



KENTUCKY REGISTRY OF ELECTION FINANCE

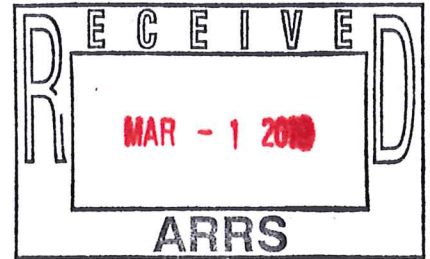
Craig C. Dilger, Chairman
Elizabeth G. Weber, Vice-Chair
Terry Naydan, Member
Reid Haire, Member
Thomas P. O'Brien, III, Member
James L. Deckard, Member

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John R. Steffen
Executive Director

Emily Dennis
General Counsel

March 1, 2019



Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill, Regulation Compiler
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: **32 KAR 1:050. Political organization registration**

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee (ARRS) staff of the issues raised by 32 KAR 1:050, the Kentucky Registry of Election Finance proposes the attached amendment to 32 KAR 1:050.

The Registry notes that the ARRS meeting is currently calendared for Monday, March 11, 2019, at 1:00 pm in the Capitol Annex, Room 149. If the meeting date or time changes, please let me know.

Thank you for your consideration.

Sincerely,

Emily Dennis, General Counsel
Kentucky Registry of Election Finance

Enclosures – Suggested Amendment (21 copies)

Cc: John R. Steffen
Registry Members

Staff-suggested Amendment

**Version 2/15/2019 3:23 p.m.
DEPARTMENT OF STATE
Kentucky Registry of Election Finance**

32 KAR 1:050. Political organization registration.

Page 2

Section 1(1)

Line 3

After "for local, state", insert "L".



Commonwealth of Kentucky
Finance and Administration Cabinet
DEPARTMENT OF REVENUE

501 High Street
Frankfort, KY 40601
(502) 564-3226
Fax (502) 564-3875

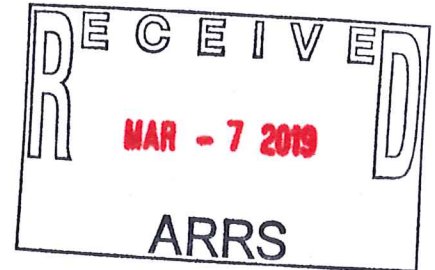
Matthew G. Bevin
Governor

William M. Landrum III
Secretary

Daniel P. Bork
Commissioner

March 5, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill, Regulation Compiler
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601



RE: **103 KAR 16:151**- Repeal of 103 KAR 16:100, 103 KAR 16:110, 103 KAR 16:120,
103 KAR 16:130, 103 KAR 16:145, and 103 KAR 16:150

Dear Co-Chairs West and Hale:

After discussions with the Administrative Regulation Review Subcommittee staff regarding the issues raised by 103 KAR 16:151, the Finance and Administration Cabinet, Department of Revenue proposes the attached suggested amendment to 103 KAR 16:151.

Sincerely,

Lisa S. Swiger, Tax Policy Research Consultant II
Finance and Administration Cabinet
Department of Revenue
501 High Street, St 1
Frankfort, Kentucky 40601

lcs

**Suggested Amendment
FINANCE AND ADMINISTRATION CABINET
Department of Revenue**

103 KAR 16:151. Repeal of 103 KAR 16:100, 103 KAR 16:110, 103 KAR 16:120, 103 KAR 16:130, 103 KAR 16:145, and 103 KAR 16:150.

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 8

After "KRS 141.120", insert "(11)(d)".

Delete "(10)(b)".

Line 11

After "HB 487", insert "that".

After "2018", insert "Regular".

Line 12

After "changed the way", insert the following:

income is apportioned for multistate businesses

Delete the following:

these businesses are now taxed

Line 13

After "found in", insert "KRS 141.121 and 103 KAR 16:270".

Lines 13-14

Delete the following:

statute or other department regulations

Page 1

Section 1

Line 16

After "The following", insert "administrative".

Page 1

Section 1(3)

Line 19

After "allocation;", insert "trucklines, buslines, airlines".

Delete "certain transportation companies".



Suggested SUBSTITUTE

Matthew G. Bevin
Governor

Commonwealth of Kentucky
Finance and Administration Cabinet
DEPARTMENT OF REVENUE
501 High Street
Frankfort, KY 40601
(502) 564-3226
Fax (502) 564-3875

William M. Landrum III
Secretary

Daniel P. Bork
Commissioner

March 5, 2019



Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill, Regulation Compiler
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

RE: **103 KAR 16:270**-Apportionment; receipts[sales]factor

Dear Co-Chairs West and Hale:

After discussions with the Administrative Regulation Review Subcommittee staff regarding the issues raised by 103 KAR 16:270, the Finance and Administration Cabinet, Department of Revenue proposes the attached suggested amendment to 103 KAR 16:270.

Sincerely,

Lisa S. Swiger, Tax Policy Research Consultant II
Finance and Administration Cabinet
Department of Revenue
501 High Street, St 1
Frankfort, Kentucky 40601

lcs

3/4/19

SUGGESTED SUBSTITUTE

FINANCE AND ADMINISTRATION CABINET
Department of Revenue
(Amended After Comments)

103 KAR 16:270. Apportionment; receipts[sales] factor.

RELATES TO: KRS ~~141.040~~, 141.120, ~~141.121~~, ~~141.040~~[(5)(b)1], 141.206

STATUTORY AUTHORITY: KRS 131.130, 141.018, 141.120[(40)(b)]

NECESSITY, FUNCTION, AND CONFORMITY: KRS 131.130(1) authorizes the Department of Revenue to promulgate administrative regulations to administer and enforce Kentucky's tax laws. KRS 141.120(9)[~~KRS 141.120(8)~~] requires that all apportionable[~~business~~] income of multi-state corporations be apportioned to Kentucky by multiplying the income by a fraction, [~~the numerator of which is the property factor plus the payroll factor plus a weighted sales factor and the denominator of which is four (4).~~] KRS 141.120(11)(d)[~~(40)(b)~~] authorizes[~~requires~~] the department[~~cabinet~~] to promulgate administrative regulations providing how to determine the receipts[~~sales~~] factor used in the multi-state apportionable[~~business~~] income apportionment formula. This administrative regulation provides guidelines for determining the receipts[~~sales~~] factor of a multi-state corporation.

Section 1. Definitions.

(1) "Advertising services" means an agreement to include the broadcast customer's advertising content in the broadcaster's film programming.

(2) "Affiliated airline" is defined by KRS 141.121(1)(a).

(3) "Barrel mile" means the transportation of one (1) barrel of liquid or gas one (1) mile.

(4) "Billing address" means the location indicated in the books and records of the taxpayer as the primary mailing address relating to a customer's account ~~that at~~[~~as of~~] the time of the transaction ~~is~~[~~as~~] kept in good faith in the normal course of business, and not for tax avoidance purposes.

(5) "Broadcast customer" means a person, corporation, partnership, limited liability company, or other entity, such as an advertiser or a platform distribution company, that has a direct connection or contractual relationship with the broadcaster under which revenue is derived by a broadcaster.

(6)[(2)] "Broadcaster" means a taxpayer that is a television broadcast network, a cable program network, or a television distribution company. The term "broadcaster" does not include a platform distribution company.

(7)[(3)] "Broadcast customer" means a person, corporation, partnership, limited liability company, or other entity, such as an advertiser or a platform distribution company, that has a direct connection or contractual relationship with the broadcaster under which revenue is derived by a broadcaster.

(4)] "Business customer" means a customer that is a business operating in any form,

including a sole proprietorship. Sales to a non-profit organization, to a trust, to the U.S. Government, to a foreign, state, or local government, or to an agency or instrumentality of that government are treated as sales to a business customer and **are[must be]** assigned consistent with the rules for those sales.

(8)[(5)] "Code" means the Internal Revenue Code as defined by KRS 141.010(14).

(9) "Delivered to a location" means to the location of the taxpayer's market for the service, which may not be the location of the taxpayer's employees or property.

(10)[(6)] "Film programming" means one (1) or more performances, events, or productions (or segments of performances, events, or productions) intended to be distributed for visual and auditory perception, including items such as [but not limited to] news, entertainment, sporting events, plays, stories, or other literary, commercial, educational, or artistic works.

(11) "Financial institution" is defined by KRS 136.500.

(12) "Financial organization" is defined by KRS 141.120(1)(c).

(13)[(7)] "Individual customer" means a customer that is not a business customer.

(14)[(8)] "Intangible property" [generally] means property that is not physical or whose representation by physical means is merely incidental and includes items such as[, without limitation,] copyrights; patents; trademarks; trade names; brand names; franchises; licenses; trade secrets; trade dress; information; know-how; methods; programs; procedures; systems; formulae; processes; technical data; designs; licenses; literary, musical, or artistic compositions; information; ideas; contract rights including broadcast rights; agreements not to compete; goodwill and going concern value; securities; and computer software[, as otherwise provided in this administrative regulation].

(15) "Kentucky revenue passenger mile" is defined by KRS 141.121(1)(c).

(16) "Mile operated" means the movement of a barge, tug, or other watercraft one (1) mile.

(17) "Passenger airline is defined by KRS 141.121(1)(d).

(18)[(9)] "Place of order[;]" means the physical location from which a customer places an order for a sale other than a sale of tangible personal property from a taxpayer, resulting in a contract with the taxpayer.

(19)[(10)] "Platform distribution company" means a cable service provider, a direct broadcast satellite system, an Internet content distributor, or any [other] distributor that directly charges viewers for access to any film programming.

(20)[(11)] "Population" means the most recent population data maintained by the U.S. Census Bureau for the year in question as of the close of the taxable period.

(21) "Provider" is defined by KRS 141.121(1)(e).

(22) "Public service company" is defined by KRS 141.0401(6)(i).

(23) "Qualified air freight forwarder" is defined by KRS 141.121(1)(f).

(24) "Receipts" is defined by KRS 141.120(1)(e).

(25)[(12)] "Related member" is defined by KRS 141.205(1)(g).

(26) "Revenue car mile" means the movement of a loaded railroad car one (1) mile.

(27) "Revenue passenger mile" is defined by KRS 141.121(1)(g).

(28)[(13)] "State where a contract of sale is principally managed by the customer[;]"

means the primary location at which an employee or other representative of a customer serves as the primary contact person for the taxpayer with respect to the day-to-day execution and performance of a contract entered into by the taxpayer with the customer.

Section 2. Additional Principles.

(1) Year to year consistency. If the taxpayer departs from or modifies the basis for excluding or including gross receipts in the receipts factor used in returns for prior years, the taxpayer shall disclose in the return for the current year the nature and extent of the modification.

(2) State to state consistency. If the returns or reports filed by the taxpayer with all states to which the taxpayer reports are not uniform in the inclusion or exclusion of gross receipts, the taxpayer shall disclose in its Kentucky return the nature and extent of the variance.

(3) Denominator. The denominator of the receipts factor shall include the gross receipts derived by the taxpayer from transactions and activity in the regular course of its trade or business, except gross receipts excluded under this administrative regulation.

(4) Numerator. The numerator of the receipts factor shall include gross receipts attributable to this state and derived by the taxpayer from transactions and activity in the regular course of its trade or business, except gross receipts excluded under this administrative regulation.

Section 3. Sales of Tangible Personal Property in This State.

(1) Gross receipts from sales of tangible personal property (except sales to the United States Government) are in this state if the property is delivered or shipped to a purchaser within this state regardless of the f.o.b. point or other conditions of sale.

(2) Property shall be **determined as[deemed to be]** delivered or shipped to a purchaser within this state if the recipient is located in this state, even though the property is ordered from outside this state.

Example. The taxpayer, with inventory in State A, sold \$100,000 of its products to a purchaser having branch stores in several states, including Kentucky. The order for the purchase was placed by the purchaser's central purchasing department located in State B. \$25,000 of the purchase order was shipped directly to purchaser's branch store in Kentucky. The branch store in Kentucky is the purchaser with respect to \$25,000 of the taxpayer's sales.

(3) Property is delivered or shipped to a purchaser within this state if the shipment terminates in this state, even though the property is subsequently transferred by the purchaser to another state.

Example. The taxpayer makes a sale to a purchaser who maintains a central warehouse in Kentucky at which all merchandise purchases are received. The purchaser re-ships the goods to its branch stores in other states for sale. All of the taxpayer's products shipped to the purchaser's warehouse in Kentucky constitute property delivered or shipped to a purchaser within Kentucky.

(4) **A[The term ""]**purchaser within this state["] shall include the ultimate recipient of the property if the taxpayer in this state, at the designation of the purchaser, delivers to or has the property shipped to the ultimate recipient within this state.

Example. A taxpayer in Kentucky sold merchandise to a purchaser in State A. Tax-

payer directed the manufacturer or supplier of the merchandise in State B to ship the merchandise to the purchaser's customer in Kentucky pursuant to purchaser's instructions. The sale by the taxpayer is in Kentucky.

(5) ~~If~~**[When]** property being shipped by a seller from the state of origin to a consignee in another state is diverted while en route to a purchaser in this state, the sales are in this state.

Example. The taxpayer, a produce grower in State A, begins shipment of perishable produce to the purchaser's place of business in State B. While en route, the produce is diverted to the purchaser's place of business in Kentucky in which state the taxpayer is subject to tax. The sale by the taxpayer is attributed to Kentucky.

Section 4. Sales of Tangible Personal Property to the United States Government. Gross receipts from sales of tangible personal property to the United States Government are in this state if the property is shipped from an office, store, warehouse, factory, or other place of storage in this state. For the purposes of this administrative regulation, only sales for which the United States Government makes direct payment to the seller pursuant to the terms of a contract constitute sales to the United States Government. ~~[Thus,]~~ Sales by a subcontractor to the prime contractor, the party to the contract with the United States Government, do not constitute sales to the United States Government.

(1) Example ~~[(i)]~~. A taxpayer contracts with General Services Administration to deliver X number of trucks which were paid for by the United States Government. The sale is a sale to the United States Government.

(2) Example ~~[(ii)]~~. The taxpayer, as a subcontractor to a prime contractor with the National Aeronautics and Space Administration, contracts to build a component of a rocket for \$1,000,000. The sale by the subcontractor to the prime contractor is not a sale to the United States Government.

Section 5. Sales Other Than Sales of Tangible Personal Property: General Rules. ~~[In general,]~~ KRS 141.120(11) provides for the inclusion in the numerator of the receipts factor of gross receipts arising from transactions other than sales of tangible personal property.

(1) Market-Based Sourcing. Receipts, other than receipts described in KRS 141.120(10) (from sales of tangible personal property), are in this state within the meaning of KRS 141.120(11) if and to the extent that the taxpayer's market for the sales is in this state. ~~[In general,]~~ The provisions in this section establish uniform rules for:

(a) Determining whether and to what extent the market for a sale other than the sale of tangible personal property is in this state;

(b) Reasonably approximating the state or states of assignment ~~if~~**[where]** the state or states cannot be determined;

(c)1. Excluding receipts from the sale of intangible property from the numerator and denominator of the receipts factor pursuant to KRS141.120(11)(a)(4)(b)iii;

2. Excluding receipts from the denominator of the receipts factor, pursuant to KRS 141.120(11)(c) ~~if~~**[where]** the state or states of assignment cannot be determined or reasonably approximated; or

3. Excluding receipts from the denominator of the receipts factor, pursuant to KRS

141.120(11)(c) *if[where]* the taxpayer is not taxable in the state to which the receipts are assigned as determined under KRS 141.120(3).

(2) General Principles of Application; Contemporaneous Records. In order to satisfy the requirements of this administrative regulation, a taxpayer's assignment of receipts from sales of other than tangible personal property *shall[must]* be consistent with the following principles:

(a)1. A taxpayer shall apply the rules set forth in this administrative regulation based on objective criteria and shall consider all sources of information reasonably available to the taxpayer *upon[at the time of]* its tax filing including, *items such as[without limitation,]* the taxpayer's books and records kept in the normal course of business;

2. A taxpayer shall determine its method of assigning receipts in good faith, and apply it consistently with respect to similar transactions *[and]* year to year; and

3. A taxpayer shall retain contemporaneous records that explain the determination and application of its method of assigning its receipts, including its underlying assumptions, and shall provide those records to the department upon request.

(b) This administrative regulation provides various assignment rules that apply sequentially in a hierarchy. For each sale to which a hierarchical rule applies, a taxpayer *shall[must]* make *an[a reasonable]* effort to apply the primary rule applicable to the sale before seeking to apply the next rule in the hierarchy (and *shall[must]* continue to do so with each succeeding rule in the hierarchy, *if[where]* applicable). For example, in some cases, the applicable rule first requires a taxpayer to determine the state or states of assignment, and if the taxpayer cannot do so, the rule requires the taxpayer to reasonably approximate the state or states. In these cases, the taxpayer *shall[must]* attempt to determine the state or states of assignment (i.e., apply the primary rule in the hierarchy) in good faith and with reasonable effort before it may reasonably approximate the state or states.

(c) A taxpayer's method of assigning its receipts, including the use of a method of approximation, *if[where]* applicable, *shall[must]* reflect an attempt to obtain the most accurate assignment of receipts consistent with this administrative regulation, rather than an attempt to lower the taxpayer's tax liability. A method of assignment that is reasonable for one (1) taxpayer may not necessarily be reasonable for another taxpayer, depending upon the applicable facts.

(3) Rules of Reasonable Approximation.

(a) *[In general,]* This administrative regulation establishes uniform rules for determining whether and to what extent the market for a sale other than the sale of tangible personal property is in this state. The administrative regulation *[also]* sets forth rules of reasonable approximation, which apply if the state or states of assignment cannot be determined. In some instances, the reasonable approximation *shall[must]* be made in accordance with specific rules of approximation prescribed in this administrative regulation. In other cases, the applicable rule in this administrative regulation permits a taxpayer to reasonably approximate the state or states of assignment, using a method that reflects an effort to approximate the results that *may[would]* be obtained under the applicable rules or standards set forth in this administrative regulation.

(b) Approximation Based Upon Known Sales.

1. *If[In an instance where,]* applying the applicable rules set forth in subsections (7), (8), (9), and (10) of this section, a taxpayer *may[can]* ascertain the state or states of

assignment of a substantial portion of its receipts from sales of substantially similar services ("assigned receipts"), but not all of those sales;[;] and

2. The taxpayer reasonably believes, based on all available information, that the geographic distribution of some or all of the remainder of those sales generally tracks that of the assigned receipts, it shall include receipts from those sales which it believes tracks the geographic distribution of the assigned receipts in its receipts factor in the same proportion as its assigned receipts. This rule **[also]** applies in the context of licenses and sales of intangible property **iff[where]** the substance of the transaction resembles a sale of goods or services.

(c) Related-Member Transactions – Information Imputed from Customer to Taxpayer. **If[Where]** a taxpayer has receipts subject to this administrative regulation from transactions with a related-member customer, information that the customer has that is relevant to the sourcing of receipts from these transactions is imputed to the taxpayer.

(4) Rules with Respect to Exclusion of Receipts from the Receipts Factor.

(a) The receipts factor only includes those amounts defined as receipts**[under KRS 141.120(1)(e)]**.

(b) Certain receipts arising from the sale of intangibles are excluded from the numerator and denominator of the sales factor pursuant to KRS 141.120(11)(a)(4)(b)iii.

(c) In a case in which a taxpayer cannot ascertain the state or states to which receipts of a sale are to be assigned pursuant to the applicable rules set forth in this administrative regulation (including through the use of a method of reasonable approximation, **iff[where]** relevant) using a reasonable amount of effort undertaken in good faith, the receipts **shall[must]** be excluded from the denominator of the taxpayer's receipts factor pursuant to KRS 141.120(11)(c).

(d) In a case in which a taxpayer **may[can]** ascertain the state or states to which receipts from a sale are to be assigned pursuant to the applicable rules set forth in this administrative regulation, but the taxpayer is not taxable in one (1) or more of those states, the receipts that **may[would otherwise]** be assigned to those states where the taxpayer is not taxable **shall[must]** be excluded from the denominator of the taxpayer's receipts factor pursuant to KRS 141.120(11)(c).

(e) Receipts of a taxpayer from hedging transactions, or from the maturity, redemption, sale, exchange, loan, or other disposition of cash or securities, shall be excluded pursuant to KRS 141.120(1)(e).

(f) Nothing in the provisions adopted here pursuant to KRS 141.120 is intended to limit the application of KRS 141.120(12) or the authority granted to the department under KRS 141.120(12).

(5) Sale, Rental, Lease, or License of Real Property. In the case of a sale, rental, lease, or license of real property, the receipts from the sale are in this state if and to the extent that the property is in this state.

(6) Rental, Lease, or License of Tangible Personal Property. In the case of a rental, lease, or license of tangible personal property, the receipts from the sale are in this state if and to the extent that the property is in this state. If property is mobile property that is located both within and without this state during the period of the lease or other contract, the receipts assigned to this state are the receipts from the contract period multiplied by the fraction computed under 103 KAR 16:290. (as adjusted **if[when]** necessary to reflect differences between usage during the contract period and usage during

the taxable year).

(7) Sale of a Service.

(a) General Rule. The receipts from a sale of a service are in this state if and to the extent that the service is delivered to a location in this state. ~~[In general, the term "delivered to a location" refers to the location of the taxpayer's market for the service, which may not be the location of the taxpayer's employees or property.]~~ The rules to determine the location of the delivery of a service in the context of several specific types of service transactions are set forth in **this subsection and in** subsections ~~[(7),]~~(8), (9), and (10) of this section.

(b) In-Person Services.

1. ~~[In general,]~~Except as ~~[otherwise]~~ provided in this paragraph, in-person services are services that are physically provided in person by the taxpayer, ~~if[where]~~ the customer or the customer's real or tangible property upon which the services are performed is in the same location as the service provider ~~when[at the time]~~ the services are performed. This rule includes situations ~~when[where]~~ the services are provided on behalf of the taxpayer by a third-party contractor. Examples of in-person services may include:

- a. Warranty and repair services;
- b. Cleaning services;
- c. Plumbing services;
- d. Carpentry;
- e. Construction contractor services;
- f. Pest control;
- g. Landscape services;
- h. Medical and dental services,
~~[i.]~~ including medical testing,
~~[j.]~~ x-rays and mental health care and treatment;
~~[k.]~~ Child care;
~~[l.]~~ Hair cutting and salon services;
~~[m.]~~ Live entertainment and athletic performances; and
~~[n.]~~ In-person training or lessons.

