

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

Part I: Measure Information

Bill Request #:	1451	Bill #:	HB 380/HCS 1
Document ID #:	7686	Sponsor:	Rep. Tom Smith
Bill Title:	AN ACT relating to the regulation of virtual currency kiosk business		

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 29 adds a new section of Subtitle 13 of KRS Chapter 286 to find a person that intentionally makes a false statement, misrepresentation, false certification, false entry, or omits a material entry in a record filed or maintained under this subtitle to be guilty of a Class D felony.

Additionally, a person that intentionally engages in virtual currency kiosk business without a license is guilty of a Class C felony.

Section 32 amends KRS 431.073 to allow expungement of a person convicted of a Class D felony under section 29.

The fiscal impact of HB 380/HCS 1 is indeterminate but expected to be negative. The number of violations under this act cannot be determined, but there will be costs associated with the investigation of violations and incarceration of violators.

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.

When a court denies bail to a Class C 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. Class C felons are ineligible for placement in local jails until they are classified at the lowest custody level with 24 months or less to their minimum expiration date or parole eligibility date. The Department of Corrections pays local jails \$35.34 per day to house these Class C felons. The per diem may be less than, equal to, or greater than the actual housing cost.

Data Source(s): LRC staff; Kentucky Department of Corrections

Preparer: TJ **Reviewer:** HT (MDA) **Date:** 3/6/26