insurance company transacting business under the cooperative or assessment plan i.e. a self-insured plan for groups of employers, to voluntarily dissolve in accordance with the requirements of Section 1. Those requirements include filing articles of dissolution in the office of the county clerk where the company's principal place of business is or was located.

Section 2 would amend KRS 304.50-010 to prohibit new workers' compensation self-insured groups forming on or after the effective date of HB 265.

The bill would not prohibit a new group joining an established workers' compensation cooperative or assessment plan.

The fiscal impact of HB 265 is indeterminable.

The bill requires filing the articles of dissolution of the company with the Secretary of State (SOS) at a cost of \$40, and with the county clerk of the county where the company's principal place of business was located for a fee of \$30 for the first 5 pages and \$3 per each page in excess of five pages. If this bill goes into effect, it is unknown how many companies would be dissolved or in which counties they would be located, therefore, the amount county clerks would earn from these fees is indeterminable.

A local government may need to amend its ordinances to permit the dissolution of these companies. If so, they will incur costs associated with the drafting, publication, indexing and recording of adopted ordinances. According to Kentucky League of Cities, most cities, especially smaller ones, retain their city attorney on contract and pay on an hourly basis. Time spent drafting an ordinance is influenced by its complexity and the amount of research necessary. In 2024, the estimated average salary paid by a city to a retained attorney was approximately \$117 to \$128 per hour. Rates for posting legal notices in the newspaper vary greatly depending on the length of the publication, the number of times it needs to be published and the newspaper in which the publication is placed. Therefore, these costs are unknown.

Impacted local governments may incur costs in obtaining replacement workers' compensation insurance coverage for its employees.

The Kentucky Association of Counties believes HB 265 would have no fiscal impact on the workers' compensation insurance it provides to its members.

Data Source(s): Kentucky League of Cities; Kentucky Association of Counties

Preparer: MS **Reviewer:** AS (MDA) **Date:** 1/13/26