2. In-person services include services **as** described in **subparagraph 1., clauses a. through l. of this paragraph**~~[1.a.-n. above]~~ that are performed:

- a. At a location that is owned or operated by the service provider; or
- b. A location of the customer, including the location of the customer's real or tangible personal property.

3. Various professional services, including **services such as**, ~~but not limited to,~~ accounting, financial and consulting services, and other similar services are not treated as in-person services within the meaning of this **paragraph**~~[subparagraph]~~, although they may involve some amount of in-person contact.

4.~~[2.]~~ Assignment of Receipts.

~~[a.]~~ Rule of Determination. Except as ~~[otherwise]~~ provided in this subparagraph, if the service provided by the taxpayer is an in-person service, the service is delivered to the location where the service is received. Therefore, the receipts from a sale are in this state if and to the extent the customer receives the in-person service in this state. In assigning its receipts from sales of in-person services, a taxpayer **shall**~~[must]~~ first attempt to determine the location where a service is received, as follows:

a. If the service is performed with respect to the body of an individual customer in this state (e.g., hair cutting or x-ray services) or in the physical presence of the customer in this state (e.g., live entertainment or athletic performances), the service is received in this state.

b. If the service is performed with respect to the customer's real estate in this state or if the service is performed with respect to the customer's tangible personal property at the customer's residence or in the customer's possession in this state, the service is received in this state.

c. If the service is performed with respect to the customer's tangible personal property and the tangible personal property is to be shipped or delivered to the customer, whether the service is performed within or outside this state, the service is received in this state if the property is shipped or delivered to the customer in this state.

5.[3.] Rule of Reasonable Approximation. ~~If~~~~[In an instance in which]~~ the state or states where a service is actually received cannot be determined, but the taxpayer has sufficient information regarding the place of receipt from which it ~~may~~~~[can]~~ reasonably approximate the state or states where the service is received, the taxpayer shall reasonably approximate ~~the~~~~[such]~~ state or states. If the state to which the receipts are to be assigned ~~may~~~~[can]~~ be determined or reasonably approximated, but the taxpayer is not taxable in that state, the receipts that ~~may~~~~[would otherwise]~~ be assigned to the state are excluded from the denominator of the taxpayer's receipts factor pursuant to KRS 141.120(11)(c).

6.[4.] Examples. In these examples assume, unless otherwise stated, that the taxpayer is taxable in each state to which its receipts ~~may~~~~[would]~~ be assigned, so that there is no requirement that the receipts from the sale or sales be eliminated from the denominator of the taxpayer's receipts factor. ~~[Note that]~~ For purposes of the examples, it is irrelevant whether the services are performed by an employee of the taxpayer, or by an independent contractor acting on the taxpayer's behalf.

a. Example ~~[(i)]~~. Salon Corp has retail locations in Kentucky and in other states where it provides hair cutting services to individual and business customers, the latter of whom are paid for through the means of a company account. The receipts from sales of services provided at Salon Corp's in-state locations are in Kentucky. The receipts from sales of services provided at Salon Corp's locations outside Kentucky, even ~~if~~~~[when]~~ provided to residents of Kentucky, are not receipts from in-state sales.

b. Example ~~[(ii)]~~. Landscape Corp provides landscaping and gardening services in Kentucky and in neighboring states. Landscape Corp provides landscaping services at the in-state vacation home of an individual who is a resident of another state and who is located outside Kentucky ~~when~~~~[at the time]~~ the services are performed. The receipts from sale of services provided at the in-state location are in Kentucky.

c. Example ~~[(iii)]~~. Same facts as in Example ~~b.~~~~[(ii)]~~, except that Landscape Corp provides the landscaping services to Retail Corp, a corporation with retail locations in several states, and the services are with respect to those locations of Retail Corp that are in Kentucky and in other states. The receipts from the sale of services provided to Retail Corp are in Kentucky to the extent the services are provided in Kentucky.

d. Example ~~[(iv)]~~. Camera Corp provides camera repair services at a Kentucky retail location to walk-in individual and business customers. In some cases, Camera Corp actually repairs a camera that is brought to its in-state location at a facility that is in another

er state. In these cases, the repaired camera is then returned to the customer at Camera Corp's Kentucky location. The receipts from sale of these services are in Kentucky.

e. Example [(v)]. Same facts as in Example d. [(iv)], except that a customer located in Kentucky mails the camera directly to the out-of-state facility owned by Camera Corp to be fixed, and receives the repaired camera back in Kentucky by mail. The receipts from sale of the service are in Kentucky.

f. Example [(vi)]. Teaching Corp provides seminars in Kentucky to individual and business customers. The seminars and the materials used in connection with the seminars are prepared outside the state. [.] The teachers who teach the seminars include teachers that are **residents/resident** outside the state, and the students who attend the seminars include students that are **residents/resident** outside the state. Because the seminars are taught in Kentucky, the receipts from sales of the services are in Kentucky.

(8) Services Delivered to the Customer, or on Behalf of the Customer, or Delivered Electronically Through the Customer.

(a) [In general,]If the service provided by the taxpayer is not an in-person service within the meaning of subsection (7)(b) of this section, or a professional service within the meaning of subsection (10) of this section, and the service is delivered to or on behalf of the customer, or delivered electronically through the customer, the receipts from a sale are in this state if and to the extent that the service is delivered in this state. For **the purposes of this subsection and subsection [subsections (8) and]** (9) of this section, a service that is delivered "to" a customer is a service in which the customer and not a third party is the recipient of the service. A service that is delivered "on behalf of" a customer is one in which a customer contracts for a service, but one (1) or more third parties, rather than the customer, is the recipient of the service, such as fulfillment services, or the direct or indirect delivery of advertising to the customer's intended audience. A service **may[can]** be delivered to or on behalf of a customer by physical means or through electronic transmission. A service that is delivered electronically "through" a customer is a service that is delivered electronically to a customer for purposes of resale and subsequent electronic delivery in substantially identical form to an end user or other third-party recipient.

(b) Assignment of Receipts. The assignment of receipts to a state or states in the instance of a sale of a service that is delivered to the customer or on behalf of the customer, or delivered electronically through the customer, depends upon the method of delivery of the service and the nature of the customer. Separate rules of assignment apply to services delivered by physical means and services delivered by electronic transmission. (For purposes of this subsection [.] a service delivered by an electronic transmission is not a delivery by a physical means). If a rule of assignment set forth in this administrative regulation, depends on whether the customer is an individual or a business customer, and the taxpayer acting in good faith cannot reasonably determine whether the customer is an individual or business customer, the taxpayer shall treat the customer as a business customer. If the state to which the receipts from a sale are to be assigned **may[can]** be determined or reasonably approximated, but the taxpayer is not taxable in that state, the receipts that **may[would otherwise]** be assigned to that state are excluded from the denominator of the taxpayer's receipts factor.

1. Delivery to or on Behalf of a Customer by Physical Means Whether to an Individual

or Business Customer. Services delivered to a customer or on behalf of a customer through a physical means include, for example:[:]

a. Product delivery services **iff[where]** property is delivered to the customer or to a third party on behalf of the customer;

b. The delivery of brochures, fliers, or other direct mail services;

c. The delivery of advertising or advertising-related services to the customer's intended audience in the form of a physical medium; and

d. The sale of custom software **iff[where]** the taxpayer installs the custom software at the customer's site (e.g., **iff[where]** software is developed for a specific customer in a case **when[where]** the transaction is properly treated as a service transaction for purposes of corporate taxation.) The rules in this administrative regulation apply whether the taxpayer's customer is an individual customer or a business customer.

2.[e.] Rule of Determination. In assigning the receipts from a sale of a service delivered to a customer or on behalf of a customer through a physical means, a taxpayer **shall[must]** first attempt to determine the state or states where the service is delivered. If the taxpayer is able to determine the state or states where the service is delivered, it shall assign the receipts to that state or states.

3.[f.] Rule of Reasonable Approximation. If the taxpayer cannot determine the state or states where the service is actually delivered, but has sufficient information regarding the place of delivery from which it **may[can]** reasonably approximate the state or states where the service is delivered, it shall reasonably approximate the state or states.

4.[g.] Examples. In these examples assume, unless otherwise stated, that the taxpayer is taxable in each state to which its receipts **may[would]** be assigned, so that there is no requirement in these examples that the receipts **shall[must]** be eliminated from the denominator of the taxpayer's receipts factor.

a. Example [(i)]. Direct Mail Corp, a corporation based outside Kentucky, provides direct mail services to its customer, Business Corp. Business Corp contracts with Direct Mail Corp to deliver printed fliers to a list of customers that is provided to it by Business Corp. Some of Business Corp's customers are in Kentucky and some of those customers are in other states. Direct Mail Corp will use the postal service to deliver the printed fliers to Business Corp's customers. The receipts from the sale of Direct Mail Corp's services to Business Corp are assigned to Kentucky to the extent that the services are delivered on behalf of Business Corp to Kentucky customers (i.e., to the extent that the fliers are delivered on behalf of Business Corp to Business Corp's intended audience in Kentucky).

b. Example [(ii)]. Ad Corp is a corporation based outside Kentucky that provides advertising and advertising-related services in Kentucky and in neighboring states. Ad Corp enters into a contract at a location outside Kentucky with an individual customer who is not a Kentucky resident to design advertisements for billboards to be displayed in Kentucky, and to design fliers to be mailed to Kentucky residents. All of the design work is performed outside Kentucky. The receipts from the sale of the design services are in Kentucky because the service is physically delivered on behalf of the customer to the customer's intended audience in Kentucky.

c. Example [(iii)]. Same facts as Example **b. [(ii)]**, except that the contract is with a business customer that is based outside Kentucky. The receipts from the sale of the design services are in Kentucky because the services are physically delivered on behalf of

the customer to the customer's intended audience in Kentucky.

d. Example [(iv)]. Fulfillment Corp, a corporation based outside Kentucky, provides product delivery fulfillment services in Kentucky and in neighboring states to Sales Corp, a corporation located outside Kentucky that sells tangible personal property through a mail order catalog and over the Internet to customers. In some cases **if/when** a customer purchases tangible personal property from Sales Corp to be delivered in Kentucky, Fulfillment Corp will, pursuant to its contract with Sales Corp, deliver that property from its fulfillment warehouse located outside Kentucky. The receipts from the sale of the fulfillment services of Fulfillment Corp to Sales Corp are assigned to Kentucky to the extent that Fulfillment Corp's deliveries on behalf of Sales Corp are to recipients in Kentucky.

e. Example [(v)]. Software Corp, a software development corporation, enters into a contract with a business customer, Buyer Corp, which is physically located in Kentucky, to develop custom software to be used in Buyer Corp's business. Software Corp develops the custom software outside Kentucky, and then physically installs the software on Buyer Corp's computer hardware located in Kentucky. The development and sale of the custom software is properly characterized as a service transaction, and the receipts from the sale are assigned to Kentucky because the software is physically delivered to the customer in Kentucky.

f. Example [(vi)]. Same facts as Example e. [(v)], except that Buyer Corp has offices in Kentucky and several other states, but is commercially domiciled outside Kentucky and orders the software from a location outside Kentucky. The receipts from the development and sale of the custom software service are assigned to Kentucky because the software is physically delivered to the customer in Kentucky.

(9) Delivery to a Customer by Electronic Transmission. Services delivered by electronic transmission include ~~], without limitation,~~ services **such as those** that are transmitted through the means of wire, lines, cable, fiber optics, electronic signals, satellite transmission, audio or radio waves, or other similar means, whether or not the service provider owns, leases or **[otherwise]** controls the transmission equipment. In the case of the delivery of a service by electronic transmission to a customer, the following rules apply:

(a) Services Delivered By Electronic Transmission to an Individual Customer.

1.a. Rule of Determination. In the case of the delivery of a service to an individual customer by electronic transmission, the service is delivered in this state if and to the extent that the taxpayer's customer receives the service in this state. If the taxpayer **may[can]** determine the state or states where the service is received, it shall assign the receipts from that sale to that state or states.

b. Rules of Reasonable Approximation. If the taxpayer cannot determine the state or states where the customer actually receives the service, but has sufficient information regarding the place of receipt from which it **may[can]** reasonably approximate the state or states where the service is received, it shall reasonably approximate the state or states. If a taxpayer does not have sufficient information from which it **may[can]** determine or reasonably approximate the state or states in which the service is received, it shall reasonably approximate the state or states using the customer's billing address.

2. Services Delivered By Electronic Transmission to a Business Customer.

a. Rule of Determination. In the case of the delivery of a service to a business cus-

tomers by electronic transmission, the service is delivered in this state if and to the extent that the taxpayer's customer receives the service in this state. If the taxpayer ~~may~~**can** determine the state or states where the service is received, it shall assign the receipts from that sale to the state or states. For purposes of ~~paragraph (b)2.~~**this subsection 9(b)(2)** of this ~~subsection~~**section** it is intended that the state or states where the service is received reflect the location at which the service is directly used by the employees or designees of the customer.

b. Rule of Reasonable Approximation. If the taxpayer cannot determine the state or states where the customer actually receives the service, but has sufficient information regarding the place of receipt from which it ~~may~~**can** reasonably approximate the state or states where the service is received, it shall reasonably approximate the state or states.

c. Secondary Rule of Reasonable Approximation. In the case of the delivery of a service to a business customer by electronic transmission ~~if~~**where** a taxpayer does not have sufficient information from which it ~~may~~**can** determine or reasonably approximate the state or states in which the service is received, the taxpayer shall reasonably approximate the state or states as set forth in this administrative regulation. In these cases, unless the taxpayer ~~may~~**can** apply the safe harbor set forth in this subsection the taxpayer shall reasonably approximate the state or states in which the service is received as follows:

i. By assigning the receipts from the sale to the state where the contract of sale is principally managed by the customer;

ii. If the state where the customer principally manages the contract is not reasonably determinable, by assigning the receipts from the sale to the customer's place of order; and

iii. If the customer's place of order is not reasonably determinable, by assigning the receipts from the sale using the customer's billing address; ~~except~~**provided, however,** if the taxpayer derives more than five (5) percent of its receipts from sales of services from any single customer, ~~then~~ the taxpayer ~~shall~~**is required to** identify the state in which the contract of sale is principally managed by that customer.

d. Safe Harbor. In the case of the delivery of a service to a business customer by electronic transmission a taxpayer may not be able to determine, or reasonably approximate the state or states in which the service is received. In these cases, the taxpayer may, in lieu of the rule stated ~~in paragraph (a)~~**at subsection (9)(b)2.c.** of this ~~subsection~~**section**, apply the safe harbor stated in this ~~clause~~**subsection**. Under this safe harbor, a taxpayer may assign its receipts from sales to a particular customer based upon the customer's billing address in a taxable year in which the taxpayer:

~~(i)(4)~~ Engages in substantially similar service transactions with more than 250 customers, whether business or individual;~~;~~ and

~~(ii)(2)~~ Does not derive more than five (5) percent of its receipts from sales of all services from that customer. This safe harbor applies only for purposes of services delivered by electronic transmission to a business customer~~,~~ ~~and not otherwise~~.

e. Related Member Transactions. In the case of a sale of a service by electronic transmission to a business customer that is a related member, the taxpayer may not use the secondary rule of reasonable approximation in ~~subclause~~**subparagraph** iii of ~~clause c.~~ **within this subparagraph,**~~section~~ but may use the rule of reasonable ap-

proximation and the safe harbor **if[provided that]** the department may aggregate sales to related members in determining whether the sales exceed five (5) percent of receipts from sales of all services under that safe harbor provision if necessary or appropriate to prevent distortion.

f. Examples. In these examples, unless otherwise stated, assume that the taxpayer is not related to the customer to which the service is delivered. **[Also, unless otherwise stated,]** Assume that the taxpayer is taxable in each state to which its receipts **may[would]** be assigned, so that there is no requirement in these examples that the receipts **shall[must]** be eliminated from the denominator of the taxpayer's receipts factor. Further, assume if relevant, unless otherwise stated, that the safe harbor set forth in **clause d. of this** subparagraph **[d. above]** does not apply.

(i) Example **[(i)]**. Support Corp, a corporation that is based outside Kentucky, provides software support and diagnostic services to individual and business customers that have previously purchased certain software from third-party vendors. These individual and business customers are located in Kentucky and other states. Support Corp supplies its services on a case-by-case basis **if[when]** directly contacted by its customer. Support Corp generally provides these services through the Internet, but sometimes provides these services by phone. In all cases, Support Corp verifies the customer's account information before providing any service. Using the information that Support Corp verifies before performing a service, Support Corp **may[can]** determine where its services are received, and therefore **shall[must]** assign its receipts to these locations. The receipts from sales made to Support Corp's individual and business customers are in Kentucky to the extent that Support Corp's services are received in Kentucky.

(ii) Example **[(ii)]**. Online Corp, a corporation based outside Kentucky, provides Web-based services through the means of the Internet to individual customers who are residents in Kentucky and in other states. These customers access Online Corp's Web services primarily in their states of residence, and sometimes, while traveling, in other states. For a substantial portion of its receipts from the sale of services, Online Corp **may[can]** either determine the state or states where the services are received, or, **if[where]** it cannot determine the state or states, it has sufficient information regarding the place of receipt to reasonably approximate the state or states. However, Online Corp cannot determine or reasonably approximate the state or states of receipt for all of the sales of its services. Assuming that Online Corp reasonably believes, based on all available information, that the geographic distribution of the receipts from sales for which it cannot determine or reasonably approximate the location of the receipt of its services generally tracks those for which it does have this information, Online Corp **shall[must]** assign to Kentucky the receipts from sales for which it does not know the customers' locations in the same proportion as those receipts for which it has this information.

(iii) Example **[(iii)]**. Same facts as in Example (ii), except that Online Corp reasonably believes that the geographic distribution of the receipts from sales for which it cannot determine or reasonably approximate the location of the receipt of its Web-based services do not generally track the sales for which it does have this information. Online Corp **shall[must]** assign the receipts from sales of its services for which it lacks information as provided to its individual customers using the customers' billing addresses.

(iv) Example **[(iv)]**. Same facts as in Example (iii), except that Online Corp is not tax-

able in one (1) state to which some of its receipts from sales **may/would** be **otherwise** assigned. The receipts that **may/would** be **otherwise** assigned to that state are excluded from the denominator of Online Corp's receipts factor.

(v) Example [(v)]. Net Corp, a corporation based outside Kentucky, provides Web-based services to a business customer, Business Corp, a company with offices in Kentucky and two **(2)** neighboring states. Particular employees of Business Corp access the services from computers in each Business Corp office. Assume that Net Corp determines that Business Corp employees in Kentucky were responsible for seventy-five (75) percent of Business Corp's use of Net Corp's services, and Business Corp employees in other states were responsible for twenty-five (25) percent of Business Corp's use of Net Corp's services. ~~[In this case,]~~ Seventy-five (75) percent of the receipts from the sale are received in Kentucky. Assume alternatively that Net Corp lacks sufficient information regarding the location or locations where Business Corp's employees used the services to determine or reasonably approximate the location or locations. Under these circumstances, if Net Corp derives five (5) percent or less of its receipts from sales to Business Corp, Net Corp **shall/must** assign the receipts under the secondary rule of approximation to the state where Business Corp principally managed the contract, or if that state is not ~~[reasonably]~~determinable, to the state where Business Corp placed the order for the services, or if that state is not reasonably determinable, to the state of Business Corp's billing address. If Net Corp derives more than five (5) percent of its receipts from sales of services to Business Corp, Net Corp **shall/is required to** identify the state in which its contract of sale is principally managed by Business Corp and **shall/must** assign the receipts to that state.

(vi) Example [(vi)]. Net Corp, a corporation based outside Kentucky, provides Web-based services through the means of the Internet to more than 250 individual and business customers in Kentucky and in other states. Assume that for each customer Net Corp cannot determine the state or states where its Web services are actually received, and lacks sufficient information regarding the place of receipt to reasonably approximate the state or states. ~~[Also]~~ Assume that Net Corp does not derive more than five (5) percent of its receipts from sales of services to a single customer. Net Corp may apply the safe harbor, and may assign its receipts using each customer's billing address. If Net Corp is not taxable in one (1) or more states to which some of its receipts **may/would** be **otherwise** assigned, it **shall/must** exclude those receipts from the denominator of its receipts factor.

(b) Services Delivered Electronically Through or "on Behalf of" an Individual or Business Customer. A service delivered electronically "on behalf of" the customer is one in which a customer contracts for a service to be delivered electronically, but one (1) or more third parties, rather than the customer, is the recipient of the service, such as the direct or indirect delivery of advertising on behalf of a customer to the customer's intended audience. A service delivered electronically "through" a customer to third-party recipients is a service that is delivered electronically to a customer for purposes of resale and subsequent electronic delivery in substantially identical form to end users or other third-party recipients.

1. Rule of Determination. In the case of the delivery of a service by electronic transmission, **if/where** the service is delivered electronically to end users or other third-party recipients through or on behalf of the customer, the service is delivered in this state if

and to the extent that the end users or other third-party recipients are in this state. For example, in the case of the direct or indirect delivery of advertising on behalf of a customer to the customer's intended audience by electronic means, the service is delivered in this state to the extent that the audience for the advertising is in this state. In the case of the delivery of a service to a customer that acts as an intermediary in reselling the service in substantially identical form to third-party recipients, the service is delivered in this state to the extent that the end users or other third-party recipients receive the services in this state. These rules ~~[in this subsection]~~ apply whether the taxpayer's customer is an individual customer or a business customer and whether the end users or other third-party recipients to which the services are delivered through or on behalf of the customer are individuals or businesses.

2. Rule of Reasonable Approximation. If the taxpayer cannot determine the state or states where the services are actually delivered to the end users or other third-party recipients either through or on behalf of the customer, but has sufficient information regarding the place of delivery from which it ~~may[can]~~ reasonably approximate the state or states where the services are delivered, it shall reasonably approximate the state or states.

