

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2024 REGULAR SESSION**

MEASURE

2024 BR NUMBER 1804

HOUSE BILL NUMBER 834

TITLE AN ACT relating to travel reimbursement.

SPONSOR Representative Kim Banta

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: Legislative Research Commission Finance and Administration, Judicial Branch

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED Various

FISCAL ESTIMATES	2023-2024	2024-2025	2025-2026	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES				
EXPENDITURES		Indeterminable	Indeterminable	Indeterminable
NET EFFECT		(Indeterminable)	(Indeterminable)	(Indeterminable)

() indicates a decrease/negative

PURPOSE OF MEASURE: This measure amends various statutes to update the mileage reimbursement rate for state employees to the business standard mileage rate established and revised annually by the Internal Revenue Service (IRS).

FISCAL EXPLANATION: This measure will cause expenditures to indeterminably increase. It is difficult to estimate how many miles will be driven by state employees in personal vehicles that will qualify for reimbursement.

Currently, the Finance and Administration Cabinet sets the state employee mileage reimbursement rate quarterly and bases the rate on the American Automobile Association Daily Fuel Gauge Report for Kentucky. The rate, beginning on January 1, is 43 cents. By moving to the business standard mileage rate, which is 67 cents for 2024, reimbursement will be raised by 24 cents.

Cabinets with state employees who travel for work, such as social workers or investigators, will experience a greater increase in expenditures than cabinets whose employees do not travel as often.

The chart below shows the state's employee mileage and reimbursement costs over six years.

	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24 (July 2023- Feb. 2024)
Miles	95,683,426	39,505,931	8,912,863	17,703,958	24,371,067	18,365,583
Cost	\$40,077,948	\$16,199,121	\$3,563,185	\$7,934,223	\$11,531,148	\$8,371,573
Average Reimbursement Rate	\$0.42	\$0.41	\$0.40	\$0.45	\$0.47	\$0.46

DATA SOURCE(S): LRC Staff, Finance and Administration Cabinet, Internal Revenue Service (IRS)

PREPARER: Mariah K Derringer-Lackey NOTE NUMBER: 142 REVIEW: JB DATE: 3/11/2024