

1 AN ACT relating to hazardous duty retirement for code enforcement personnel of a  
2 consolidated local government.

3 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

4 ➔Section 1. KRS 78.5520 is amended to read as follows:

5 (1) For purposes of this section:

6 (a) "Hazardous position" for employees who began participating in the County  
7 Employees Retirement System prior to September 1, 2008, means:

8 1. Any position whose principal duties involve active law enforcement,  
9 including the positions of probation and parole officer, active fire  
10 suppression or prevention, correctional officers with duties that  
11 routinely and regularly require face-to-face contact with inmates, or  
12 other positions, including but not limited to paramedics and emergency  
13 medical technicians, with duties that require frequent exposure to a high  
14 degree of danger or peril and also require a high degree of physical  
15 conditioning; and

16 2. Code enforcement officers employed by a consolidated local  
17 government pursuant to KRS Chapter 67C with duties including but  
18 not limited to investigation, inspection, and issuance of citations for  
19 violations of ordinances relating to facilities, hazardous materials,  
20 land development, and zoning, and with duties that require frequent  
21 exposure to a high degree of danger or peril and also require a high  
22 degree of physical conditioning; and

23 (b) "Hazardous position" for employees who begin participating in the County  
24 Employees Retirement System on or after September 1, 2008, means:

25 1. Police officers and firefighters as defined in KRS 61.315(1),  
26 paramedics, correctional officers with duties that routinely and regularly  
27 require face-to-face contact with inmates, and emergency medical

1 technicians, if:

2 a.[1.] The employee's duties require frequent exposure to a high degree  
3 of danger or peril and a high degree of physical conditioning; and

4 b.[2.] The employee's duties are not primarily clerical or administrative;  
5 and

6 2. Code enforcement officers employed by a consolidated local  
7 government pursuant to KRS Chapter 67C with duties including but  
8 not limited to investigation, inspection, and the issuance of citations  
9 for violations of ordinances relating to facilities, hazardous materials,  
10 land development, and zoning, if:

11 a. The employee's duties require frequent exposure to a high  
12 degree of danger or peril and a high degree of physical  
13 conditioning; and

14 b. The employee's duties are not primarily clerical or  
15 administrative.

16 (2) (a) Each employer may request of the board hazardous coverage for those  
17 positions as defined in subsection (1) of this section. Upon request, each  
18 employer shall certify to the system, in the manner prescribed by the board,  
19 the names of all employees working in a hazardous position as defined in  
20 subsection (1) of this section for which coverage is requested. The  
21 certification of the employer shall bear the approval of the agent or agency  
22 responsible for the budget of the employer indicating that the required  
23 employer contributions have been provided for in the budget of the employer.  
24 The system shall determine whether the employees whose names have been  
25 certified by the employer are working in positions meeting the definition of a  
26 hazardous position as provided by subsection (1) of this section.

27 (b) Each employer shall also certify, under penalty of perjury in accordance with

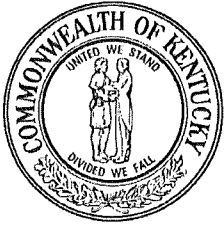
1 KRS Chapter 523, that each employee's actual job duties are accurately  
2 reflected in the job description provided to the system. The system shall  
3 determine whether the employees whose names have been certified by the  
4 employer are working in positions meeting the definition of a hazardous  
5 position as defined in subsection (1) of this section.

6 (c) The board shall have the authority to remove any employee from hazardous  
7 coverage if the board determines the employee is not working in a hazardous  
8 position or if the employee is classified in a hazardous position but has  
9 individual job duties that do not meet the definition of a hazardous position or  
10 are not accurately reflected in the job descriptions filed by the employer with  
11 the system.

12 (3) (a) If the employer participated in the system prior to electing hazardous  
13 coverage, the employer may pay to the system the cost of converting the  
14 nonhazardous service to hazardous service from the date of participation to  
15 the date the payment is made, or the employer may establish a payment  
16 schedule for payment of the cost of the hazardous service above that which  
17 would be funded within the existing employer contribution rate. The employer  
18 may extend the payment schedule to a maximum of thirty (30) years.  
19 Payments made by the employer under this subsection shall be deposited to  
20 the retirement allowance account of the proper retirement or retiree health  
21 fund and shall not be considered accumulated contributions of the individual  
22 members.

23 (b) If the employer elects not to make the additional payment as provided by  
24 paragraph (a) of this subsection, the employee may pay the cost of converting  
25 the service and provide payment for the cost as provided by KRS 61.552(9).  
26 Payments made by the employee under this subsection shall not be picked up,  
27 as described in KRS 78.610(4), by the employer.