3. Select Secondary Rules of Reasonable Approximation.

a. If a taxpayer's service is the direct or indirect electronic delivery of advertising on behalf of its customer to the customer's intended audience, and if the taxpayer lacks sufficient information regarding the location of the audience from which it ~~may[can]~~ determine or ~~[reasonably]~~ approximate that location, the taxpayer shall ~~[reasonably]~~ approximate the audience in a state for the advertising using the following secondary rules of reasonable approximation. If a taxpayer is delivering advertising directly or indirectly to a known list of subscribers, the taxpayer shall ~~[reasonably]~~ approximate the audience for advertising in a state using a percentage that reflects the ratio of the state's subscribers in the specific geographic area in which the advertising is delivered relative to the total subscribers in that area. For a taxpayer with less information about its audience, the taxpayer shall ~~[reasonably]~~ approximate the audience in a state using the percentage that reflects the ratio of the state's population in the specific geographic area in which the advertising is delivered relative to the total population in that area.

b. *The taxpayer shall approximate the extent to which the service is received in a state by using the percentage that reflects the ratio of the state's population in the specific geographic area in which the taxpayer's intermediary resells the services, relative to the total population in that area:*

(i) If a taxpayer's service is the delivery of a service to a customer that then acts as the taxpayer's intermediary in reselling that service to end users or other third party recipients; or

(ii) If the taxpayer lacks sufficient information regarding the location of the end users or other third party recipients from which it ~~may[can]~~ determine or reasonably approximate that location; ~~the taxpayer shall reasonably approximate the extent to which the service is received in a state by using the percentage that reflects the ratio of the state's population in the specific geographic area in which the taxpayer's intermediary resells the services, relative to the total population in that area.~~

c. Examples. Assume in each of these examples that the taxpayer that provides the service is taxable in this state and ~~shall[must]~~ apportion its income pursuant to KRS

141.120.

(i) Example: Web Corp, a corporation that is based outside Kentucky, provides Internet content to viewers in Kentucky and other states. Web Corp sells advertising space to business customers pursuant to which the customers' advertisements **shall/will** appear in connection with Web Corp's Internet content. Web Corp receives a fee for running the advertisements that is determined by reference to the number of times the advertisement is viewed or clicked upon by the viewers of its **Web site/website**. Web Corp's sale of advertising space to its business customers is assigned to Kentucky to the extent that the viewers of the Internet content are in Kentucky, as measured by viewings or clicks. If Web Corp is unable to determine the actual location of its viewers, and lacks sufficient information regarding the location of its viewers to reasonably approximate **the/such** location, Web Corp **shall/must** approximate the amount of its Kentucky sales by multiplying the amount of **the/such** sales by a percentage that reflects the Kentucky population in the specific geographic area in which the content containing the advertising is delivered relative to the total population in **the/such** area.

(ii) Example [(ii)]. Retail Corp, a corporation that is based outside of Kentucky, sells tangible property through its retail stores located in Kentucky and other states, and through a mail order catalog. Answer Co, a corporation that operates call centers in multiple states, contracts with Retail Corp to answer telephone calls from individuals placing orders for products found in Retail Corp's catalogs. **[In this case,]** The phone answering services of Answer Co are being delivered to Retail Corp's customers and prospective customers. Therefore, Answer Co is delivering a service electronically to Retail Corp's customers or prospective customers on behalf of Retail Corp, and **shall/must** assign the proceeds from this service to the state or states from which the phone calls are placed by **the/such** customers or prospective customers. If Answer Co cannot determine the actual locations from which phone calls are placed, and lacks sufficient information regarding the locations to reasonably approximate **the/such** locations, Answer Co **shall/must** approximate the amount of its Kentucky sales by multiplying the amount of its fee from Retail Corp by a percentage that reflects the Kentucky population in the specific geographic area from which the calls are placed relative to the total population in **the/such** area.

(iii) Example [(iii)]. Web Corp, a corporation that is based outside of Kentucky, sells tangible property to customers via its Internet **Web site/website**. Design Co designed and maintains Web Corp's **Web site/website**, including making changes to the site based on customer feedback received through the site. Design Co's services are delivered to Web Corp, the proceeds from which are assigned pursuant to **this subsection/Section 5(9) of this administrative regulation**. The fact that Web Corp's customers and prospective customers incidentally benefit from Design Co's services, and may even interact with Design Co in the course of providing feedback, does not transform the service into one delivered "on behalf of" Web Corp to Web Corp's customers and prospective customers.

(iv) Example [(iv)]. Wholesale Corp, a corporation that is based outside Kentucky, develops an Internet-based information database outside Kentucky and enters into a contract with Retail Corp **under which/whereby** Retail Corp will market and sell access to this database to end users. Depending on the facts, the provision of database access may be either the sale of a service or the license of intangible property, or may

have elements of both. Assume that on the particular facts applicable in this example, Wholesale Corp is selling database access in transactions properly characterized as involving the performance of a service. If/When an end user purchases access to Wholesale Corp's database from Retail Corp, Retail Corp in turn compensates Wholesale Corp in connection with that transaction. [In this case,] Wholesale Corp's services are being delivered through Retail Corp to the end user. Wholesale Corp **shall/must** assign its sales to Retail Corp to the state or states in which the end users receive access to Wholesale Corp's database. If Wholesale Corp cannot determine the state or states where the end users actually receive access to Wholesale Corp's database, and lacks sufficient information regarding the location from which the end users access the database to reasonably approximate **the/such** location, Wholesale Corp **shall/must** approximate the extent to which its services are received by end users in Kentucky. **Wholesale Corp shall approximate** by using a percentage that reflects the ratio of the Kentucky population in the specific geographic area in which Retail Corp regularly markets and sells Wholesale Corp's database relative to the total population in **the/such** area. [Note that] It does not matter for purposes of the analysis whether Wholesale Corp's sale of database access constitutes a service or a license of intangible property, or some combination of both.

(10) Professional Services.

(a) Except as [otherwise] provided in this subsection, professional services are services that require specialized knowledge, and in some cases, require a professional certification, license, or degree. These services include the performance of technical services that require the application of specialized knowledge. Professional services include, **services such as/without limitation**:

1. Management services;
2. Bank and financial services;
3. Financial custodial services;
4. Investment and brokerage services;
5. Fiduciary services;
6. Tax preparation;
7. Payroll and accounting services;
8. Lending services;
9. Credit card services (including credit card processing services);
10. Data processing services;
11. Legal services;
12. Consulting services;
13. Video production services;
14. Graphic and other design services;
15. Engineering services; and
16. Architectural services.

(b) Overlap with Other Categories of Services.

1. Certain services that **are under/fall within the definition of** "professional services" as set forth in **paragraph (a)1. through 16. of** this subsection are nevertheless treated as "in-person services", and are assigned under the rules of **[that]** subsection (7)(b) of this section. **[Specifically,]** Professional services that are physically provided in person by the taxpayer such as carpentry, certain medical and dental services or

child care services, if[where] the customer or the customer's real or tangible property upon which the services are provided is in the same location as the service provider when[at the time] the services are performed, are "in-person services". In-person services[and] are assigned as these[such], but[notwithstanding that they] may [also] be considered to be "professional services." However, professional services if[where] the service is of an intellectual or intangible nature, such as legal, accounting, financial, and consulting services[,], are assigned as professional services under the rules of this subsection, notwithstanding the fact that these services may involve some amount of in-person contact.

2. Professional services may in some cases include the transmission of one (1) or more documents or other communications by mail or by electronic means. In some cases, all or most communications between the service provider and the service recipient may be by mail or by electronic means. However, in these cases, despite this transmission, the assignment rules that apply are those set forth in this subsection and not those set forth in subsection (8) of this section pertaining to services delivered to a customer or through or on behalf of a customer.

(c) Assignment of Receipts. In the case of a professional service, it is generally possible to characterize the location of delivery in multiple ways by emphasizing different elements of the service provided, no one (1) of which will consistently represent the market for the services. Therefore, the location of delivery in the case of professional services is not susceptible to a general rule of determination, and **shall[must]** be reasonably approximated. The assignment of receipts from a sale of a professional service depends in many cases upon whether the customer is an individual or business customer. In any instance in which the taxpayer, acting in good faith, cannot reasonably determine whether the customer is an individual or business customer, the taxpayer shall treat the customer as a business customer. For purposes of assigning the receipts from a sale of a professional service, a taxpayer's customer is the person that contracts for the service, irrespective of whether another person pays for or **[also]** benefits from the taxpayer's services. In any instance in which the taxpayer is not taxable in the state to which receipts from a sale is assigned, the receipts are excluded from the denominator of the taxpayer's receipts factor.

1. General Rule. Receipts from sales of professional services are assigned in accordance with **this** section ~~[5 of this administrative regulation]~~, other than those services described in:

a. ~~Subparagraph 2. of this paragraph on[Subsection (10)(c)2. of this section. (architectural and engineering services)];~~

b. ~~Subparagraph 3. of this paragraph on[Subsection (10)(c)3. of this section. (services provided by a financial institution)];~~ and

c. ~~Subparagraph 4. of this paragraph on[Subsection (10)(c)4. of this section. (transactions with related members.)]~~

d. Professional Services Delivered to Individual Customers. Except as **[otherwise]** provided in this subsection, in any instance in which the service provided is a professional service and the taxpayer's customer is an individual customer, the state or states in which the service is delivered **shall[must]** be reasonably approximated as set forth in this subsection. **[In particular,]** The taxpayer shall assign the receipts from a sale to the customer's state of primary residence, or, if the taxpayer cannot reasonably identify the

customer's state of primary residence, to the state of the customer's billing address. ~~Except; provided, however,~~ in any instance in which the taxpayer derives more than five (5) percent of its receipts from sales of all services from an individual customer, the taxpayer shall identify the customer's state of primary residence and assign the receipts from the service or services provided to that customer to that state.

e. Professional Services Delivered to Business Customers. Except as ~~otherwise~~ provided in this subsection, in any instance in which the service provided is a professional service and the taxpayer's customer is a business customer, the state or states in which the service is delivered ~~shall~~**must** be reasonably approximated as set forth in this section. ~~In particular,~~ Unless the taxpayer may use the safe harbor set forth in ~~clause f. subsection (10)(f)~~ of this ~~subparagraph~~**section**, the taxpayer shall assign the receipts from the sale as follows:

(i) ~~first,~~ By assigning the receipts to the state where the contract of sale is principally managed by the customer;

(ii) ~~second,~~ If the place of customer management is not reasonably determinable, to the customer's place of order; and

(iii) ~~third,~~ If the ~~customer's~~**customer** place of order is not reasonably determinable, to the customer's billing address. ~~Except; provided, however,~~ in any instance in which the taxpayer derives more than five (5) percent of its receipts from sales of all services from a customer, the taxpayer ~~shall~~**is required to** identify the state in which the contract of sale is principally managed by the customer.

f. Safe Harbor; Large Volume of Transactions. ~~Except as provided in, Notwithstanding~~ the rules set forth in ~~clauses d. and e. of this subparagraph~~**paragraph (d) and (e) of this subsection**, a taxpayer may assign its receipts from sales to a particular customer based on the customer's billing address in any taxable year in which the taxpayer engages in substantially similar service transactions with more than 250 customers, whether individual or business, and does not derive more than five (5) percent of its receipts from sales of all services from that customer. This safe harbor applies only for purposes of ~~clause d. of this subparagraph~~**subsection (10)(d) of this section, and not otherwise**.

2. Architectural and Engineering Services with respect to Real or Tangible Personal Property. Architectural and engineering services with respect to real or tangible personal property are professional services within the meaning of ~~this subsection~~ **[(10) of this section]**. However, unlike in the case of the general rule that applies to professional services:~~;~~

a. The receipts from a sale of an architectural service are assigned to a state or states if and to the extent that the services are with respect to real estate improvements located, or expected to be located, in the state or states; and

b. The receipts from a sale of an engineering service are assigned to a state or states if and to the extent that the services are with respect to tangible or real property located in the state or states, including real estate improvements located in, or expected to be located in, the state or states. These rules apply whether or not the customer is an individual or business customer. In any instance in which architectural or engineering services are not described in ~~this subparagraph~~ **subsection (10)(d)2. of this section**, the receipts from a sale of these services ~~shall~~**must** be assigned under the general rule for professional services.

3. Services Provided by Financial Organizations and Institutions. The apportionment rules that apply to ["financial organizations," as defined by KRS 141.120(1)(c),] are set forth in KRS 141.121(5) and *in* this administrative regulation. In any instance in which a financial **organization[institution]** performs services that are to be assigned pursuant to KRS 141.121(5) and this administrative regulation, including, for example, financial custodial services, those services are considered professional services within the meaning of *this* subsection [(10) of this section], and are assigned according to the general rule for professional service transactions as set forth in **paragraph[subsubsection (10)](c)1.** of this **subsection[section].** [Note that "Financial institutions," as defined by KRS 136.500(10),] are subject to the franchise tax imposed by KRS 136.505 and related statutes and administrative regulations under KRS Chapter 136 and are exempt from the corporation income tax per KRS 141.040(1)(a) and the limited liability entity tax per KRS 141.0401(6)(a).

4. Related Member Transactions. In any instance in which the professional service is sold to a related member, rather than applying the rule for professional services delivered to business customers in **paragraph (c)1.e.[subsubsection (10)(e)]** of this **subsection[section],** the state or states to which the service is assigned is the place of receipt by the related member as reasonably approximated using the following hierarchy:

a. [(1)] If the service primarily relates to specific operations or activities of a related member conducted in one (1) or more locations, then to the state or states in which those operations or activities are conducted in proportion to the related member's payroll at the locations to which the service relates in the state or states; or

b. [(2)] If the service does not relate primarily to operations or activities of a related member conducted in particular locations, but instead relates to the operations of the related member generally, then to the state or states in which the related member has employees, in proportion to the related member's payroll in those states. The taxpayer may use the safe harbor provided by this administrative regulation if[provided that] the department may aggregate the receipts from sales to related members in applying the five (5) percent rule if necessary or appropriate to avoid distortion.

5. Broadcast Advertising Services. Notwithstanding anything **contained in this administrative regulation[herein]** to the contrary, receipts from a broadcaster's sale of advertising services to a broadcast customer are assigned to this state if the commercial domicile of the broadcast customer is in this state. [For purposes of this provision, "advertising services" means an agreement to include the broadcast customer's advertising content in the broadcaster's film programming.]

6. Examples. Unless otherwise stated, assume in each of these examples, if[where] relevant, that the taxpayer is taxable in each state to which its receipts may[would] be assigned, so that there is no requirement in the examples that the receipts shall[must] be excluded from the denominator of the taxpayer's receipts factor. Assume [also] that the customer is not a related member and that the safe harbor does not apply.

a. Example [(1)]. Broker Corp provides securities brokerage services to individual customers who are resident in Kentucky and in other states. Assume that Broker Corp knows the state of primary residence for many of its customers, and if[where] it does not know this state of primary residence, it knows the customer's billing address. [Also, Assume that Broker Corp does not derive more than five (5) percent of its receipts from sales of all services from any one (1) individual customer. If Broker Corp knows its cus-

customer's state of primary residence, it shall assign the receipts to that state. If Broker Corp does not know its customer's state of primary residence, but rather knows the customer's billing address, it shall assign the receipts to that state.

b. Example [(ii)]. Same facts as in Example **a. [(i)]**, except that Broker Corp has several individual customers from whom it derives, in each instance, more than five (5) percent of its receipts from sales of all services. Receipts from sales to customers from whom Broker Corp derives five (5) percent or less of its receipts from sales of all services **shall[must]** be assigned as described in Example **a. [(i)]**. For each customer from whom it derives more than five (5) percent of its receipts from sales of all services, Broker Corp **shall[is required to]** determine the customer's state of primary residence and **shall[must]** assign the receipts from the services provided to that customer to that state. In any case in which a five (5) percent customer's state of primary residence is Kentucky, receipts from a sale made to that customer **shall[must]** be assigned to Kentucky. ~~;~~ In any case in which a five (5) percent customer's state of primary residence is not Kentucky receipts from a sale made to that customer are not assigned to Kentucky. **If[Where]** receipts from a sale are assigned to a state other than Kentucky, if the state of assignment (i.e., the state of primary residence of the individual customer) is a state in which Broker Corp is not taxable, receipts from the sales **shall[must]** be excluded from the denominator of Broker Corp's receipts factor.

c. Example [(iii)]. Architecture Corp provides building design services as to buildings located, or expected to be located, in Kentucky to individual customers who are resident in Kentucky and other states, and to business customers that are based in Kentucky and other states. The receipts from Architecture Corp's sales are assigned to Kentucky because the locations of the buildings to which its design services relate are in Kentucky, or are expected to be in Kentucky. For purposes of assigning these receipts, it is not relevant where, in the case of an individual customer, the customer primarily resides or is billed for the services, and it is not relevant where, in the case of a business customer, the customer principally manages the contract, placed the order for the services, or is billed for the services. Further, these receipts are assigned to Kentucky even if Architecture Corp's designs are either physically delivered to its customer in paper form in a state other than Kentucky or are electronically delivered to its customer in a state other than Kentucky.

d. Example [(iv)]. Law Corp provides legal services to individual clients who are residents in Kentucky and in other states. In some cases, Law Corp may prepare one (1) or more legal documents for its client as a result of these services **or[and/or]** the legal work may be related to litigation or a legal matter that is ongoing in a state other than where the client is resident. Assume that Law Corp knows the state of primary residence for many of its clients, and **if[where]** it does not know this state of primary residence, it knows the client's billing address. ~~[Also,]~~ Assume that Law Corp does not derive more than five (5) percent of its receipts from sales of all services from any one (1) individual client. If Law Corp knows its client's state of primary residence, it shall assign the receipts to that state. If Law Corp does not know its client's state of primary residence, but rather knows the client's billing address, it shall assign the receipts to that state. For purposes of the analysis it is irrelevant whether the legal documents relating to the service are mailed or otherwise delivered to a location in another state, or the litigation or other legal matter that is the underlying predicate for the services is in another

state.

e. Example [(v)]. Same facts as in Example d. [(iv)], except that Law Corp provides legal services to several individual clients who it knows have a primary residence in a state where Law Corp is not taxable. Receipts from these services are excluded from the denominator of Law Corp's receipts factor even if the billing address of one (1) or more of these clients is in a state in which Law Corp is taxable, including Kentucky.

f. Example [(vi)]. Law Corp provides legal services to several multistate business clients. In each case, Law Corp knows the state in which the agreement for legal services that governs the client relationship is principally managed by the client. In one (1) case, the agreement is principally managed in Kentucky; in the other cases, the agreement is principally managed in a state other than Kentucky. If the agreement for legal services is principally managed by the client in Kentucky the receipts from sale of the services are assigned to Kentucky; in the other cases, the receipts are not assigned to Kentucky. In the case of receipts that are assigned to Kentucky, the receipts are so assigned even if:

(i) [(1)] The legal documents relating to the service are mailed or otherwise delivered to a location in another state;[,] or

(ii) [(2)] the litigation or other legal matter that is the underlying predicate for the services is in another state.

g. Example [(vii)]. Same facts as in Example f. [(vi)], except that Law Corp is not taxable in one (1) of the states other than Kentucky in which Law Corp's agreement for legal services that governs the client relationship is principally managed by the business client. Receipts from these latter services are excluded from the denominator of Law Corp's receipts factor.

h. Example [(viii)]. Consulting Corp, a company that provides consulting services to law firms and other customers, is hired by Law Corp in connection with legal representation that Law Corp provides to Client Co. Specifically, Consulting Corp is hired to provide expert testimony at a trial being conducted by Law Corp on behalf of Client Co. Client Co pays for Consulting Corp's services directly. Assuming that Consulting Corp knows that its agreement with Law Corp is principally managed by Law Corp in Kentucky, the receipts from the sale of Consulting Corp's services are assigned to Kentucky. It is not relevant for purposes of the analysis that Client Co is the ultimate beneficiary of Consulting Corp's services, or that Client Co pays for Consulting Corp's services directly.

i. Example [(ix)]. Bank Corp provides financial custodial services, including the safekeeping of some of its customers' financial assets, to 100 individual customers who are resident in Kentucky and in other states. Assume for purposes of this example that Bank Corp knows the state of primary residence for many of its customers, and **if [where]** it does not know the state of primary residence, it knows the customer's billing address. **[Also-]** Assume that Bank Corp does not derive more than five (5) percent of its receipts from sales of all of its services from any single customer. **[Note that]** Because Bank Corp does not have more than 250 customers, it may not apply the safe harbor for professional services stated in **this subsection [Section 5(10) of this administrative regulation]**. If Bank Corp knows its customer's state of primary residence, it **shall [must]** assign the receipts to that state. If Bank Corp does not know its customer's state of primary residence, but rather knows the customer's billing address,

it ~~shall~~**[must]** assign the receipts to that state. Bank Corp's receipts are assigned to Kentucky if the customer's state of primary residence (or billing address, in cases ~~when~~**[where]** it does not know the customer's state of primary residence) is in Kentucky, even if Bank Corp's financial custodial work, including the safekeeping of the customer's financial assets, takes place in a state other than Kentucky.

~~j.~~ **[(x)]**. Same facts as Example ~~i.~~**[(ix)]**, except that Bank Corp has more than 250 customers, individual or business. Bank Corp may apply the safe harbor for professional services stated in ~~paragraph (c)1.f.~~**[Section 5(10)(f)]** of this ~~subsection~~**[administrative regulation]**, and may assign its receipts from sales to a state or states using each customer's billing address.

~~k.~~ **[(xi)]**. Same facts as Example ~~j.~~**[(x)]**, except that Bank Corp derives more than five (5) percent of its receipts from sales from a single individual customer. As to the sales made to this customer, Bank Corp ~~shall~~**[is required to]** determine the individual customer's state of primary residence and ~~shall~~**[must]** assign the receipts from the service or services provided to that customer to that state. Receipts from sales to all other customers are assigned as described in Example ~~j.~~**[(x)]**.

~~l.~~ **[(xii)]**. Advisor Corp, a corporation that provides investment advisory services, provides these advisory services to Investment Co. Investment Co is a multistate business client of Advisor Corp that uses Advisor Corp's services in connection with investment accounts that it manages for individual clients, who are the ultimate beneficiaries of Advisor Corp's services. Assume that Investment Co's individual clients are persons that are residents in numerous states, which may or may not include Kentucky. Assuming that Advisor Corp knows that its agreement with Investment Co is principally managed by Investment Co in Kentucky, receipts from the sale of Advisor Corp's services are assigned to Kentucky. It is not relevant for purposes of the analysis that the ultimate beneficiaries of Advisor Corp's services may be Investment Co's clients, who are residents of numerous states.

