

**Local Government Mandate Statement
Kentucky Legislative Research Commission
2026 Regular Session**

Part I: Measure Information

Bill Request #:	1962	Bill #:	SB 153/SCS 1
Document ID #:	5262	Sponsor:	Sen. Greg Elkins
Bill Title:	AN ACT relating to the prevention of harmful and fraudulent practices.		

Unit of	<input checked="" type="checkbox"/> City	<input checked="" type="checkbox"/> County	<input checked="" type="checkbox"/> Urban-County
Government:	<input checked="" type="checkbox"/> Charter County	<input checked="" type="checkbox"/> Consolidated Local	<input checked="" type="checkbox"/> Unified Local

Office(s) Impacted: All local governments

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

SB 153 SCS 1 retains the original provisions and adds a requirement that the Attorney General, a Commonwealth's attorney, or a county attorney to refer to the commissioner any report, investigation, or discover of a fraudulent insurance act that is received, initiated, or discovered by the entities mentioned, unless the act has been previously reported to the commissioner.

Section 4 of SB 153 SCS 1 amends KRS 367.628 to prohibit causing, commanding, or encouraging another person to cause, damage to real estate in order to increase the scope of goods or services provided or to secure a contract for goods or services. Violations of the above provisions constitute both a fraudulent insurance act under KRS 304.47-020 (Section 7) and criminal mischief in the first degree under KRS 512.020 (Section 8).

Under KRS 304.47-020, violators convicted of a fraudulent insurance act shall be guilty of a Class A misdemeanor, unless the aggregate of the claim, benefit, or money is:

\$500 to less than \$10,000, in which case it is a Class D felony;

\$10,000 to less than \$1,000,000, in which case it is a Class C felony; or

\$1,000,000 or more, in which case it is a Class B felony.

Under KRS 512.020, criminal mischief in the first degree is a Class D felony. However, if the offense occurs during a declared emergency the offense shall be a Class C felony.

For a first offense, the offense shall be a Class B misdemeanor, if the defendant at any time prior to trial effects repair or replacement of the defaced, destroyed, or damaged property, makes complete restitution in the amount of the damage, or performs community service as required by the court.

For a second or subsequent offense, the offense shall be a Class A misdemeanor, if the defendant at any time prior to trial effects repair or replacement of the defaced, destroyed, or damaged property, makes complete restitution in the amount of the damage, or performs community service as required by the court.

Section 9 of SB 153 SCS 1 creates a new section of KRS Chapter 367 authorizing the Attorney General to issue an order during certain states of emergency to require persons engaging in business as a contractor in the designated area to obtain a certificate. A local government may submit a declaration to the Attorney General stating that the local government's emergency registration or licensure requirements are greater than those imposed under the section. If the Attorney General determines that the local government's emergency registration or emergency licensure requirements for contractors are greater than the requirements imposed under subsection (3)(a), (b), and (c) of Section 9, the contractor shall only comply with all the emergency registration or emergency licensure requirements imposed by the local government.

The fiscal impact of SB 153 SCS 1 on local governments is indeterminate, but likely to be minimal to moderate. There is no way to anticipate how many violations may occur.

Costs associated with fraudulent insurance act reporting requirements outlined in SB 153 SCS 1 are likely to be minimal.

A person convicted of a Class B misdemeanor may be incarcerated for up to 90 days. A person convicted of a Class A misdemeanor may be incarcerated for up to twelve months. Misdemeanants are housed in one of Kentucky's 74 full-service jails or three life safety jails. While the expense of housing inmates varies by jail, this estimated impact will be based on an average cost to incarcerate of \$47.43 per day. While the majority of misdemeanor defendants are granted bail, those who do not will also cost local jails an average cost to incarcerate of \$47.43 per day.

When a court denies bail to a Class B, Class C or 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 of \$47.43, which includes the \$35.34 per diem and medical expenses that the Department of Corrections (DOC) 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 DOC 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): LRC Staff, KY Department of Corrections

Preparer: BW **Reviewer:** TJ (MDA) **Date:** 2/11/26