- 1 (c) If neither the employer nor employee makes the payment, the service prior to  
2 hazardous position coverage shall remain nonhazardous.
- 3 (d) The provisions of this subsection shall not apply to members who begin  
4 participating in the system on or after January 1, 2014.
- 5 (4) Any person employed in a hazardous position shall be required to undergo a  
6 thorough medical examination by a licensed physician, and a copy of the medical  
7 report of the physician shall be retained on file by the person's employer and made  
8 available to the system upon request.
- 9 (5) If doubt exists regarding the benefits payable to a hazardous position employee  
10 under this section, the board shall determine the benefits payable under KRS 78.510  
11 to 78.852.



## KENTUCKY PUBLIC PENSIONS AUTHORITY

Ryan Barrow, Executive Director

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Kentucky Public  
Pensions Authority

February 17, 2025

Ms. Maurya Allen  
Executive Assistant, Director's Office  
Legislative Research Commission  
Capitol Annex, Room 186  
Frankfort, KY 40601

RE: House Bill 367 (2025 RS BR 982)  
AN ACT relating to hazardous duty retirement for code enforcement personnel of a consolidated local government  
AA Statement Required by KRS 6.350  
**AA Statement 1 of 1.**

Dear Ms. Allen:

The Kentucky Public Pensions Authority (KPPA) staff have reviewed the proposed legislation and certify the following in accordance with KRS 6.350 (2)(c):

1. The estimated number of individuals affected as of June 30, 2024, is 82,505 active and 112,610 inactive members within the County Employees Retirement System's Nonhazardous plan administered by the KPPA.
2. Code enforcement officers and zoning personnel employed by consolidated local governments may be eligible for increased benefits if an employer successfully appeals to the CERS Board of Trustees for hazardous coverage and the request is granted;
3. There is no direct estimated change to employer costs as the bill is currently written, however, if a consolidated local government successfully petitions the CERS Board of Trustees for hazardous coverage and is approved, employer costs will increase to reflect the higher employer contribution rate for hazardous members; and
4. There is no estimated change to administrative expenses.

KPPA has not sought further analysis of the proposed legislation from the independent actuary.

Should you have any questions regarding our assessment of the proposed bill, please contact us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ryan Barrow', with a stylized, cursive script.

Ryan Barrow, Executive Director  
Kentucky Public Pensions Authority

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

**Part I: Measure Information**

<b>Bill Request #:</b>	982	<b>Bill #:</b>	HB 367
<b>Document ID #:</b>	1319	<b>Sponsor:</b>	Rep. Rachel Roarx
<b>Bill Title:</b>	AN ACT relating to hazardous duty retirement for code enforcement personnel of a consolidated local government.		

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

Office(s) Impacted:    Personnel

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 367 would amend KRS 78.5520 to address classification as hazardous or nonhazardous the position of code enforcement officer employed by a consolidated local government (Louisville-Jefferson County Metro Government (LJCMG) is the only consolidated local government in Kentucky).

The bill would classify as hazardous code enforcement officer positions who began participating in the County Employees Retirement System (CERS) before September 1, 2008, whose duties include investigation, inspection, and issuance of citations for violations of ordinances governing facilities, hazardous materials, land development, and zoning, whose duties frequently expose them to a high degree of danger and require a high degree of physical conditioning.

Positions of code enforcement officers who begin participating in CERS on or after September 1, 2008, who have the same duties, are exposed to a high degree of danger and

require a high degree of physical conditioning would be classified as hazardous, so long as their duties are not primarily clerical or administrative.

**HB 367 would have a negative fiscal impact on Louisville-Jefferson County Metro Government.**

HB 367 would change code enforcement officers employed by LJCMG from the CERS nonhazardous plan to the CERS hazardous plan.

HB 367 is identical to 25 RS HB 738 introduced in the 2024 legislative session.

When consulted regarding HB 738, LJCMG, through its representative, was unsure how many employees in its Codes and Regulation departments would be covered by the change in participating retirement systems. It reported that there could be a minimum of approximately 50 strictly code enforcement employees or up to approximately 85 employees impacted by the retirement system change if building, electrical, and zoning inspectors were also included within the definition of hazardous duty work under the bill.

The reclassification of the LJCMG workers from nonhazardous duty to hazardous duty would result in an increase in the employer pension contribution expense for LJCMG.

Per LJCMG the FY25 Kentucky Public Pensions Authority Employer Contribution rates were 38.61% of earnings for hazardous duty positions and 19.71% of earnings for nonhazardous duty positions. The hazardous duty employer contribution expense for 50 employees would be approximately \$965,000 in FY25, while the nonhazardous duty employer contribution expense for 50 employees would be about \$493,000. This constitutes an additional annual expense of about \$472,000 for LJCMG. However, if up to 85 employees were covered in this reclassification, then the additional annual employer contribution expense for LJCMG would total approximately \$802,000.

Updated input was sought from LJCMG to prepare this mandate. If information is received from them this mandate statement may be amended.

**Data Source(s):** Louisville-Jefferson County Metro Government; LRC Staff

**Preparer:** AS **Reviewer:** HT (MDA) **Date:** 2/27/25