~~m.~~ **[(xiii)]**. Advisor Corp provides investment advisory services to Investment Fund LP, a partnership that invests in securities and other assets. Assuming that Advisor Corp knows that its agreement with Investment Fund LP is principally managed by Investment Fund LP in Kentucky, receipts from the sale of Advisor Corp's services are assigned to Kentucky. ~~[Note that]~~It is not relevant for purposes of the analysis that the partners in Investment Fund LP are residents of numerous states.

~~n.~~ **[(xiv)]**. Design Corp is a corporation based outside Kentucky that provides graphic design and similar services in Kentucky and in neighboring states. Design Corp enters into a contract at a location outside Kentucky with an individual customer to design fliers for the customer. Assume that Design Corp does not know the individual customer's state of primary residence and does not derive more than five (5) percent of its receipts from sales of services from the individual customer. All of the design work is performed outside Kentucky. Receipts from the sales are in Kentucky if the customer's billing address is in Kentucky.

(11) License or Lease of Intangible Property.

(a)1. The receipts from the license of intangible property are in this state if and to the extent the intangible is used in this state. ~~[In general, the term]~~ "Use" is construed to refer to the location of the taxpayer's market for the use of the intangible property that is being licensed and is not to be construed to refer to the location of the property or pay-

roll of the taxpayer. The rules that apply to determine the location of the use of intangible property in the context of several specific types of licensing transactions are set forth in paragraphs/subsection (11)(b)-(f) of this subsection/section. For purposes of the rules set forth in this subsection, a lease of intangible property is to be treated the same as a license of intangible property.

2. ~~In general,~~ A license of intangible property that conveys all substantial rights in that property is treated as a sale of intangible property for purposes of this administrative regulation. ~~Note, however, that~~ For purposes of ~~this~~ subsection ~~[(11)]~~ and ~~subsection~~ (12) of this section, a sale or exchange of intangible property is treated as a license of that property ~~if/where~~ the receipts from the sale or exchange derived from payments that are contingent on the productivity, use or disposition of the property.

3. Intangible property licensed as part of the sale or lease of tangible property is treated under ~~this section/Section 5 of this administrative regulation~~ as the sale or lease of tangible property.

4. In any instance in which the taxpayer is not taxable in the state to which the receipts from the license of intangible property are assigned, the receipts are excluded from the denominator of the taxpayer's receipts factor.

5. Nothing in this administrative regulation shall be construed to allow or require inclusion of receipts in the receipts factor that are not included in the definition of "receipts" pursuant to KRS 141.120(1)(e), or that are excluded from the numerator and the denominator of the receipts factor pursuant to KRS 141.120(11)(a)(4)(b)iii. ~~So,~~ To the extent that the transfer of either a security or business "goodwill" or similar intangible value, including, ~~without limitation,~~ "going concern value" or "workforce in place," may be characterized as a license or lease of intangible property, receipts from ~~the/such~~ transaction shall be excluded from the numerator and the denominator of the taxpayer's receipts factor.

(b) License of a Marketing Intangible. ~~If/Where~~ a license is granted for the right to use intangible property in connection with the sale, lease, license, or other marketing of goods, services, or other items (i.e., a marketing intangible) to a consumer, the royalties or other licensing fees paid by the licensee for that marketing intangible are assigned to this state to the extent that those fees are attributable to the sale or other provision of goods, services, or other items purchased or otherwise acquired by consumers or other ultimate customers in this state. Examples of a license of a marketing intangible include, ~~without limitation,~~ the license of a service mark, trademark, or trade name; certain copyrights; the license of a film, television or multimedia production or event for commercial distribution; and a franchise agreement. In each of these instances, the license of the marketing intangible is intended to promote consumer sales. In the case of the license of a marketing intangible, ~~if/where~~ a taxpayer has actual evidence of the amount or proportion of its receipts that is attributable to this state, it shall assign that amount or proportion to this state. In the absence of actual evidence of the amount or proportion of the licensee's receipts that are derived from consumers in this state, the portion of the licensing fee to be assigned to this state ~~shall/must~~ be reasonably approximated by multiplying the total fee by a percentage that reflects the ratio of the population of this state in the specific geographic area in which the licensee makes material use of the intangible property to regularly market its goods, services or other items relative to the total population in that area. If the license of a marketing intangible is for the

right to use the intangible property in connection with sales or other transfers at wholesale rather than directly to retail customers, the portion of the licensing fee to be assigned to this state **shall[must]** be reasonably approximated by multiplying the total fee by a percentage that reflects the ratio of the population of this state in the specific geographic area in which the licensee's goods, services, or other items are ultimately and materially marketed using the intangible property relative to the total population of that area. Unless the taxpayer demonstrates that the marketing intangible is materially used in the marketing of items outside the United States, the fees from licensing those marketing intangible **shall[will]** be presumed to be derived from within the United States.

(c) License of a Production Intangible. If a license is granted for the right to use intangible property other than in connection with the sale, lease, license, or other marketing of goods, services, or other items, and the license is to be used in a production capacity (a "production intangible"), the licensing fees paid by the licensee for that right are assigned to this state to the extent that the use for which the fees are paid takes place in this state. Examples of a license of a production intangible include **items such as[, without limitation,]** the license of a patent, a copyright, or trade secrets to be used in a manufacturing process, **if[where]** the value of the intangible lies predominately in its use in that process. In the case of a license of a production intangible to a member other than a related member **if[where]** the location of actual use is unknown, it is presumed that the use of the intangible property takes place in the state of the licensee's commercial domicile (where the licensee is a business) or the licensee's state of primary residence (where the licensee is an individual). If the department **may[can]** reasonably establish that the actual use of intangible property pursuant to a license of a production intangible takes place in part in this state, it is presumed that the entire use is in this state, except to the extent that the taxpayer **may[can]** demonstrate that the actual location of a portion of the use takes place outside this state. In the case of a license of a production intangible to a related member, the taxpayer **shall[must]** assign the receipts to where the intangible property is actually used.

(d) License of a Broadcasting Intangible. **If[Where]** a broadcaster grants a license to a broadcast customer for the right to use film programming, the licensing fees paid by the licensee for **the[such]** right are assigned to this state to the extent that the broadcast customer is located in this state. In the case of business customers, the broadcast customer's location shall be determined using the broadcast customer's commercial domicile. In the case of individual customers, the broadcast customer's location shall be determined using the address of the broadcast customer listed in the broadcaster's records.

(e) License of a Mixed Intangible. If a license of intangible property includes both a license of a marketing intangible and a license of a production intangible (a "mixed intangible") and the fees to be paid in each instance are separately and reasonably stated in the licensing contract, the department **shall[will]** accept that separate statement for purposes of this administrative regulation. If a license of intangible property includes both a license of a marketing intangible and a license of a production intangible and the fees to be paid in each instance are not separately and reasonably stated in the contract, it is presumed that the licensing fees are paid entirely for the license of the marketing intangible, except to the extent that the taxpayer or the department **may[can]** reasonably establish otherwise.

(f) License of Intangible Property ~~if~~~~where~~ Substance of Transaction Resembles a Sale of Goods or Services.

1. In some cases, the license of intangible property will resemble the sale of an electronically-delivered good or service rather than the license of a marketing intangible or a production intangible. In these cases, the receipts from the licensing transaction are assigned by applying the rules set forth in subsection (9)(a) and (b) of this section, as if the transaction were a service delivered to an individual or business customer or delivered electronically through an individual or business customer, as applicable. Examples of transactions to be assigned under this subsection include **transactions such as**, ~~without limitation,~~ the license of database access, the license of access to information, the license of digital goods and the license of certain software (e.g., ~~if~~~~where~~ the transaction is not the license of pre-written software that is treated as the sale of tangible personal property.

2. Sublicenses. Pursuant to **this paragraph**~~(11)(f).section~~, the rules of subsection (9)(b) **of this subsection** may apply ~~if~~~~where~~ a taxpayer licenses intangible property to a customer that in turn sublicenses the intangible property to end users as if the transaction were a service delivered electronically through a customer to end users. ~~In particular,~~ The rules set forth in subsection (9)(b) **of this subsection** that apply to services delivered electronically to a customer for purposes of resale and subsequent electronic delivery in substantially identical form to end users or other recipients may ~~also~~ apply with respect to licenses of intangible property for purposes of sublicense to end users. For this purpose, the intangible property sublicensed to an end user shall not fail to be substantially identical to the property that was licensed to the sublicensor merely because the sublicense transfers a reduced bundle of rights with respect to that property (e.g., because the sublicensee's rights are limited to its own use of the property and do not include the ability to grant a further sublicense), or because that property is bundled with additional services or items of property.

3. Examples. In these examples, unless otherwise stated, assume that the taxpayer is taxable in each state to which its receipts ~~may~~~~would~~ be assigned so that there is no requirement in these examples that the receipts ~~shall~~~~must~~ be eliminated from the denominator of the taxpayer's receipts factor. ~~Also~~ Assume that the customer is not a related member.

a. Example ~~(i)~~. Crayon Corp and Dealer Co enter into a license contract under which Dealer Co as licensee ~~may~~~~is permitted to~~ use trademarks that are owned by Crayon Corp in connection with Dealer Co's sale of certain products to retail customers. Under the contract, Dealer Co ~~shall~~~~is required to~~ pay Crayon Corp a licensing fee that is a fixed percentage of the total volume of monthly sales made by Dealer Co of products using the Crayon Corp trademarks. Under the contract, Dealer Co ~~may~~~~is permitted to~~ sell the products at multiple store locations, including store locations that are both within and without Kentucky. Further, the licensing fees that are paid by Dealer Co are broken out on a per-store basis. The licensing fees paid to Crayon Corp by Dealer Co represent fees from the license of a marketing intangible. The portion of the fees to be assigned to Kentucky are determined by multiplying the fees by a percentage that reflects the ratio of Dealer Co's receipts that are derived from its Kentucky stores relative to Dealer Co's total receipts.

b. Example ~~(ii)~~. Network Corp is a broadcaster that licenses rights to its film pro-

gramming to both platform distribution companies and individual customers. Platform distribution companies pay licensing fees to Network Corp for the rights to distribute Network Corp's film programming to the platform distribution companies' customers. Network Corp's individual customers pay access fees to Network Corp for the right to directly access and view Network Corp's film programming. Network Corp's receipts from each platform distribution company **shall[will]** be assigned to Kentucky if the broadcast customer's commercial domicile is in Kentucky. Network Corp's receipts from each individual broadcast customer **shall[will]** be assigned to Kentucky if the address of the broadcast customer listed in the broadcaster's records is in Kentucky.

c. Example [(iii)]. Moniker Corp enters into a license contract with Wholesale Co. Pursuant to the contract, Wholesale Co ~~**may[is granted the right to]**~~ use trademarks owned by Moniker Corp to brand sports equipment that is to be manufactured by Wholesale Co or an unrelated entity, and to sell the manufactured equipment to unrelated companies that will ultimately market the equipment to consumers in a specific geographic region, including a foreign country. The license agreement confers a license of a marketing intangible, even though the trademarks in question **shall[will]** be affixed to property to be manufactured. In addition, the license of the marketing intangible is for the right to use the intangible property in connection with sales to be made at wholesale rather than directly to retail customers. The component of the licensing fee that constitutes the Kentucky receipts of Moniker Corp is determined by multiplying the amount of the fee by a percentage that reflects the ratio of the Kentucky population in the specific geographic region relative to the total population in that region. If Moniker Corp is able to reasonably establish that the marketing intangible was materially used throughout a foreign country, then the population of that country **shall[will]** be included in the population ratio calculation. However, if Moniker Corp is unable to reasonably establish that the marketing intangible was materially used in the foreign country in areas outside a particular major city; then none of the foreign country's population beyond the population of the major city is **included[include]** in the population ratio calculation. If Moniker Corp is not taxable in any state (including a foreign country) in which Wholesale Co's ultimate consumers are located, the receipts that **may[would]** be assigned to that state are excluded from the denominator of Moniker Corp's receipts factor.

d. Example [(iv)]. Formula, Inc and Appliance Co enter into a license contract under which Appliance Co ~~**may[is permitted to]**~~ use a patent owned by Formula, Inc to manufacture appliances. The license contract specifies that Appliance Co is to pay Formula, Inc a royalty that is a fixed percentage of the gross receipts from the products that are later sold. The contract does not specify ~~**[any-]**~~other fees. The appliances are both manufactured and sold in Kentucky and several other states. Assume the licensing fees are paid for the license of a production intangible, even though the royalty is to be paid based upon the sales of a manufactured product (i.e., the license is not one that includes a marketing intangible). Because the department **may[can]** reasonably establish that the actual use of the intangible property takes place in part in Kentucky, the royalty is assigned based to the location of that use rather than to location of the licensee's commercial domicile. It is presumed that the entire use is in Kentucky, except to the extent that the taxpayer **may[can]** demonstrate that the actual location of some or all of the use takes place outside Kentucky. Assuming that Formula, Inc **may[can]** demonstrate the percentage of manufacturing that takes place in Kentucky using the

patent relative to the manufacturing in other states, that percentage of the total licensing fee paid to Formula, Inc under the contract **shall[will]** constitute Formula, Inc's Kentucky receipts.

e. Example [(v)]. Axel Corp enters into a license agreement with Biker Co in which Biker Co **may[is granted the right to]** produce motor scooters using patented technology owned by Axel Corp, and **[also]** to sell the scooters by marketing the fact that the scooters were manufactured using the special technology. The contract is a license of both a marketing and production intangible, i.e., a mixed intangible. The scooters are manufactured outside Kentucky. Assume that Axel Corp lacks actual information regarding the proportion of Biker Co.'s receipts that are derived from Kentucky customers. **[Also]** Assume that Biker Co is granted the right to sell the scooters in a U.S. geographic region in which the Kentucky population constitutes twenty-five (25) percent of the total population during the period in question. The licensing contract requires an upfront licensing fee to be paid by Biker Co to Axel Corp and does not specify what percentage of the fee derives from Biker Co's right to use Axel Corp's patented technology. Because the fees for the license of the marketing and production intangible are not separately and reasonably stated in the contract, it is presumed that the licensing fees are paid entirely for the license of a marketing intangible, unless either the taxpayer or the department reasonably establishes otherwise. Assuming that neither member establishes otherwise, twenty-five (25) percent of the licensing fee constitutes Kentucky receipts.

f. Example [(vi)]. Same facts as Example **e.[(v)]**, except that the license contract specifies separate fees to be paid for the right to produce the motor scooters and for the right to sell the scooters by marketing the fact that the scooters were manufactured using the special technology. The licensing contract constitutes both the license of a marketing intangible and the license of a production intangible. Assuming that the separately stated fees are reasonable, the department **shall[will]**:

(i)[(1)] Assign no part of the licensing fee paid for the production intangible to Kentucky; **[-]** and

(ii)[(2)] Assign twenty-five (25) percent of the licensing fee paid for the marketing intangible to Kentucky.

g. Example [(vii)]. Better Burger Corp, which is based outside Kentucky, enters into franchise contracts with franchisees that agree to operate Better Burger restaurants as franchisees in various states. Several of the Better Burger Corp franchises are in Kentucky. In each case, the franchise contract between the individual and Better Burger provides that the franchisee is to pay Better Burger Corp an upfront fee for the receipt of the franchise and monthly franchise fees, which cover, among other things, the right to use the Better Burger name and service marks, food processes and cooking know-how, as well as fees for management services. The upfront fees for the receipt of the Kentucky franchises constitute fees paid for the licensing of a marketing intangible. These fees constitute Kentucky receipts because the franchises are for the right to make Kentucky sales. The monthly franchise fees paid by Kentucky franchisees constitute fees paid for:

(i)[(1)] The license of marketing intangibles (the Better Burger name and service marks);

(ii)[(2)] The license of production intangibles (food processes and know-how); **[-]** and

~~(iii)~~~~(3)~~ Personal services (management fees). The fees paid for the license of the marketing intangibles and the production intangibles constitute Kentucky receipts because in each case the use of the intangibles is to take place in Kentucky. The fees paid for the personal services are to be assigned pursuant to this section.

~~h.~~ Example ~~[(viii)]~~. Online Corp, a corporation based outside Kentucky, licenses an information database through the means of the Internet to individual customers that are resident in Kentucky and in other states. These customers access Online Corp's information database primarily in their states of residence, and sometimes, while traveling, in other states. The license is a license of intangible property that resembles a sale of goods or services and are assigned in accordance with ~~this paragraph~~~~[subsection (11)(f) of this section]~~. If Online Corp ~~may~~~~[can]~~ determine or reasonably approximate the state or states where its database is accessed, it ~~shall~~~~[must]~~ do so. Assuming that Online Corp cannot determine or reasonably approximate the location where its database is accessed, Online Corp ~~shall~~~~[must]~~ assign the receipts made to the individual customers using the customers' billing addresses to the extent known. Assume for purposes of this example that Online Corp knows the billing address for each of its customers. ~~[In this case,]~~ Online Corp's receipts from sales made to its individual customers are in Kentucky in any case in which the customer's billing address is in Kentucky.

~~i.~~ Example ~~[(ix)]~~. Net Corp, a corporation based outside Kentucky, licenses an information database through the means of the Internet to a business customer, Business Corp, a company with offices in Kentucky and two **(2)** neighboring states. The license is a license of intangible property that resembles a sale of goods or services and are assigned in accordance with ~~this paragraph~~~~[subsection (11)(f) of this section]~~. Assume that Net Corp cannot determine where its database is accessed, but reasonably approximates that seventy-five (75) percent of Business Corp's database access took place in Kentucky, and twenty-five (25) percent of Business Corp's database access took place in other states. In that case, seventy-five (75) percent of the receipts from database access is in Kentucky. Assume alternatively that Net Corp lacks sufficient information regarding the location where its database is accessed to reasonably approximate the location. Under these circumstances, if Net Corp derives five (5) percent or less of its receipts from database access from Business Corp, Net Corp ~~shall~~~~[must]~~ assign the receipts under ~~subsection~~~~[Section 5](9)(b) of this section~~~~[administrative regulation]~~ to the state where Business Corp principally managed the contract, or if that state is not reasonably determinable to the state where Business Corp placed the order for the services, or if that state is not reasonably determinable to the state of Business Corp's billing address. If Net Corp derives more than five (5) percent of its receipts from database access from Business Corp, Net Corp ~~shall~~~~[is required to]~~ identify the state in which its contract of sale is principally managed by Business Corp and ~~shall~~~~[must]~~ assign the receipts to that state.

~~j.~~ Example ~~[(x)]~~. Net Corp, a corporation based outside Kentucky, licenses an information database through the means of the Internet to more than 250 individual and business customers in Kentucky and in other states. The license is a license of intangible property that resembles a sale of goods or services and receipts from that license are assigned in accordance with ~~this paragraph~~~~[Section 5(11)(f) of this administrative regulation]~~. Assume that Net Corp cannot determine or reasonably approximate the location where its information database is accessed. ~~[Also]~~ Assume that Net Corp

does not derive more than five (5) percent of its receipts from sales of database access from any single customer. Net Corp may apply the safe harbor stated in **subsection[Section 5](9)(a)2.d.** of this **section[administrative regulation]**, and may assign its receipts to a state or states using each customer's billing address. If Net Corp is not taxable in one (1) or more states to which some of its receipts **may[would]** be otherwise assigned, it **shall[must]** exclude those receipts from the denominator of its receipts factor.

k. Example [(xi)]. Web Corp, a corporation based outside of Kentucky, licenses an Internet-based information database to business customers who then sublicense the database to individual end users that are resident in Kentucky and in other states. These end users access Web Corp's information database primarily in their states of residence, and sometimes, while traveling, in other states. Web Corp's license of the database to its customers includes the right to sublicense the database to end users, while the sublicenses provide that the rights to access and use the database are limited to the end users' own use and prohibit the individual end users from further sublicensing the database. Web Corp receives a fee from each customer based upon the number of sublicenses issued to end users. The license is a license of intangible property that resembles a sale of goods or services and are assigned by applying the rules set forth in **subsection[Section 5](9)(b)** of this **section[administrative regulation]**. If Web Corp **may[can]** determine or reasonably approximate the state or states where its database is accessed by end users, it **shall[must]** do so. Assuming that Web Corp lacks sufficient information from which it **may[can]** determine or reasonably approximate the location where its database is accessed by end users, Web Corp **shall[must]** approximate the extent to which its database is accessed in Kentucky using a percentage that represents the ratio of the Kentucky population in the specific geographic area in which Web Corp's customer sublicenses the database access relative to the total population in that area.

(12) Sale of Intangible Property.

(a) Assignment of Receipts. The assignment of receipts to a state or states in the instance of a sale or exchange of intangible property depends upon the nature of the intangible property sold. For purposes of this subsection, a sale or exchange of intangible property includes a license of that property **iff[where]** the transaction is treated for tax purposes as a sale of all substantial rights in the property and the receipts from transaction are not contingent on the productivity, use or disposition of the property. For the rules that apply **iff[where]** the consideration for the transfer of rights is contingent on the productivity, use or disposition of the property, see KRS 141.120(11)(a)(4)(b)ii.

1. Contract Right or Government License that Authorizes Business Activity in Specific Geographic Area. In the case of a sale or exchange of intangible property **iff[where]** the property sold or exchanged is a contract right, government license or similar intangible property that authorizes the holder to conduct a business activity in a specific geographic area, the receipts from the sale are assigned to a state if and to the extent that the intangible property is used or **may[is authorized to]** be used within the state. If the intangible property is used or may be used only in Kentucky, the taxpayer shall assign the receipts from the sale to this state. If the intangible property is used or **may[is authorized to]** be used in this state and one (1) or more other states, the taxpayer shall assign the receipts from the sale to this state to the extent that the intangible property is used

in or authorized for use in this state, through the means of a reasonable approximation.

2. Sale that Resembles a License (Receipts are Contingent on Productivity, Use or Disposition of the Intangible Property). In the case of a sale or exchange of intangible property **if[where]** the receipts from the sale or exchange are contingent on the productivity, use or disposition of the property, the receipts from the sale are assigned by applying the rules set forth in subsection (11) of this section (pertaining to the license or lease of intangible property).

3. Sale that Resembles a Sale of Goods and Services. In the case of a sale or exchange of intangible property **if[where]** the substance of the transaction resembles a sale of goods or services and **if[where]** the receipts from the sale or exchange do not derive from payments contingent on the productivity, use or disposition of the property, the receipts from the sale are assigned by applying the rules set forth in subsection (11)(f) of this section (relating to licenses of intangible property that resemble sales of goods and services). Examples of these transactions include those that are analogous to the license transactions cited as examples in subsection (11)(f)3. of this section.

4. Excluded Receipts. Receipts from the sale of intangible property are not included in the receipts factor in any case in which the sale does not give rise to receipts within the meaning of KRS 141.120(1)(e). In addition, pursuant to KRS 141.120(11)(a)(4)(b)(iii), receipts from the sale of intangible property are excluded from the numerator and the denominator of the taxpayer's receipts factor if the receipts are not referenced in KRS 141.120(11)(a)(4)(b)(i) or KRS 141.120(11)(a)(4)(b)(ii). The sale of intangible property that is excluded from the numerator and denominator of the taxpayer's receipts factor under KRS 141.120(11)(a)(4)(b)(iii) includes~~],~~ **without limitation,** the sale of a partnership interest, the sale of business "goodwill," the sale of an agreement not to compete, or similar intangible value. ~~[Also,]~~ In any instance in which, the state to which the receipts from a sale is to be assigned **may[can]** be determined or reasonably approximated, but **if[where]** the taxpayer is not taxable in **the[such]** state, the receipts that **may[would otherwise]** be assigned to **the[such]** state shall be excluded from the denominator of the taxpayer's receipts factor.

5. Examples. In these examples, unless otherwise stated, assume that the taxpayer is taxable in each state to which some of its receipts **may[would]** be assigned, so that there is no requirement in these examples that the receipts to other states **shall[must]** be excluded from the taxpayer's denominator pursuant to subsection (11)(a) of this section and KRS 141.120(11)(c).

a. Example [(i)]. Airline Corp, a corporation based outside Kentucky, sells its rights to use several gates at an airport located in Kentucky to Buyer Corp, a corporation that is based outside Kentucky. The contract of sale is negotiated and signed outside of Kentucky. The receipts from the sale are in Kentucky because the intangible property sold is a contract right that authorizes the holder to conduct a business activity solely in Kentucky.

b. Example [(ii)]. Wireless Corp, a corporation based outside Kentucky, sells a license issued by the Federal Communications Commission (FCC) to operate wireless telecommunications services in a designated area in Kentucky to Buyer Corp, a corporation that is based outside Kentucky. The contract of sale is negotiated and signed outside of Kentucky. The receipts from the sale are in Kentucky because the intangible property sold is a government license that authorizes the holder to conduct business ac-

tivity solely in Kentucky.

c. Example [(iii)]. Same facts as in Example b., [(ii)] except that Wireless Corp sells to Buyer Corp an FCC license to operate wireless telecommunications services in a designated area in Kentucky and an adjacent state. Wireless Corp **shall[must]** attempt to reasonably approximate the extent to which the intangible property is used in or may be used in Kentucky. For purposes of making this reasonable approximation, Wireless Corp may rely upon credible data that identifies the percentage of persons that use wireless telecommunications in the two (2) states covered by the license.

d. Example [(iv)]. Same facts as in Example c., [(iii)] except that Wireless Corp is not taxable in the adjacent state in which the FCC license authorizes it to operate wireless telecommunications services. The receipts paid to Wireless Corp that **may[would]** be assigned to the adjacent state **shall[must]** be excluded from the denominator of Wireless Corp's receipts factor.

e. Example [(v)]. Sports League Corp, a corporation that is based outside Kentucky, sells the rights to broadcast the sporting events played by the teams in its league in all fifty (50) U.S. states to Network Corp. Although the games played by Sports League Corp will be broadcast in all fifty (50) states, the games are of greater interest in the southeast region of the country, including Kentucky. Because the intangible property sold is a contract right that authorizes the holder to conduct a business activity in a specified geographic area, Sports League Corp **shall[must]** attempt to reasonably approximate the extent to which the intangible property is used in or may be used in Kentucky. For purposes of making this reasonable approximation, Sports League Corp may rely upon audience measurement information that identifies the percentage of the audience for its sporting events in Kentucky and the other states.

f. Example [(vi)]. Same facts as in Example e. [(v)], except that Sports League Corp is not taxable in one (1) state. The receipts paid to Sports League Corp that **may[would]** be assigned to that state **shall[must]** be excluded from the denominator of Sports League Corp's receipts factor.

g. Example [(vii)]. Inventor Corp, a corporation that is based outside Kentucky, sells patented technology that it has developed to Buyer Corp, a business customer that is based in Kentucky. Assume that the sale is not one in which the receipts derive from payments that are contingent on the productivity, use, or disposition of the property. Inventor Corp understands that Buyer Corp is likely to use the patented technology in Kentucky, but the patented technology **may[can]** be used anywhere (i.e., the rights sold are not rights that authorize the holder to conduct a business activity in a specific geographic area). The receipts from the sale of the patented technology are excluded from the numerator and denominator of Inventor Corp's receipts factor.

(13) Special Rules.

(a) Software Transactions. A license or sale of pre-written software for purposes other than commercial reproduction (or other exploitation of the intellectual property rights) transferred on a tangible medium is treated as the sale of tangible personal property, rather than as either the license or sale of intangible property or the performance of a service. In these cases, the receipts are in this state as determined under the rules for the sale of tangible personal property set forth under KRS 141.120(10) and related administrative regulations. In all other cases, the receipts from a license or sale of software are to be assigned to this state as determined otherwise under this administrative regula-

tion. (e.g., depending on the facts, as the development and sale of custom software, see subsection (8) of this section, as a license of a marketing intangible, see subsection (11)(b) of this section, as a license of a production intangible, see subsection (11)(c) of this section, as a license of intangible property *if/where* the substance of the transaction resembles a sale of goods or services, see subsection (11)(f) of this section, or as a sale of intangible property, see subsection (12) of this section.

(b) Sales or Licenses of Digital Goods or Services.

1. In the case of a sale or license of digital goods or services, including, among other things, the sale of various video, audio, and software products, or similar transactions, the receipts from the sale or license are assigned by applying the same rules as are set forth in subsection (9)(a) and (b) or subsection 10(c)5. ~~[(5)]~~ of this section, as if the transaction were a service delivered to an individual or business customer or delivered through or on behalf of an individual or business customer. For purposes of the analysis, it is not relevant what the terms of the contractual relationship are or whether the sale or license might be characterized, depending upon the particular facts, as, for example, the sale or license of intangible property or the performance of a service.

2. Providers of communication services, cable service, and Internet access. Providers ~~[, as defined by KRS 141.121(1)(e),]~~ shall apportion income to this state using a three (3) factor formula as provided in KRS 141.901 pursuant to KRS 141.121(3).

Section 6. Special Rules: Receipts Factor. The following special rules are established in respect to the receipts factor of the apportionment formula:

(1) Bank holding company. For any corporation or other business entity registered under state law as a bank holding company or registered under 12 U.S.C. 1841, et. seq., the Federal Bank Holding Company Act of 1956, as amended, or registered as a savings and loan holding company under 12 U.S.C. 1701 to 1750, the Federal National Housing Act, as amended, and any entity more than fifty (50) percent owned, directly or indirectly, by these/such/ holding companies, receipts are included in the receipts factor denominator and assigned to the receipts factor numerator in this state to the extent those receipts may/would/ be included in the denominator and assigned to this state under KRS 136.530.

(2) Bargeline. Bargelines shall determine receipts in this state by multiplying total transportation revenues by a fraction, the numerator of which is miles operated in this state and the denominator of which is total miles operated for the taxable year. Miles operated in this state shall be fifty (50) percent of the miles operated on the Ohio River, the Big Sandy River, and the Mississippi River adjacent to this state's shoreline plus all miles operated on other inland waterways within this state. [A "mile operated" shall mean the movement of a barge, tug, or other watercraft one (1) mile.]

(3) ~~[(2)]~~ Busline. Buslines shall determine receipts in this state by multiplying total transportation revenues by a fraction, the numerator of which is miles operated in this state and the denominator of which is total miles operated for the taxable year.

(4) ~~[(3)]~~ Passenger airline. Pursuant to KRS 141.121(2)(b)(1), passenger airlines ~~[, as defined by KRS 141.121(1)(d),]~~ shall determine receipts in this state by multiplying total transportation revenues by a fraction, the numerator of which is Kentucky revenue passenger miles in this state and the denominator of which is total revenue passenger miles for the taxable year. [The term "Kentucky revenue passenger mile" is defined

by KRS 141.121(1)(c), and the term "revenue passenger mile" is defined by KRS 141.121(1)(g).]

(5)[(4)] Pipeline. Pipeline companies shall determine receipts in this state by multiplying total operating revenues by a fraction, the numerator of which is barrel miles transported in this state and the denominator of which is total barrel miles transported for the taxable year. [The term "barrel mile" shall mean the transportation of one (1) barrel of liquid or gas one (1) mile.]

(6)[(5)] Public service company. Public service companies[, as defined by KRS 141.0401(6)(i).] shall allocate and apportion net income in accordance with KRS 141.121(5).

(7)[(6)] Qualified air freight forwarder. Pursuant to KRS 141.121(2)(b)(2), qualified air freight forwarders[, as defined by KRS 141.121(1)(f).] shall determine receipts in this state by multiplying total freight forwarding revenues by a fraction, the numerator of which is miles operated in this state and the denominator of which is total miles operated by the affiliated airline for the taxable year. [The term "affiliated airline" is defined by KRS 141.121(1)(a).]

(8)[(7)] Railroad. Railroads shall determine receipts in this state by multiplying total transportation revenues by a fraction, the numerator of which is revenue car miles in this state and the denominator of which is total revenue car miles for the taxable year. [The term "revenue car mile" shall mean the movement of a loaded railcar one (1) mile.]

(9)[(8)] Regulated investment company. Regulated investment companies shall apportion income pursuant to KRS 141.120 and this administrative regulation; ~~except~~provided, however, that a regulated investment company may elect an alternative method for determining receipts pursuant to KRS 141.121(4)(b).

(10)[(9)] Securities brokerage services. Securities brokers operating within certain Kentucky Enterprises Zones defined by KRS 141.121(4)(c), shall apportion income pursuant to KRS 141.120 and this administrative regulation, ~~except~~provided, however, that a securities broker so defined may elect an alternative method for determining receipts pursuant to KRS 141.121(4)(c).

(11)[(10)] Truckline. Trucklines shall determine receipts in this state by multiplying total transportation revenues by a fraction, the numerator of which is miles operated in this state and the denominator of which is total miles operated for the taxable year.

Section 7. This administrative regulation shall apply to tax periods beginning on or after January 1, 2018.

[Definition. (1) "Gross receipts" means the total amount of consideration, including cash, credit, property, and services, paid for the sale, lease, rental, or use of property.

Section 2. The following shall be examples of activities that result in the assignments of gross receipts to Kentucky and shall be included in the numerator described in KRS 141.120(8)(c), if the receipts are business income:

- (1) The sale, lease, rental, or other use of tangible personal property in this state;
- (2) The sale of real property located in Kentucky;
- (3) The lease, rental or other use of real property located in Kentucky;

- ~~(4) The provision of services performed entirely in Kentucky during the tax period;~~
- ~~(5) The provision of services performed within and without Kentucky during the tax period;~~
- ~~(6) Intangible property received by a business with a commercial domicile in Kentucky;~~
- ~~(7) Intangible property, if the intangible has acquired a Kentucky business situs;~~
- ~~(8) Franchise fees received from a franchisee located in Kentucky; and~~
- ~~(9) The distributive share of net income received from a general partnership that is required to file a Kentucky income tax return under the provisions of KRS 141.206.~~

~~Section 3. Assignment of Sales to Kentucky. (1) Sales of real or tangible personal property shall be assigned to Kentucky if the property is in Kentucky or is shipped or delivered to a purchaser in Kentucky.~~

~~(2) Sales of goods destined for delivery outside of Kentucky shall not be assigned to Kentucky, irrespective of method of shipment or delivery.~~

~~(3) Sales of tangible personal property to the U.S. Government shall be assigned to Kentucky if the property is shipped from Kentucky.~~

~~(4) Receipts from intangibles shall be assigned to Kentucky if the corporation's commercial domicile is in Kentucky or the intangible has acquired a Kentucky business situs. Examples of receipts from intangibles which are deemed to have acquired a Kentucky business situs shall be franchise fees from a franchisee located in Kentucky and a corporation's Kentucky distributive share of net income from a general partnership doing business in Kentucky.~~

~~(5) Rents or royalties from real or tangible personal property shall be assigned to Kentucky if the property is located in Kentucky or in the case of mobile property the rent is assigned to Kentucky, if the lessee's base of operations for the property is in Kentucky.~~

~~(6) Receipts from the performance of services shall be assigned to Kentucky if the services are performed entirely in Kentucky, or the services are performed both within and without Kentucky but a greater portion is performed in Kentucky than in any other state based on cost of performance.~~

~~(7) If the corporation has income from a general partnership, the distributive share income shall be included in the sales factor. The denominator shall include the total distributive share; the numerator shall include the amount of the distributive share apportioned to Kentucky pursuant to KRS 141.206(9).~~

~~Section 4.(1) Receipts from intangible property shall be assigned to Kentucky, regardless of the corporation's or general partnership's commercial domicile, if possession and control of the intangible personal property is localized in connection with a trade or business, creating business situs with Kentucky, so that substantial use or value attaches to the intangible property in Kentucky.~~

~~(2) In determining if possession and control is localized in connection with a trade or business, the following factors shall be considered:~~

~~(a) The use of the intangible property in the continuous course of the trade or business in Kentucky;~~

~~(b) The permanency of the location of the intangible property in Kentucky;~~

- ~~(c) The independent control and management of the intangible property in Kentucky;~~
- ~~(d) The possession and control of the intangible property in Kentucky by an independent local agent for the purpose of transacting a permanent business; and~~
- ~~(e) The establishment or use of the intangible property in Kentucky in a manner that attaches substantial use and value of the intangible property to the Kentucky trade or business.~~

~~Section 5. This administrative regulation shall apply to tax periods beginning on or after January 1, 2005.]~~

DANIEL BORK, Commissioner

APPROVED BY AGENCY: February 12, 2019

FILED WITH LRC: February 13, 2019 at 1 p.m.

CONTACT PERSON: Todd Renner, Executive Director, Office of Tax Policy and Regulation, Department of Revenue, 501 High Street, Station 1, Frankfort, Kentucky 40601, phone (502) 782-6081, fax (502) 564-3875, email Todd.Renner@ky.gov.

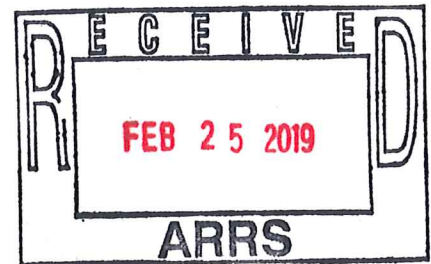
502-429-3300
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KENTUCKY BOARD OF NURSING

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Matthew G. Bevin
Governor

February 25, 2019



Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill, Regulation Compiler
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: 201 KAR 20:065

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 201 KAR 20:065, the Board of Nursing proposes the attached amendments to those regulations.

Sincerely,

J. Michael West
General Counsel
Kentucky Board of Nursing
312 Whittington Parkway, Suite 300
Louisville, KY 40222-5172

**Suggested Amendment
GENERAL GOVERNMENT CABINET
Board of Nursing
(Amended After Comments Version)**

201 KAR 20:065. Professional standards for prescribing Buprenorphine-Mono-Product or Buprenorphine-Combined-with-Naloxone by APRNs for medication assisted treatment for opioid use disorder.

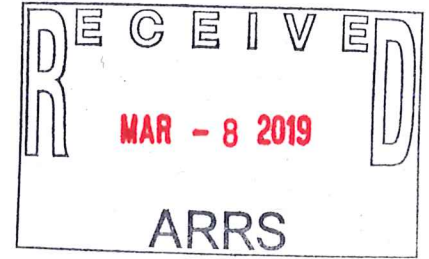
Page 1

RELATES TO

Line 7

After "314.042," insert "21 U.S.C. 823".

Delete "Pub. L. 114-198".



PUBLIC PROTECTION CABINET

Matthew G. Bevin
Governor

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K. Gail Russell
Secretary

March 8, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort, Kentucky 40601

Re: **201 KAR 27:005**, Definitions for 201 KAR Chapter 27

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 201 KAR 27:005, the Kentucky Boxing and Wrestling Commission proposes the attached amendment to 201 KAR 27:005.

Respectfully,

A handwritten signature in blue ink that reads "Cindy Stinnett".

Cindy Stinnett
Executive Director
Kentucky Boxing and
Wrestling Commission

**Suggested Amendment
PUBLIC PROTECTION CABINET
Kentucky Boxing and Wrestling Commission**

201 KAR 27:005. Definitions for 201 KAR Chapter 27.

Page 1

STATUTORY AUTHORITY

Line 7

After "KRS 229.171(1)", insert " (2)".

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 9

After "to exercise sole", insert "control, authority, and".

Line 10

After "shows", delete ", exhibitions, and licensees".

Line 11

After "commonwealth.", insert the following:

KRS 229.171(2) authorizes the commission to promulgate administrative regulations it considers necessary or expedient for the performance of its functions provided in KRS Chapter 229.

Page 1

Section 1(1)

Lines 15-16

After "(2) contestants", delete the following:
in a boxing, kickboxing, mixed martial arts, or

Page 4

Section 1(23)

Line 10

After "Unarmed combat", insert the following:
is defined by KRS 229.011(10)

Lines 10-11

Delete the following:
means engaging in boxing, kickboxing, wrestling, or mixed martial arts



Agency Am.

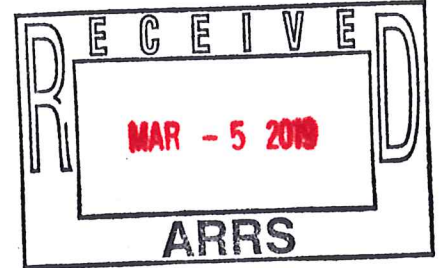
KENTUCKY BOARD OF PHYSICAL THERAPY

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Governor

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Scott D. Majors
Executive Director

March 5, 2019



Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill, Regulation Compiler
Administrative Regulation Review Subcommittee
Legislative Research Commission
Room 029, Capitol Annex
Frankfort, Kentucky 40601

RE: **201 KAR 22:070**. Requirements for foreign-educated physical therapists and physical therapist assistants.

Dear Co-Chairs:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 201 KAR 22:070, the Kentucky Board of Physical Therapy proposes the attached amendment to 201 KAR 22:070.

Sincerely,

Scott D. Majors, Executive Director
Kentucky Board of Physical Therapy

Agency Amendment
Version 3/4/2019 12:24 p.m.
GENERAL GOVERNMENT CABINET
Board of Physical Therapy

201 KAR 22:070. Requirements for foreign-educated physical therapists and physical therapist assistants.

Page 6

Section 3(7)

Line 2

After "Jurisprudence Exam;"; delete "and".

Page 6

Section 3(8)

Line 3

After "National Physical Therapy Examination (NPTE)", insert the following:

; (9) Completes the requirements of Section 1(3) of this administrative regulation; and
(10) To be eligible for a temporary permit, a foreign-educated Physical Therapist
Assistant applicant must complete the requirements of 201 KAR 22:020 Sections 4 and 5

Page 6

Section 4(1)

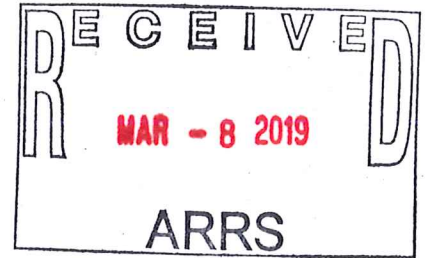
Line 5

After "(1)", insert the following:

The "Supervisory Agreement for Physical Therapists Educated in a Foreign Country,
August 2017" is incorporated by reference

Delete the following:

"The following material is incorporated by reference: (a) "Supervisory Agreement for Physical Therapists Educated in a Foreign Country, August 2017""



PUBLIC PROTECTION CABINET

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K. Gail Russell
Secretary

March 8, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort, Kentucky 40601

Re: **201 KAR 27:008**, License requirements and fees

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 201 KAR 27:008, the Kentucky Boxing and Wrestling Commission proposes the attached amendment to 201 KAR 27:008.

Respectfully,

A handwritten signature in blue ink that reads "Cindy Stinnett".

Cindy Stinnett
Executive Director
Kentucky Boxing and
Wrestling Commission

**Suggested Amendment
PUBLIC PROTECTION CABINET
Kentucky Boxing and Wrestling Commission**

201 KAR 27:008. License requirements and fees.

Page 1

RELATES TO

Line 6

After "15 U.S.C.", insert "6304".
After "6305", delete the comma.

Page 1

STATUTORY AUTHORITY

Line 8

After "15 U.S.C.", insert "6304".

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 9

After "KRS 229.171(1)", insert "authorizes".
Delete "vests".

Lines 9-10

After "the commission", insert "to exercise".
Delete "with".

Line 12

After "the commonwealth.", insert the following:
KRS 229.171(2) authorizes the commission to promulgate administrative regulations it considers necessary or expedient for the performance of its functions provided in KRS Chapter 229.
After "KRS 229.025", insert "(3) requires".
Delete "grants".

Lines 12-13

After "the commission", delete "the authority".

Line 13

After "to", immediately following, insert "promulgate administrative regulations to".
After "establish license", insert the following:
types, the eligibility requirements for each license type, the expiration date of each license type, the annual license fee, and method for submitting all applications for licensure. KRS 229.025(2)
Delete the following:
fees through administrative regulations and

Lines 14-15

After "issued by the commission.", insert the following:

KRS 229.035 requires a promoter license and a bond approved as to form and sufficiency of sureties by the commission. KRS 229.065 requires a license by the commission for wrestling training. 15 U.S.C. 6304 requires protection of the health and safety of boxers, and includes requirements for a physical examination, a physician to be present at ringside, an ambulance or resuscitation equipment, and health insurance coverage.

Page 7

Section 4(3)(a)1.

Line 16

After "thirty", insert a hyphen.

Page 9

Section 10(1)(e)

Line 19

After "Physical Report",", insert "March".

Delete "January".

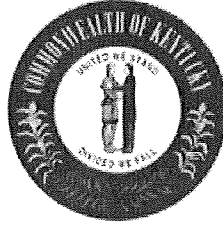
MATERIAL INCORPORATED BY REFERENCE

The agency will need to file one (1) clean copy of the "Physical Report" form at the time that it files this staff suggested amendment with the following changes:

- Edition date of "March 2019"
- Clarify the gender related contestant requirements, by adding "if applicable" with items that would apply to only one gender
- Change any references from "must" to "shall" to comply with KRS Chapter 13A drafting requirements

Kentucky Boxing and Wrestling Commission

656 Chamberlin Avenue, Suite B
Frankfort, Kentucky 40601



Email: KBWC@ky.gov
Phone: (502) 564-0085
Fax: (502) 696-3938

PHYSICAL REPORT

Boxing

MMA

Wrestling

Referee

Date of Exam: _____

Name: _____
Last First Middle Date of Birth

Address: _____ City: _____ State: _____ Zip: _____

Phone Number: _____ Age: _____ Sex: _____

I. MEDICAL HISTORY (to be completed by applicant)

A. Have you ever suffered from any of the following conditions:

- | | | | |
|--|---|--|---|
| <input type="checkbox"/> Fainting spells | <input type="checkbox"/> Rupture (hernia) | <input type="checkbox"/> Chest pains | <input type="checkbox"/> Operations |
| <input type="checkbox"/> Shortness of breath | <input type="checkbox"/> Swollen joints | <input type="checkbox"/> Rheumatism | <input type="checkbox"/> Diabetes |
| <input type="checkbox"/> Frequent headaches | <input type="checkbox"/> Convulsions (fits) | <input type="checkbox"/> Chronic cough | <input type="checkbox"/> Bleeding disorder |
| <input type="checkbox"/> Migraine headaches | <input type="checkbox"/> Spitting of blood | <input type="checkbox"/> Facial fracture | <input type="checkbox"/> Cerebral hemorrhage or head injury |

Do you suffer from any type of headache other than migraine? YES NO If yes, what type? _____

Have you ever had a head or neck injury? YES NO If yes, explain: _____

Have you ever had a seizure? YES NO If yes, when? _____

Do you have any allergies? YES NO If yes, what are they? _____

Have you ever been hospitalized? YES NO If yes, give nature of problems(s), date(s), location(s) and attending physicians. _____

Have you suffered a concussion? _____ If yes, how many? _____ Date of last concussion _____

Have you previously been injured in a sporting event? YES NO If yes, Describe injuries: _____

Do you regularly or occasionally take any medications, drugs, or drops? YES NO

If yes, give name(s), frequency and dose _____

Have you ever suffered from blurred vision? Yes No

Have you ever had surgical procedures done to eye(s) or the tissue around the eye other than simple sutures of the skin?

Yes No If yes, please explain: _____

Have you ever experienced eye problems such as retinal detachment, retinal tear, primary or secondary glaucoma, aphakia, pseudophakia, or dislocated lens? Yes No

If yes, please explain: _____

Boxing and MMA Applicants Only:

Number of knockouts received _____ Date of last KO _____

Longest duration of unconsciousness _____

Length of time before resuming boxing after last knockout _____

Have you ever been knocked unconscious for any reason other than boxing or MMA competition? YES NO

If yes, explain _____

Amateur record: _____ Win _____ Losses _____ Draw

Professional record: _____ Win _____ Losses _____ Draw

Have you ever had Rheumatic Fever? If yes, when were you discharged as cured? _____

List any previous "elimination" matches or "tough-man" events you have fought in: _____

Results _____

List any other serious injuries that you have ever had: _____

Have you ever had a fight stopped for any medical reason? If yes, please specify _____

II. PHYSICAL EXAMINATION

Pages 3 & 4 to be completed by a physician

Height _____ Weight _____ Temperature _____

OTOLOGIC

External Trauma YES NO
Perforated Drum YES NO

NOSE

Instability YES NO
Recent Trauma YES NO
Obstruction YES NO

ORAPHARYNX

Loose Teeth YES NO

ADENOPATHY

YES NO

FACE

Recent Trauma YES NO
Jaw and Temporomandibular Joints Normal Abnormal

LUNGS (Rales)

Normal Abnormal

TESTES

Normal Abnormal

(If Applicable)

ABDOMEN

Enlargement of Liver YES NO
Hernia YES NO

Enlargement of Spleen YES NO
Femoral Inguinal Ventral

CARDIOVASCULAR

Blood Pressure (supine) _____ (upright) _____
Blood Pressure after 100 hops _____ Blood Pressure 2 minutes later _____
Heart Rate (supine) _____ (after 2 minutes of exercise) _____

ENLARGE GLANDS

YES NO

Goiter

YES NO

HEART

Pulse Rhythm Regular Irregular
Enlargement YES NO

Apical impulse Heavy Normal
Murmurs YES NO

BREAST (If Applicable) Mass

YES NO

Tenderness

YES NO

GYNECOLOGICAL EXAMINATION (If Applicable):

Normal Abnormal

MUSCULOSKELETAL:

Hands Normal Abnormal
Wrists Normal Abnormal
Elbows Normal Abnormal
Shoulder Girdle Normal Abnormal
Lower Extremities Normal Abnormal

Comments

NEUROLOGIC:

Mental Status Orientation _____ /3
5-Minute recall _____ /3

Cranial Nerves Normal Abnormal
Strength Normal Abnormal
Tone Normal Abnormal
Gait Normal Abnormal

Coordination:

Finger to Nose Normal Abnormal
Tandem Gait Normal Abnormal

Reflexes:

Pupils: _____ Knee jerk: _____ Romberg: Positive/Negative Babinski: Positive/Negative

Skin:

Rash: _____ Boils: _____ Any other unhealed wounds: _____

Eye Examination: Vision without correction: Right: _____ Left: _____ Vision with correction: Right: _____ Left: _____

Visual fields: Right: _____ Left: _____

Does the applicant have any current or chronic illnesses, physical injuries, abnormalities or physical limitations?
 YES NO

If yes, would these interfere in any manner with this person's ability to participate unarmed combat?
 YES NO

If yes, what limitations should be placed on this person? _____

COMMENTS OF EXAMINING PHYSICIAN (Please check if the person is or is not medically cleared below)

I hereby certify that I have examined the named individual and in my opinion,

this individual **is** or **is not** medically fit to participate as a contestant in a contact sport,

I also attest that I do not have a professional relationship with, nor financial interest in the earnings of this individual.

(PRINT NAME OF EXAMINING PHYSICIAN – MD or DO)

(PHYSICIAN'S LICENSE NUMBER)

(SIGNATURE OF EXAMINING PHYSICIAN)

(ADDRESS OF PHYSICIAN)

(TELEPHONE NUMBER OF PHYSICIAN)

(Office Stamp or Business Card)

Physicals submitted without the above box checked by the attending physician will be returned for completion and will delay licensure.



PUBLIC PROTECTION CABINET

Matthew G. Bevin
Governor

656 Chamberlin Avenue, Suite B
Frankfort, KY 40601
Phone: (502) 564-7760
Fax: (502) 564-3969
www.ppc.ky.gov

K. Gail Russell
Secretary

March 8, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort, Kentucky 40601

Re: **201 KAR 27:011**, General requirements for boxing and kickboxing shows

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 201 KAR 27:011, the Kentucky Boxing and Wrestling Commission proposes the attached amendment to 201 KAR 27:011.

Respectfully,

A handwritten signature in blue ink that reads "Cindy Stinnett".

Cindy Stinnett
Executive Director
Kentucky Boxing and
Wrestling Commission

**Suggested Amendment
PUBLIC PROTECTION CABINET
Kentucky Boxing and Wrestling Commission**

201 KAR 27:011. General requirements for boxing and kickboxing shows.

Page 1

RELATES TO

Line 5

After "KRS", insert "229.025".

Line 6

After "(b)", delete the comma.

Page 1

STATUTORY AUTHORITY

Line 7

After "KRS", insert "229.025".

Line 8

After "6304", insert ", 6305".

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 9

After "KRS 229.171(1)", insert "authorizes".
Delete "vests".

Line 10

After "Commission", insert "to exercise".
Delete "with".

Line 12

After "shows", delete ", exhibitions, and licensees".
After "in the commonwealth.", insert the following:

KRS 229.171(2) authorizes the commission to promulgate administrative regulations it considers necessary or expedient for the performance of its functions provided in KRS Chapter 229. KRS 229.025 requires every licensee to be subject to administrative regulations promulgated by the commission. 15 U.S.C. 6304 requires protection of the health and safety of boxers, and includes requirements for a physical examination, a physician to be present at ringside, an ambulance or resuscitation equipment, and health insurance coverage. 15 U.S.C. 6305 requires the commission to issue an identification card to each professional boxer who registers with the commission.

Page 2

Section 2(1)

Line 8

After "commission.", insert "A contestant with".

Lowercase the first letter of "Repeated".

After "unexcused absences", insert "or a cancelation shall".

Delete "may".

Page 2

Section 2(3)

Line 13

After "denied.", insert the following:

Bout approval does not exempt contestant from individual physical approval as required by 201 KAR 27:008, Section 3.

Page 2

Section 2(3)(f) and Section 2 4.

Lines 21-22

After "medical histories.", insert "(4)".

Delete "4.".

Page 7

Section 7(2)(a)

Line 13

After "(a)", capitalize the first letter of "extends".

Page 7

Section 7(2)(b)

Line 14

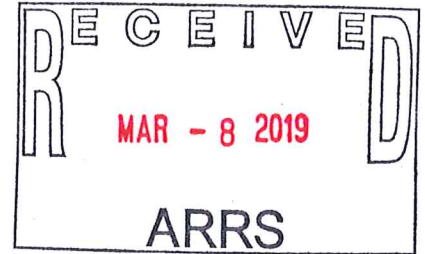
After "(b)", capitalize the first letter of "contains".

Page 16

Section 13(2)(a)

Line 1

After "A minimum of", lowercase the first letter of "Three".



PUBLIC PROTECTION CABINET

Matthew G. Bevin
Governor

656 Chamberlin Avenue, Suite B
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www.ppc.ky.gov

K. Gail Russell
Secretary

March 8, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort, Kentucky 40601

Re: **201 KAR 27:016**, General requirements for mixed martial arts matches, shows, or exhibitions

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 201 KAR 27:016, the Kentucky Boxing and Wrestling Commission proposes the attached amendment to 201 KAR 27:016.

Respectfully,

A handwritten signature in blue ink that reads "Cindy Stinnett".

Cindy Stinnett
Executive Director
Kentucky Boxing and
Wrestling Commission

**Suggested Amendment
Public Protection Cabinet
Kentucky Boxing and Wrestling Commission**

201 KAR 27:016. General requirements for mixed martial arts matches, shows, or exhibitions.

Page 1

RELATES TO

Line 6

After "KRS", insert "229.025".

After "229.031,", insert "229.055".

Line 7

After "229.131,", insert "229.155".

Page 1

STATUTORY AUTHORITY

Line 8

After "KRS", insert "229.025".

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 10

After "229.171(1)", insert "authorizes".

Delete "vests".

Line 11

After "Commission", insert "to exercise".

Delete "with".

Line 13

After "shows", delete ", exhibitions, and licensees".

After "in the commonwealth.", insert the following:

KRS 229.171(2) authorizes the commission to promulgate administrative regulations it considers necessary or expedient for the performance of its functions provided in KRS Chapter 229. KRS 229.025 requires every licensee to be subject to administrative regulations promulgated by the commission.

Page 2

Section 2(1)

Line 10

After "commission.", insert "A contestant with".

Lowercase the first letter of "Repeated".

After "absences or", insert "a".

Page 2

Section 2(3)

Line 16

After "201 KAR 27:00", insert "g".

Delete "9".

After the comma immediately following, capitalize the first letter of "section".

Page 4

Section 4(6)

Line 16

After "by a physician", insert the following:
within eight (8) hours of the show

Page 15

Section 16(3)

Line 18

After "pre-bout duties", insert a colon.

Delete the following:

shall be established in this subsection.

Page 16

Section 16(4)

Lines 8-9

After "during the bout or exhibition", insert a colon.

Delete the following:

shall be as established in this subsection.

Page 18

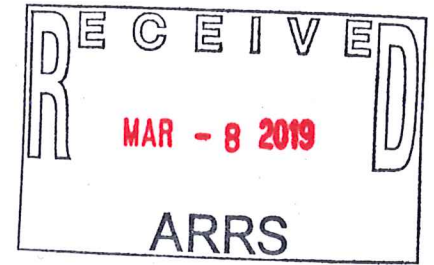
Section 18(2)

Line 1

After "(2)", insert "(a)".

Line 2

After "opponent.", insert "(b)".



PUBLIC PROTECTION CABINET

Matthew G. Bevin
Governor

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K. Gail Russell
Secretary

March 8, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort, Kentucky 40601

Re: 201 KAR 27:020, Tickets

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 201 KAR 27:020, the Kentucky Boxing and Wrestling Commission proposes the attached amendment to 201 KAR 27:020.

Respectfully,

A handwritten signature in blue ink that reads "Cindy Stinnett".

Cindy Stinnett
Executive Director
Kentucky Boxing and
Wrestling Commission

**Suggested Amendment
PUBLIC PROTECTION CABINET
Kentucky Boxing and Wrestling Commission**

201 KAR 27:020. Tickets.

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 7

After "KRS 229.171(1)", insert "authorizes".

Delete "vests".

Line 8

After "Wrestling Commission", insert "to exercise".

Delete "with".

Line 10

After "shows", delete ", exhibitions, and licensees".

After "in the commonwealth.", insert the following:

KRS 229.171(2) authorizes the commission to promulgate administrative regulations it considers necessary or expedient for the performance of its functions provided in KRS Chapter 229.

Line 13

After "jurisdiction of the commission, and", insert "KRS 229.031(4)".

Page 3

Section 4

Line 5

After "shall be given", insert "the".

Delete "their".

REGULATORY IMPACT ANALYSIS

The agency needs file one (1) copy of the Regulatory Impact Analysis and Tiering Statement at the time of filing this staff suggested amendment paginated as page 7 through 9, and with the following corrections:

- **Updates the response to Question 2(c); and**
- **Other responses as needed so that the RIA is current with this regulation as amended currently.**

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation Number: 201 KAR 27:020, Tickets

Contact Person: Cindy Stinnett, Executive Director, Kentucky Boxing and Wrestling

Commission Phone Number: 502-782-7700

Email: Cindy.Stinnett@ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation sets forth rules governing the sale of tickets to unarmed combat shows and exhibitions, as well as the reporting of such sales and accompanying tax payments.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to clarify expectations with respect to ticket sales, reporting, and accompanying tax payments by the entities the Kentucky Boxing and Wrestling Commission regulates.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 229.031 requires persons conducting unarmed combat shows to furnish certain ticket records and a tax payment to the commission. This administrative regulation further clarifies related requirements and sets forth a process for compliance with the statute.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation provides detailed instructions and a process for regulated entities to comply with KRS 229.031, which requires certain recordkeeping and the payment of taxes to the commission.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This amendment corrects outdated cross-references and extends the time period for completion of a required Event Report from seventy-two hours to fifteen (15) days.

(b) The necessity of the amendment to this administrative regulation: This amendment is needed to correct outdated cross-references and facilitate more accurate reporting by regulated entities; extending the reporting period from seventy-two hours to fifteen (15) days should improve rates of compliance and accurate reporting.

(c) How the amendment conforms to the content of the authorizing statutes: This amendment conforms to KRS 229.031, which establishes ticket recording, tax calculation, and reporting requirements within the time prescribed by the commission.

(d) How the amendment will assist in the effective administration of the statutes: This amendment provides improved clarity and extends the time allowed for reporting by regulated entities, which will facilitate compliance.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: All persons conducting unarmed combat shows or exhibitions in the Commonwealth and the Kentucky Boxing and Wrestling Commission will be affected.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: All persons conducting unarmed combat shows or exhibitions will be required to post detailed schedules of ticket prices, changes to the program card, and submit an Event Report to the commission, accompanied by a check or money order for the appropriate amount of tax.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): The cost to a person conducting unarmed combat shows or exhibitions will depend on the number of tickets sold, which is the basis for the applicable tax.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): Persons conducting unarmed combat shows or exhibitions and complying with this administrative regulation will avoid penalties set forth by KRS 229.031(4) and KRS 229.200.

(5) Provide an estimate of how much it will cost to implement this administrative regulation:

(a) Initially: There will be no additional initial cost to implement this administrative regulation.

(b) On a continuing basis: There will be no additional ongoing cost to implement this administrative regulation.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: No additional funding is necessary for the implementation of this administrative regulation. Existing commission staff will continue to be responsible for enforcement.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change, if it is an amendment: No increases in fees or funding are necessary to implement this amendment to the administrative regulation.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation does not establish any fees or directly or indirectly increase any fees. The taxes to be collected pursuant to this administrative regulation are set forth in statute by KRS 229.031(1).

(9) TIERING: Is tiering applied? Explain why tiering was or was not used. Tiering is not applied because this regulation applies equally to all persons holding similar permits for the conduct of an unarmed combat show.



KENTUCKY BOARD OF LICENSURE FOR MARRIAGE & FAMILY THERAPISTS

Matthew G. Bevin
Governor

P. O. Box 1360
Frankfort, Kentucky 40602
Phone (502) 564-3296
Fax (502) 564-4818
<http://mft.ky.gov>

Shawn Oak
Chair

March 5, 2019



Senator West, Co-Chair
Representative Hale, Co-Chair
c/o Regulations Compiler
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: **201 KAR 32:110**. Telehealth.

Dear Co-Chair Harris and Co-Chair Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 201 KAR 32:110, the Kentucky Board of Licensure for Marriage and Family Therapists proposes the attached amendment to 201 KAR 32:110.

Please contact me at (502) 782-0766 if you have any questions regarding this matter.

Sincerely,

A handwritten signature in cursive script that reads "Bryan D. Morrow".

Bryan D. Morrow, Board Counsel
Kentucky Board of Licensure for
Marriage and Family Therapists
P.O. Box 1360
911 Leawood Drive
Frankfort, KY 40602



AMENDED AFTER COMMENTS
REVISED:
2/19/2019 8:16 AM
Suggested Amendment
Board of Licensure for Marriage and Family Therapists

201 KAR 32:110. Telehealth.

(AMENDED AFTER COMMENTS version)

Page 1

STATUTORY AUTHORITY

Line 6

After "KRS", insert "335.320(9)".

Delete "335.310".

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 7

After "KRS", insert the following:

335.320(9) requires the Board of Licensure for Marriage and Family Therapists to promulgate administrative regulations to implement the purpose and scope of KRS 335.300 to 335.399. KRS

Pages 1-2

Section 1(1) – (7)

Lines (Page 1) 12, 14, 17, 19

(Page 2) 1, 3, 5

NOTE TO REGULATIONS COMPILER:

Please change the following in each definition

[subsections (1) through (7)]:

After the term in quotes, insert "means".

Delete "shall mean".

Page 1

Section 1(4)

Line 20

After "1996", insert the following:

, Pub. L. No. 104-191, 110 Stat. 1936 (1996)

Page 2

Section 1(5)

Line 2

After "2009", insert the following:

, 42 U.S.C. 17901-17953

Page 2

Section 1(7)

Line 6

After "time.", insert the following:

(8) "Telehealth" is defined by KRS 335.380(3).

Page 2

Section 2(2)

Line 14

After "applicable for", insert "in-person".

Delete "in person".

Page 2

Section 2(3)

Lines 17

After "family therapist has", insert the following:

successfully completed all requirements set forth in Section 3(1) of this administrative regulation

Delete the following:

technical and clinical competency to render such services

Page 2

Section 2(4)

Line 20

After "render", insert "these".

Delete "such".

After "services", insert the following:

by successfully completing all requirements set forth in Section 3(2) of this administrative regulation

Page 2

Section 3(1)

Line 22

After "Initial", insert "educational requirements".

Delete "training".

Page 3

Section 3(1)

Line 1

After "practice of telehealth", insert the following:

as provided in 201 KAR 32:060, Section 2(2)

Page 3

Section 3(2)

Line 10

After "Continuing education", insert "requirements".

Page 3

Section 3(2)

Line 12

After "credit hours of", insert the following:

continuing education approved by the board, in accordance with 201 KAR 32:060,

Delete "board-approved continuing education".

Page 3

Section 4

Line 17

After "therapist shall", insert the following:

require the client to produce a valid photo identification

Delete the following:

take appropriate steps to verify the identity of the client

Page 4

Section 5(2)

Line 2

After "this state", insert comma.

Line 3

After "providing", insert "these".

Delete "such".

Page 4

Section 6(1)

Line 11

After "therapist providing", insert "these".

Delete "such".

Page 5

Section 6(1)(j)

Line 10

After "boundaries,", insert "if applicable".

Delete "where appropriate".

Page 5

Section 6(2)

Line 13

After "therapist shall", insert the following:

, pursuant to Section 4 of this administrative regulation,

NOTE TO AGENCY:

The Regulations Compiler has already corrected the numbering on the next two sections to make them "Section 7" and "Section 8."

Page 6

Section 8 ["Compliance with privacy...."]

Line 3

After "laws, documentation", insert comma.

Page 6

Section 8(2) ["Compliance with privacy...."]

Lines 8-9

After "telehealth,", delete "and the".

After "delivered", insert comma.

After "and", insert "related".

After "recordkeeping", delete "related thereto".

Ryan F. Quarles
Commissioner



Corporate Drive
Complex
Frankfort, KY 40601
(502) 573-0282

Kentucky Department of Agriculture

March 6, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: **302 KAR 27:010. Definitions for 302 KAR Chapter 27.**
302 KAR 27:020. General provisions.
302 KAR 27:031. Repeal of 302 KAR 27:030.
302 KAR 27:040. Pesticide licenses for prison inmates.
302 KAR 27:050. Pesticide licensing and certification.
302 KAR 27:060. Fine schedule for violation of KRS 217B.120.
302 KAR 28:010. Definitions for 302 KAR Chapter 28.
302 KAR 28:020. General provisions.
302 KAR 28:030. Ornamental and interior plantscape posting.
302 KAR 28:040. Pesticide licenses for prison inmates.
302 KAR 28:050. Pesticide licensing and certification.
302 KAR 28:060. Fine schedule for violation of KRS 217B.120.
302 KAR 85:010. Requirements to establish fee schedules for calibrations, adjustments, weights, and measures.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 302 KAR 27:010, 302 KAR 27:020, 302 KAR 27:031, 302 KAR 27:040, 302 KAR 27:050, 302 KAR 27:060, 302 KAR 28:010, 302 KAR 28:020, 302 KAR 28:030, 302 KAR 28:040, 302 KAR 28:050, 302 KAR 28:060 and 302 KAR 85:010 the Kentucky Department of Agriculture proposes the attached amendments to 302 KAR 27:010, 302 KAR 27:020, 302 KAR 27:031, 302 KAR 27:040, 302 KAR 27:050, 302 KAR 27:060, 302 KAR 28:010, 302 KAR 28:020, 302 KAR 28:030, 302 KAR 28:040, 302 KAR 28:050, 302 KAR 28:060 and 302 KAR 85:010.



Ryan F. Quarles
Commissioner



Corporate Drive
Complex
Frankfort, KY 40601
(502) 573-0282

Kentucky Department of Agriculture

Sincerely,

A handwritten signature in black ink, appearing to read "Cliff Quarles".

Cliff Quarles
Staff Attorney
Kentucky Department of Agriculture
107 Corporate Drive
Frankfort, KY 40601



Suggested Amendment

Final Version: 3/6/2019 10:21 AM

**GENERAL GOVERNMENT CABINET
Department of Agriculture
Office of Consumer and Environmental Protection**

302 KAR 27:010. Definitions for 302 KAR Chapter 27.

Page 1

RELATES TO

Line 6

After "Chapter 217B", insert the following:
, 7 U.S.C. 136 et seq.

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 10

After "establishes the definitions", insert "that".
Delete "which".

Page 1

Section 1(2)

Line 14

After "means any plant", delete the comma.
After "or animal products", insert a comma.

Line 15

After "produced", insert ":(a)".
Capitalize the first letter of "by".
Delete "persons, including".

Line 16

After "other comparable persons", insert "; and (b)".
Delete the comma.
Capitalize the first letter of "primarily".

Page 1

Section 1(3)

Line 17

After "(3) "Agricultural fumigation"", insert ":(a)".
Capitalize the first letter of "means".

Lines 19 and 20

After "of agricultural commodities", insert the following:

; and

(b) Does not mean

Delete the following:

. Agricultural fumigation shall not include

Capitalize the first letter of "the".

Page 2

Section 1(8)

Line 11

After "the area of", delete "his".

Page 2

Section 1(9) and (10)

Lines 12 through 17

After "(9)", delete the remainder of subsection (9) in its entirety and delete the notation, "(10)".

Page 2

Section 1(10)

Line 17

After "a probable manner", insert an opening parenthesis.

Delete the comma.

After "dermal, or respiratory", insert a closing parenthesis.

Line 18

After "which a pesticide", insert "can".

Delete "may".

After "enter an organism.", insert the following:

(10) "Compatibility" means that chemical property of a pesticide that permits use with other chemicals without undesirable results being caused by the combination.

Page 3

Section 1(15)

Line 4

After "interrelationships", insert "that".

Delete "which".

Page 3

Section 1(16)

Line 5

After "act or omission", insert a comma.

After "which has or", insert "can".

Delete "may".

Line 6

After "have", insert a comma.

Page 3

Section 1(17)

Line 9

After "and Rodenticide Act", insert the following:

7 U.S.C. 136 et seq.

Page 3

Section 1(19)

Line 13

After "a given situation", insert "with".

Delete the comma.

Page 4

Section 1(28)

Line 20

After "knowledge and ability", delete "which must be".

Page 5

Section 1(31)

Line 3

After "means any building", insert a comma.

Ryan F. Quarles
Commissioner



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Kentucky Department of Agriculture

March 6, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: 302 KAR 27:010. Definitions for 302 KAR Chapter 27.
302 KAR 27:020. General provisions.
302 KAR 27:031. Repeal of 302 KAR 27:030.
302 KAR 27:040. Pesticide licenses for prison inmates.
302 KAR 27:050. Pesticide licensing and certification.
302 KAR 27:060. Fine schedule for violation of KRS 217B.120.
302 KAR 28:010. Definitions for 302 KAR Chapter 28.
302 KAR 28:020. General provisions.
302 KAR 28:030. Ornamental and interior plantscape posting.
302 KAR 28:040. Pesticide licenses for prison inmates.
302 KAR 28:050. Pesticide licensing and certification.
302 KAR 28:060. Fine schedule for violation of KRS 217B.120.
302 KAR 85:010. Requirements to establish fee schedules for calibrations, adjustments, weights, and measures.

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Kentucky Department of Agriculture

Sincerely,

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Clint Quarles
Staff Attorney
Kentucky Department of Agriculture
107 Corporate Drive
Frankfort, KY 40601



Suggested Amendment

Final Version: 3/6/2019 10:51 AM

**GENERAL GOVERNMENT CABINET
Department of Agriculture
Office of Consumer and Environmental Protection**

302 KAR 27:020. General provisions.

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Lines 9 and 10

After "KRS Chapter 217B.", insert the following:

KRS 217B.105 requires the department to promulgate recordkeeping administrative regulations pertaining to KRS Chapter 217B.

Page 2

Section 1(4)

Line 16

After "(4) Retention.", insert "(a)1."

Line 17

After "a period of", insert "at least".

Lines 17 and 18

After "KRS 217B.105(7).", insert "2".

Line 19

After "a period of", insert "at least".

After "use or application.", insert "(b)".

Line 20

After "not be required.", insert "(c)".

Page 3

Section 1(5)

Line 2

After "branch offices, as", insert "established".

Delete "prescribed".

Page 3

Section 2(1)

Line 4

After "all persons who", delete "have occasion to".

Lines 4 and 5

After "or persons who", delete "have occasion to".

Page 3

Section 2(2)

Line 6

After "storage of pesticides", insert a period.
Delete the colon.

Page 3

Section 2(2)(e)

Lines 19 and 20

After "area is locked", insert "while".
Delete "when".

Page 4

Section 3

Lines 7 and 8

After "pesticides shall have", insert "direct on-the-job- supervision".
Delete the following:
direct on the job supervision

Line 8

After "as defined", insert "by".
Delete "in".
After "KRS 217B.040(28).", remove the closing bracket.

Page 4

Section 4

Lines 12 and 13

After "and Rodenticide Act,", insert the following:
7 U.S.C. 136 et seq
Delete the remainder of Section 4, except the period.

Ryan F. Quarles
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March 6, 2019

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Suggested Amendment

Final Version: 3/6/2019 11:05 AM

**GENERAL GOVERNMENT CABINET
Department of Agriculture
Office of Consumer and Environmental Protection**

302 KAR 27:031. Repeal of 302 KAR 27:030.

Page 1

STATUTORY AUTHORITY

Line 7

After "KRS 217B.050", delete ", 217B.185".

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Lines 10 and 11

After "Chapter 217B.", delete the sentence beginning with "KRS 217B.185" and ending with "pesticide sales agents."

Lines 11 and 12

After "This administrative regulation", insert the following:

repeals 302 KAR 27:030 because provisions are being consolidated
into other administrative regulations

Delete the remainder of the sentence, except the period.

Ryan F. Quarles
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Suggested Amendment

Final Version: 3/6/2019 11:16 AM

**GENERAL GOVERNMENT CABINET
Department of Agriculture
Office of Consumer and Environmental Protection**

302 KAR 27:040. Pesticide licenses for prison inmates.

Page 1

TITLE

Line 5

After "302 KAR 27:040", insert "Pesticide licenses for".

Page 1

Section 1(1)

Line 12

After "(1) Except as", insert "established".

Delete "provided".

Line 13

After "requirements for licensing", insert "established".

Delete "set out".

Line 14

After "issued a license", insert "that shall".

Delete "which will".

Line 15

After "released from incarceration", delete the comma.

Ryan F. Quarles
Commissioner



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March 6, 2019

Senator Stephen West, Co-Chair
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Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: 302 KAR 27:010. Definitions for 302 KAR Chapter 27.
302 KAR 27:020. General provisions.
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Suggested Amendment

Final Version: 3/6/2019 11:27 AM

**GENERAL GOVERNMENT CABINET
Department of Agriculture
Office of Consumer and Environmental Protection**

302 KAR 27:050. Pesticide certification and licensing.

Page 1

TITLE

Line 5

After "302 KAR 27:050.", insert "Pesticide".
Lowercase the first letter of "Certification" and insert "and licensing".

Page 1

RELATES TO

Line 6

After "Chapter 217B,", insert the following:
40 C.F.R. 156, 170, 171.

Page 1

Section 1(1)

Line 15

After "use pesticides unless", delete "he is".

Page 1

Section 1(2)

Line 17

After "pesticide unless he", insert "or she".

Lines 17 and 18

After "the application, as", insert "established".
Delete "provided".

Lines 18 and 19

After "under the direct", insert "on-the-job".
Delete "on the job".

Page 2

Section 1(3)

Line 1

After "Kentucky and if", delete the following:
, in the opinion of the department,
After "the other", insert "state: (a) Has".
Delete "state's".

Line 2

After "requirements", delete "are".
After "that of Kentucky", insert "; and (b)".
Delete "and the other state".
Capitalize the first letter of "agrees".

Page 2

Section 2

Line 4

After "this administrative regulation", insert "shall".
Delete "may".

Line 5

After "this administrative regulation", insert a period.
Delete the semicolon.

Line 6

Capitalize the first letter of "category-specific".
After "certification", insert "shall".
Delete "may".
After "obtained in the", delete "following".

Lines 6 and 7

After "use or application", insert the following:
as established in subsections (1) through (12) of this section.
Delete the period.

Page 2

Section 2(1)(a)

Line 9

After "Plant and animal.", insert "1.".

Line 10

After "agricultural commodities including", insert "; a.".
Capitalize the first letter of "tobacco".

Line 11

After "vegetables, small fruits,", insert "and".

Lines 11 and 12

After "fruits and nuts", insert "; b.".
Delete ", and".
Capitalize the first letter of "on".

Line 12

After "lands, and greenhouses", insert "; c.".
Delete ", and".
Capitalize the first letter of "the".

Line 14

After "and livestock", insert "; and d.".
Delete ", and".
Capitalize the first letter of "to".
After "animals are confined.", insert "2.".

Page 2

Section 2(1)(b)

Line 18

After "category shall include", insert ": 1.".
Capitalize the first letter of "the".

Line 21

After "agricultural commodities; and", insert "2.".
Capitalize the first letter of "any".

Page 3

Section 2(4)

Line 8

After "302 KAR 29:060, Section", insert "2(2)".
Delete "1(2)".

Page 5

Section 3(1)

Line 6

After "certification is requested.", insert "(a)".

Lines 7 and 8

After "this administrative regulation.", insert "(b)".

Line 10

After "to be certified.", insert "(c)".

Line 11

After "twenty-five (25) dollars.", insert "(d)1.".

Line 12

After "each additional category.", insert "2.".

Line 14

After "of the examination.", insert "(e)1.".

Line 15

After "the licenses requested.", insert "2.".

Page 5

Section 4(1)

Line 23

After "and labeling comprehension", insert ", including".

Page 6

Section 4(1)(c)

Line 4

After "with the labeling", insert a semicolon.
Delete the period.

Page 6

Section 4(2)(a)

Line 6

After "hazard to man", insert a comma.

Page 6

Section 4(2)(h)

Lines 16 and 17

After "application of pesticides", insert a semicolon.
Delete the period.

Page 7

Section 4(3)(e)

Line 1

After "fertilizer or pesticide;", insert "and".

Page 7

Section 4(4)

Line 3

After "including consideration of", delete "the following factors".

Page 7

Section 4(3)(f)

Line 2

After "controls including sanitation", insert a semicolon.
Delete the period.

Page 7

Section 4(4)(b)

Line 6

After "identification and control", insert a semicolon.
Delete the period.

Page 7

Section 4(5)

Line 7

After "Pesticides, including consideration of", delete "the following factors".

Page 7
Section 4(5)(e)
Line 12

After "(e) Factors", insert "that".
Delete "which".

Page 7
Section 4(5)(f)
Line 13

After "(f) Dilution procedure", insert a semicolon.
Delete the period.

Page 7
Section 4(6)
Line 14

After "including consideration of", delete "the following factors".

Page 7
Section 4(6)(b)
Line 16

After "calibration of equipment", insert a semicolon.
Delete the period.

Page 7
Section 4(7)(c)
Line 22

After "into the environment", insert ", and".

Page 8
Section 5
Line 5

After "that category as", insert the following:
established in subsections (1) through (12) of this section.
Delete "as follows:".

Page 8
Section 5(1)(a)
Line 7

After "Plant and animal.", insert "1.".

Line 8

After "for which they", insert "could".
Delete "may".

Line 9

After "using pesticides.", insert "2.".

Lines 11 and 12

After "in agricultural areas.", insert "3. The person".

Delete "They".

Lines 12 and 13

After "their associated pests.", insert "4.".

Line 14

After "residue potentials", insert "because".

Delete "since".

After "used for food.", insert "5.".

Delete "Further,".

Capitalize the first letter of "the".

Page 8

Section 5(1)(b)

Lines 17 and 18

After "agricultural fumigation certification.", insert "The person".

Delete "They".

Page 9

Section 5(2)

Line 3

After "pests involved therein.", insert "(a) The person".

Delete "They".

Line 4

After "a basis for", insert "timing".

Delete "programming".

After "pesticide applications.", insert "(b)".

Line 6

After "to be applied.", insert "(c)".

After "Because forest stands", insert "can".

Delete "may".

Line 7

After "of pesticide use", insert "can".

Delete "may".

Line 8

After "applicator shall", delete ", therefore,".

After "of control methods", insert "that".

Delete "which".

Line 9

After "effects on wildlife.", insert "(d)".

Line 10

After "especially as it", insert "might".

Delete "may".

Page 9

Section 5(3)

Line 14

After "surface active agents", insert "that".
Delete "which".

Lines 14 and 15

After "pesticide binding and", insert "can".
Delete "may".

Line 15

After "affect germination.", insert "(b) The person".
Delete "They".

Page 9

Section 5(4)

Line 19

After "the secondary effects", insert "that".
Delete "which".

Line 20

After "in this category.", insert "(a) The person".
Delete "They".

Lines 22 and 23

After "and other organisms", insert "that can".
Delete "which may".
After "aquatic environments.", insert "(b) The person shall".
Delete "They shall also".

Page 10

Section 5(5)

Line 2

After "variety of environments", insert "because".
Delete "since".

Line 3

After "terrains, including waterways.", insert "(a) The person".
Delete "They".

Line 4

After "recognize target organisms.", insert "(b) The person".
Delete "They".

Line 5

After "shall", delete "also".

Page 10

Section 5(6)

Line 17

After "the public shall", insert the following:

comply with this administrative regulation

Delete the remainder of this sentence, except the period.

Line 18

After "of pesticide use.", insert "(a)".

Line 19

After "shall be required.", insert "(b) The person".

Delete "Further, they".

Line 21

After "other control methods.", insert "(c)".

Page 11

Section 5(7)

Line 2

After "aerial certification.", insert "(a)".

Lines 5 and 6

After "of spray personnel.", insert "(b) The person".

Delete "Persons".

Page 11

Section 5(9)

Line 15

After "climatic factors that", insert "can".

Delete "may".

Line 17

After "proper handling, mixing", insert a comma.

Page 12

Section 5(10)

Line 5

After "algae or slime.", insert "(a)".

Line 6

After "in this category.", insert "(b)".

Page 12

Section 5(11)

Line 16

After "effects, factors that", insert "can".

Delete "may".

Page 12
Section 6
Line 22

After "Section 6. Certification Maintenance.", insert "(1)".

Page 13
Section 6
Line 2

After "application of pesticides.", insert "(2)".

Line 4

After "this administrative regulation.", insert "(3)".

Lines 6 and 7

After "shall be required.", insert "(4)".

Lines 8 and 9

After "categories a person", insert "holds. (5)".

Delete "may hold."

Page 13
Section 7(1)

Lines 14 and 15

After "Compliance with the", delete "following".

Line 15

After "standards", insert the following:

established in paragraphs (a) through (i) of this subsection.

Line 16

After "pesticides in his", insert "or her".

Line 18

After "show that he", insert "or she".

Line 19

After "associated with", insert "the applicable".

Delete "his".

After "agricultural operations", insert a comma.

Page 14
Section 7(2)

Line 20

After "county extension agents.", insert "(a)".

Line 21

After "applicator training pamphlet.", insert "(b)".

Line 22

After "their own progress.", insert "(c)".

Page 15

Section 7(2)

Line 1

After "its designated representative.", insert "(d)".

Line 2

After "its designated representative.", insert "(e)".

Line 3

Delete the quotation marks around "Core Manual".
After "Environmental Protection Agency.", insert "(f)".

Line 4

After "means of certification.", insert "(g)".

Page 15

Section 8

Line 8

After "signifying that he", insert "or she".
After "for which he", insert "or she".

Page 15

Section 8(1)

Line 9

After "Inactive status.", insert "(a)".

Line 10

After "to maintain his", insert "or her".
After "license,", insert "the licensee shall".
Delete "he may".

Line 11

After "for the change.", insert "(b)".

Line 12

After "notification that", insert "the".
Delete "his".
After "license", insert "shall".
Delete "will".
After "in inactive status.", insert "(c)".

Line 13

After "annual renewal fee.", insert "(d)".

Page 15

Section 8(2)

Line 16

After "license and certification.", insert "(a)".

Lines 16 and 17

After "Department of Agriculture", delete the following:
employed after the effective date of this administrative regulation

Line 19

After "the term of", delete "his".

Line 20

After "the performance of", delete "his".

After "official duties.", insert "(b)".

Lines 21 and 22

After "by an employee", delete the following:

prior to the effective date of this administrative regulation

Line 22

After "duration of his", insert "or her".

Line 23

After "the performance of", delete "his".

Ryan F. Quarles
Commissioner



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Kentucky Department of Agriculture

March 6, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
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Re: 302 KAR 27:010. Definitions for 302 KAR Chapter 27.
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Suggested Amendment

Final Version: 3/6/2019 11:52 AM

**GENERAL GOVERNMENT CABINET
Department of Agriculture
Office of Consumer and Environmental Protection**

302 KAR 27:060. Fine schedule for violation of KRS 217B.120.

**Page 1
RELATES TO
Line 6**

After "KRS 217B.120", insert "40 C.F.R. 170".

**Page 1
NECESSITY, FUNCTION, AND CONFORMITY
Line 10**

After "penalties for violations", insert "established".
Delete "set forth".

Line 11
After "to the violations", insert "established".
Delete "set forth".

**Page 1
Section 1(1)
Line 13**

After "of Agriculture shall", insert the following:
in accordance with KRS 217B.193(1).

Line 14
After "302 KAR 31:040,", insert "or".
Delete "and".

Lines 14 and 15
After "40 CFR 170", delete the remainder of subsection (1), except the period.

**Page 1
Section 1(2)
Line 17**

After "217B.193, the", lowercase the first letter of "Department".

**Page 1
Section 1(2)(a)
Line 19**

A "in the amount", insert "established".
Delete "specified".

Page 2

Section 1(2)(b)

Line 1

After "(b) He", insert "or she".

Page 2

Section 1(4)

Line 7

After "(4) The", lowercase the first letter of "Department".

Line 8

After "maximum time", insert "established".

Delete "set forth".

Page 2

Section 1(5)

Line 10

After "(5) The", delete "Kentucky".

After "Enforcement Response Policy", delete "as incorporated by reference".

Page 2

Section 2(1)

Line 13

After "(1)", insert the following:

Except as established in Section 3 of this administrative regulation,

Lowercase the first letter of "Administrative".

Page 4

Section 2(5)

Line 2

After "set by the", lowercase the first letter of "Department".

Page 4

Section 2(6)

Line 3

After "shall prohibit the", lowercase the first letter of "Department".

Page 4

Section 3

Line 5

After "Section 3.", delete "Notwithstanding Section 2.".

Capitalize "a".

Page 4

Section 4

Lines 13 and 14

After "the time period", insert "established".

Delete "prescribed".

Page 4

Section 5

Line 16

After "Section 5.", insert "(1)".

Line 17

After "penalty-enhancing provisions", insert "established".

Delete "contained".

Line 18

After "administrative regulation.", insert "(2)".

Page 5

Section 6(1)

Line 1

After "(1)", delete "The".

Leaving the opening quotation mark, delete "Kentucky".

Lines 1 and 2

After "Response Policy", delete "(April 1999, Revised)".

Line 2

After "October 20, 2000", insert a comma.

Delete the closing parenthesis.

Agency Am.

Ryan F. Quarles
Commissioner



Corporate Drive
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(502) 573-0282

Kentucky Department of Agriculture

March 6, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601



Re: **302 KAR 27:060**. Fine schedule for violation of KRS 217B.120.
302 KAR 28:060. Fine schedule for violation of KRS 217B.120.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 302 KAR 27:060 and 302 KAR 28:060, the Kentucky Department of Agriculture proposes the attached amendments to 302 KAR 27:060 and 302 KAR 28:060.

Sincerely,

A handwritten signature in black ink, appearing to read "Clint Quarles".

Clint Quarles
Staff Attorney
Kentucky Department of Agriculture
107 Corporate Drive
Frankfort, KY 40601



Agency Amendment

Version: 3/5/2019 9:23 AM

**GENERAL GOVERNMENT CABINET
Department of Agriculture
Office of Consumer and Environmental Protection**

302 KAR 27:060. Fine schedule for violation of KRS 217B.120.

Note to Compiler: Please enroll the suggested amendment for this administrative regulation prior to enrolling this agency amendment.

Page 3

Section 2(1)(j)

Line 1

After "(j)", insert "\$100".
Delete "Fifty (50) dollars".

Page 3

Section 2(2) through (4)

Lines 16 through 22

After "(2) For", insert the following:
each application violation, which is the same as the initial violation
as established in subsection (1) of this section, the fine shall be \$1,000.

Delete the remainder of subsection (2) and subsections (3) and (4) in their entirety.

Page 4

Section 2(5) and (6)

Lines 1 and 3

Reorder subsections (5) and (6) as subsections (3) and (4), respectively.

Page 4

Section 3

Line 5

After "KRS 217B.120(2) for", insert "each application of".

Page 4

Sections 3 and 3(1)

Lines 6 and 7

After "Dicamba shall", insert the following:
result in a fine of \$100

Delete the following:

shall have the following administrative fines:

(1) For the first violation, the fine shall be fifty (50) dollars

Page 4

Section 3(1)

Line 8

After "administrative fine of", insert "\$1,000".
Delete "5,000".

Page 4

Section 3(2) and (3)

Lines 9 through 12

Delete subsections (2) and (3) in their entirety.

Ryan F. Quarles
Commissioner



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Kentucky Department of Agriculture

March 6, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: 302 KAR 27:010. Definitions for 302 KAR Chapter 27.
302 KAR 27:020. General provisions.
302 KAR 27:031. Repeal of 302 KAR 27:030.
302 KAR 27:040. Pesticide licenses for prison inmates.
302 KAR 27:050. Pesticide licensing and certification.
302 KAR 27:060. Fine schedule for violation of KRS 217B.120.
302 KAR 28:010. Definitions for 302 KAR Chapter 28.
302 KAR 28:020. General provisions.
302 KAR 28:030. Ornamental and interior plantscape posting.
302 KAR 28:040. Pesticide licenses for prison inmates.
302 KAR 28:050. Pesticide licensing and certification.
302 KAR 28:060. Fine schedule for violation of KRS 217B.120.
302 KAR 85:010. Requirements to establish fee schedules for calibrations, adjustments, weights, and measures.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 302 KAR 27:010, 302 KAR 27:020, 302 KAR 27:031, 302 KAR 27:040, 302 KAR 27:050, 302 KAR 27:060, 302 KAR 28:010, 302 KAR 28:020, 302 KAR 28:030, 302 KAR 28:040, 302 KAR 28:050, 302 KAR 28:060 and 302 KAR 85:010 the Kentucky Department of Agriculture proposes the attached amendments to 302 KAR 27:010, 302 KAR 27:020, 302 KAR 27:031, 302 KAR 27:040, 302 KAR 27:050, 302 KAR 27:060, 302 KAR 28:010, 302 KAR 28:020, 302 KAR 28:030, 302 KAR 28:040, 302 KAR 28:050, 302 KAR 28:060 and 302 KAR 85:010.



Ryan F. Quarles
Commissioner



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Kentucky Department of Agriculture

Sincerely,

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Clint Quarles
Staff Attorney
Kentucky Department of Agriculture
107 Corporate Drive
Frankfort, KY 40601



Suggested Amendment

Final Version: 3/6/2019 11:59 AM

**GENERAL GOVERNMENT CABINET
Department of Agriculture
Office of Consumer and Environmental Protection**

302 KAR 28:010. Definitions for 302 KAR Chapter 28.

Page 1

RELATES TO

Line 6

After "Chapter 217B", insert the following:
, 7 U.S.C. 136 et seq.

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 10

After "regulation establishes definitions", insert "that".
Delete "which".

Page 1

Section 1(2)

Line 14

After "means any plant", delete the comma.
After "part thereof, or", insert "animal".
Delete "animals".
After "or animal products", insert a comma.

Line 15

After "produced", insert ":(a)".
Capitalize the first letter of "by".
Delete "persons, including".

Line 16

After "other comparable persons", insert ";and (b)".
Delete the comma.
Capitalize the first letter of "primarily".

Page 2

Section 1(7)

Line 6

After "the area of", delete "his".

Page 2

Section 1(8)

Line 7

After "a probable manner", insert an opening parenthesis.

Delete the comma.

After "dermal, or respiratory", insert a closing parenthesis.

Lines 7 and 8

After "which a pesticide", insert "can".

Delete "may".

Page 2

Section 1(13)

Lines 18 and 19

After "and the interrelationships", insert "that".

Delete "which".

Page 2

Section 1(14)

Line 20

After "act or omission", insert a comma.

After "which has or", insert "can".

Delete "may".

After "have", insert a comma.

Page 3

Section 1(15)

Line 1

After "and Rodenticide Act", insert the following:

7 U.S.C. 136 et seq

Page 3

Section 1(17)

Line 5

After "a given situation", insert "with".

Delete the comma.

Page 4

Section 1(26)

Line 8

After ""Sports turf", insert ":(a)".

Capitalize the first letter of "means".

Lines 8 and 9

After "sports activities occur", insert the following:

; and

(b) Does not mean

Delete "but does not include".

Capitalize the first letter of "golf".

Page 4

Section 1(27)

Line 10

After "knowledge and ability", delete "which must be".

Page 4

Section 1(29)

Line 13

After "means any building", insert a comma.

Ryan F. Quarles
Commissioner



Corporate Drive
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Kentucky Department of Agriculture

March 6, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: 302 KAR 27:010. Definitions for 302 KAR Chapter 27.
302 KAR 27:020. General provisions.
302 KAR 27:031. Repeal of 302 KAR 27:030.
302 KAR 27:040. Pesticide licenses for prison inmates.
302 KAR 27:050. Pesticide licensing and certification.
302 KAR 27:060. Fine schedule for violation of KRS 217B.120.
302 KAR 28:010. Definitions for 302 KAR Chapter 28.
302 KAR 28:020. General provisions.
302 KAR 28:030. Ornamental and interior plantscape posting.
302 KAR 28:040. Pesticide licenses for prison inmates.
302 KAR 28:050. Pesticide licensing and certification.
302 KAR 28:060. Fine schedule for violation of KRS 217B.120.
302 KAR 85:010. Requirements to establish fee schedules for calibrations, adjustments, weights, and measures.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 302 KAR 27:010, 302 KAR 27:020, 302 KAR 27:031, 302 KAR 27:040, 302 KAR 27:050, 302 KAR 27:060, 302 KAR 28:010, 302 KAR 28:020, 302 KAR 28:030, 302 KAR 28:040, 302 KAR 28:050, 302 KAR 28:060 and 302 KAR 85:010 the Kentucky Department of Agriculture proposes the attached amendments to 302 KAR 27:010, 302 KAR 27:020, 302 KAR 27:031, 302 KAR 27:040, 302 KAR 27:050, 302 KAR 27:060, 302 KAR 28:010, 302 KAR 28:020, 302 KAR 28:030, 302 KAR 28:040, 302 KAR 28:050, 302 KAR 28:060 and 302 KAR 85:010.



Ryan F. Quarles
Commissioner



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Kentucky Department of Agriculture

Sincerely,

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Clint Quarles
Staff Attorney
Kentucky Department of Agriculture
107 Corporate Drive
Frankfort, KY 40601



Suggested Amendment

Final Version: 3/6/2019 12:07 PM

**GENERAL GOVERNMENT CABINET
Department of Agriculture
Office of Consumer and Environmental Protection**

302 KAR 28:020. General provisions.

Page 1

RELATES TO

Line 6

After "Chapter 217B", insert the following:
7 U.S.C. 136 et seq.

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 11

After "denial, suspension, modification", insert a comma.

Page 2

Section 1(2)

Line 6

After "12 certification as", insert "established".
Delete "provided".

Page 2

Section 1(3)

Line 9

After "licensure under this", insert "administrative".

Page 2

Section 2(1)

Line 16

After "Kentucky 40601", insert a colon.
Delete the semicolon.

Page 3

Section 2(4)

Line 19

After "(4) Retention.", insert "(a)".

Line 20

After "a period of", insert "at least".
After "date of sale.", insert "(b)".

Lines 21 and 22

After "a period of", insert "at least".

Line 22

After "use or application.", insert "(c)".

Line 23

After "be required.", insert "(d)".

Page 4

Section 2(5)

Line 5

After "branch offices, as", insert "established".

Delete "prescribed".

Page 4

Section 3(2)

Line 9

After "storage of pesticides", insert a period.

Delete the colon.

Page 4

Section 3(2)(a)

Lines 10 and 11

After "in designated areas", insert a period.

Delete the semicolon.

Page 4

Section 3(2)(b)

Line 15

After "frequented by people", insert a period.

Delete the semicolon.

Page 4

Section 3(2)(c)

Line 16

After "be easily read", insert a period.

Delete the semicolon.

Page 4

Section 3(2)(e)

Lines 22 and 23

After "area is locked", insert "while".

Delete "when".

Page 5

Section 4

Line 9

After "shall have direct", insert "on-the-job".

Delete "on the job".

Line 10

After "supervision as defined", insert "by".

Delete "in".

Page 5

Section 5

Lines 14 and 15

After "and Rodenticide Act", insert the following:

7 U.S.C. 136 et seq

Delete the remainder of this administrative regulation, except the period.

Ryan F. Quarles
Commissioner



Corporate Drive
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Kentucky Department of Agriculture

March 6, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: 302 KAR 27:010. Definitions for 302 KAR Chapter 27.
302 KAR 27:020. General provisions.
302 KAR 27:031. Repeal of 302 KAR 27:030.
302 KAR 27:040. Pesticide licenses for prison inmates.
302 KAR 27:050. Pesticide licensing and certification.
302 KAR 27:060. Fine schedule for violation of KRS 217B.120.
302 KAR 28:010. Definitions for 302 KAR Chapter 28.
302 KAR 28:020. General provisions.
302 KAR 28:030. Ornamental and interior plantscape posting.
302 KAR 28:040. Pesticide licenses for prison inmates.
302 KAR 28:050. Pesticide licensing and certification.
302 KAR 28:060. Fine schedule for violation of KRS 217B.120.
302 KAR 85:010. Requirements to establish fee schedules for calibrations, adjustments, weights, and measures.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 302 KAR 27:010, 302 KAR 27:020, 302 KAR 27:031, 302 KAR 27:040, 302 KAR 27:050, 302 KAR 27:060, 302 KAR 28:010, 302 KAR 28:020, 302 KAR 28:030, 302 KAR 28:040, 302 KAR 28:050, 302 KAR 28:060 and 302 KAR 85:010 the Kentucky Department of Agriculture proposes the attached amendments to 302 KAR 27:010, 302 KAR 27:020, 302 KAR 27:031, 302 KAR 27:040, 302 KAR 27:050, 302 KAR 27:060, 302 KAR 28:010, 302 KAR 28:020, 302 KAR 28:030, 302 KAR 28:040, 302 KAR 28:050, 302 KAR 28:060 and 302 KAR 85:010.



Ryan F. Quarles
Commissioner



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Kentucky Department of Agriculture

Sincerely,

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Clint Quarles
Staff Attorney
Kentucky Department of Agriculture
107 Corporate Drive
Frankfort, KY 40601



Suggested Amendment

Final Version: 3/6/2019 12:32 PM

**GENERAL GOVERNMENT CABINET
Department of Agriculture
Office of Consumer and Environmental Protection**

302 KAR 28:030. Ornamental and interior plantscape posting.

Page 1

Section 1(1)

Line 20

After "have adequately dried", insert a semicolon.
Delete the period.

Page 2

Section 1(2)

Line 4

After "at the residence", insert "; and".
Delete the period.

Page 2

Section 1(3)

Line 5

After "the customer with", delete "the following information".

Page 2

Section 1(3)(e)

Line 10

After "(e)", insert "1.".
After "or interior plantscape;", insert "2.".
Capitalize the first letter of "the".

Line 11

After "of application", insert a semicolon.
Delete the comma.
After "and", insert "3.".
Capitalize the first letter of "the".

Ryan F. Quarles
Commissioner



Corporate Drive
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Kentucky Department of Agriculture

March 6, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: 302 KAR 27:010. Definitions for 302 KAR Chapter 27.
302 KAR 27:020. General provisions.
302 KAR 27:031. Repeal of 302 KAR 27:030.
302 KAR 27:040. Pesticide licenses for prison inmates.
302 KAR 27:050. Pesticide licensing and certification.
302 KAR 27:060. Fine schedule for violation of KRS 217B.120.
302 KAR 28:010. Definitions for 302 KAR Chapter 28.
302 KAR 28:020. General provisions.
302 KAR 28:030. Ornamental and interior plantscape posting.
302 KAR 28:040. Pesticide licenses for prison inmates.
302 KAR 28:050. Pesticide licensing and certification.
302 KAR 28:060. Fine schedule for violation of KRS 217B.120.
302 KAR 85:010. Requirements to establish fee schedules for calibrations, adjustments, weights, and measures.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 302 KAR 27:010, 302 KAR 27:020, 302 KAR 27:031, 302 KAR 27:040, 302 KAR 27:050, 302 KAR 27:060, 302 KAR 28:010, 302 KAR 28:020, 302 KAR 28:030, 302 KAR 28:040, 302 KAR 28:050, 302 KAR 28:060 and 302 KAR 85:010 the Kentucky Department of Agriculture proposes the attached amendments to 302 KAR 27:010, 302 KAR 27:020, 302 KAR 27:031, 302 KAR 27:040, 302 KAR 27:050, 302 KAR 27:060, 302 KAR 28:010, 302 KAR 28:020, 302 KAR 28:030, 302 KAR 28:040, 302 KAR 28:050, 302 KAR 28:060 and 302 KAR 85:010.



Ryan F. Quarles
Commissioner



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Kentucky Department of Agriculture

Sincerely,

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Clint Quarles
Staff Attorney
Kentucky Department of Agriculture
107 Corporate Drive
Frankfort, KY 40601



Suggested Amendment

Final Version: 3/6/2019 12:44 PM

**GENERAL GOVERNMENT CABINET
Department of Agriculture
Office of Consumer and Environmental Protection**

302 KAR 28:040. Pesticide licenses for prison inmates.

Page 1

TITLE

Line 5

After "302 KAR 28:040.", insert "Pesticide licenses for".

Section 1(1)

Line 12

After "(1) Except as", insert "established".

Delete "provided".

Line 13

After "requirements for licensing", insert "established".

Delete "set out".

Line 14

After "issued a license", insert a comma.

After "which", insert "shall".

Delete "will".

Ryan F. Quarles
Commissioner



Corporate Drive
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Kentucky Department of Agriculture

March 6, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: 302 KAR 27:010. Definitions for 302 KAR Chapter 27.
302 KAR 27:020. General provisions.
302 KAR 27:031. Repeal of 302 KAR 27:030.
302 KAR 27:040. Pesticide licenses for prison inmates.
302 KAR 27:050. Pesticide licensing and certification.
302 KAR 27:060. Fine schedule for violation of KRS 217B.120.
302 KAR 28:010. Definitions for 302 KAR Chapter 28.
302 KAR 28:020. General provisions.
302 KAR 28:030. Ornamental and interior plantscape posting.
302 KAR 28:040. Pesticide licenses for prison inmates.
302 KAR 28:050. Pesticide licensing and certification.
302 KAR 28:060. Fine schedule for violation of KRS 217B.120.
302 KAR 85:010. Requirements to establish fee schedules for calibrations, adjustments, weights, and measures.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 302 KAR 27:010, 302 KAR 27:020, 302 KAR 27:031, 302 KAR 27:040, 302 KAR 27:050, 302 KAR 27:060, 302 KAR 28:010, 302 KAR 28:020, 302 KAR 28:030, 302 KAR 28:040, 302 KAR 28:050, 302 KAR 28:060 and 302 KAR 85:010 the Kentucky Department of Agriculture proposes the attached amendments to 302 KAR 27:010, 302 KAR 27:020, 302 KAR 27:031, 302 KAR 27:040, 302 KAR 27:050, 302 KAR 27:060, 302 KAR 28:010, 302 KAR 28:020, 302 KAR 28:030, 302 KAR 28:040, 302 KAR 28:050, 302 KAR 28:060 and 302 KAR 85:010.



Ryan F. Quarles
Commissioner



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Kentucky Department of Agriculture

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Clint Quarles
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Kentucky Department of Agriculture
107 Corporate Drive
Frankfort, KY 40601



Suggested Amendment

Final Version: 3/6/2019 12:48 PM

**GENERAL GOVERNMENT CABINET
Department of Agriculture
Office of Consumer and Environmental Protection**

302 KAR 28:050. Pesticide certification and licensing.

Page 1

TITLE

Line 5

After "302 KAR 28:050", insert "Pesticide".
Lowercase the first letter of "Certification" and insert "and licensing".

Page 1

RELATES TO

Line 6

After "Chapter 217B,", insert "40 C.F.R. 156, 170.".
After "7 U.S.C. 136", insert "et seq.".

Page 1

Section 1(1)

Lines 13 and 14

After "apply pesticides unless", delete "they are".

Page 1

Section 1(2)

Lines 18 and 19

After "the application, as", insert "established".
Delete "provided".

Line 20

After "the direct", insert "on-the-job".
Delete "on the job".

Page 2

Section 1(3)

Line 3

After "Kentucky and if", delete the following:
, in the opinion of the department,
After "the other", insert "state: (a) Has".
Delete "state's".

Line 4

After "requirements", delete "are".
After "that of Kentucky", insert a semicolon.
After "and", insert "(b)".
Delete "the other state".
Capitalize the first letter of "agrees".

Page 2

Section 2(1)

Line 6

After "(1) Certification", insert "shall".
Delete "may".

Line 8

After "regulation, in the", delete "following".

Lines 8 and 9

After "use or application", insert the following:
as established in subsections (2) through (6) of this section.
Delete the colon.

Page 2

Section 2(2)

Line 10

After "and lawn care.", insert "(a)".

Line 13

After "grubs, and moles.", insert "(b)".

Page 2

Section 2(3)

Line 17

After "the final user.", insert "(a)".

Line 19

After "Chapters 27 and 29.", insert "(b) A person".
Delete "Persons".

Page 3

Section 2(6)

Line 7

After "Sports turf.", insert "(a)".

Line 8

After "sports activities occur.", insert "(b)".

Page 3

Section 3

Line 12

After "certification is requested.", insert "(1)".

Lines 13 and 14

After "this administrative regulation.", insert "(2)".

Line 16

After "to be certified.", insert "(3)".

Line 17

After "(25) dollars.", insert "(4) For a person".

Delete "For persons".

Line 18

After "each additional category.", insert "(5)".

Line 20

After "of the examination.", insert "(6)(a)".

Line 21

After "and certification requested.", insert "(b)".

Line 23

After "license and certification", delete "may occur".

Page 4

Section 4(1)

Line 4

After "and labeling comprehension", insert ", including".

Page 4

Section 4(1)(c)

Line 8

After "with the labeling", insert a semicolon.

Delete the period".

Page 4

Section 4(2)(h)

Lines 20 and 21

After "application of pesticides", insert a semicolon.

Delete the period.

Page 4

Section 4(3)

Line 22

After "of pesticides as", insert "can".

Delete "may".

Page 5

Section 4(3)(f)

Line 6

After "controls, including sanitation", insert a semicolon.

Delete the period.

Page 5
Section 4(4)
Line 7

After "including certification of", delete "the following factors".

Page 5
Section 4(4)(b)
Line 10

After "identification and control", insert a semicolon.
Delete the period.

Page 5
Section 4(5)
Line 11

After "including consideration of", delete "the following factors".

Page 5
Section 4(5)(e)
Line 16

After "(e) Factors", insert "that".
Delete "which".
After "or lead to", delete "such".
After "problems", insert "such".

Page 5
Section 4(5)(f)
Line 17

After "(f) Dilution procedures", insert a semicolon.
Delete the period.

Page 5
Section 4(6)
Line 18

After "including consideration of", delete "the following factors".

Page 5
Section 4(6)(b)
Line 20

After "calibration of equipment", insert a semicolon.
Delete the period.

Page 6
Section 4(7)(c)
Line 3

After "into the environment", insert "; and".
Delete the period.

Page 6

Section 5(1)

Line 8

After "that category as", insert the following:
established in subsections (2) through (6) of this section.
Delete "follows:".

Page 6

Section 5(2)

Line 15

After "application methods", insert "that shall".
Delete "which will".

Page 7

Section 5(4)

Line 3

After "effects; factors that", insert "can".
Delete "may".

Page 7

Section 6

Line 22

After "application of pesticides.", insert "(1)".

Page 8

Section 6

Line 1

After "this administrative regulation.", insert "(2)".

Line 3

After "shall be required.", insert "(3)".

Line 5

After "person may hold.", insert "(4)".

Line 6

After "education units only.", insert "(5)".

Page 8

Section 7

Line 13

After "signifying that he", insert "or she".

Page 8

Section 7(1)

Line 15

After "elects to maintain", insert the following:

licensure, he or she shall

Delete "his license, he may".

Line 16

After "for the change.", insert "(a)".

Line 17

After "notification that his", insert "or her".

After "license", insert "shall".

Delete "will".

After "in inactive status.", insert "(b)".

Line 18

After "annual renewal fee.", insert "(c)".

Page 8

Section 7(2)

Lines 21 and 22

After "Department of Agriculture", delete the following:
employed after the effective date of this administrative regulation

Page 9

Section 7(2)

Line 1

After "term of his", insert "or her".

Line 2

After "the performance of", delete "his".

Lines 3 and 4

After "by an employee", delete the following:
prior to the effective date of this administrative regulation

Line 5

After "the performance of", delete "his".

Sugg. Am.

Ryan F. Quarles
Commissioner



Corporate Drive
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Frankfort, KY 40601
(502) 573-0282

Kentucky Department of Agriculture

March 6, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

- Re:
- 302 KAR 27:010. Definitions for 302 KAR Chapter 27.
 - 302 KAR 27:020. General provisions.
 - 302 KAR 27:031. Repeal of 302 KAR 27:030.
 - 302 KAR 27:040. Pesticide licenses for prison inmates.
 - 302 KAR 27:050. Pesticide licensing and certification.
 - 302 KAR 27:060. Fine schedule for violation of KRS 217B.120.
 - 302 KAR 28:010. Definitions for 302 KAR Chapter 28.
 - 302 KAR 28:020. General provisions.
 - 302 KAR 28:030. Ornamental and interior plantscape posting.
 - 302 KAR 28:040. Pesticide licenses for prison inmates.
 - 302 KAR 28:050. Pesticide licensing and certification.
 - 302 KAR 28:060. Fine schedule for violation of KRS 217B.120.**
 - 302 KAR 85:010. Requirements to establish fee schedules for calibrations, adjustments, weights, and measures.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 302 KAR 27:010, 302 KAR 27:020, 302 KAR 27:031, 302 KAR 27:040, 302 KAR 27:050, 302 KAR 27:060, 302 KAR 28:010, 302 KAR 28:020, 302 KAR 28:030, 302 KAR 28:040, 302 KAR 28:050, 302 KAR 28:060 and 302 KAR 85:010 the Kentucky Department of Agriculture proposes the attached amendments to 302 KAR 27:010, 302 KAR 27:020, 302 KAR 27:031, 302 KAR 27:040, 302 KAR 27:050, 302 KAR 27:060, 302 KAR 28:010, 302 KAR 28:020, 302 KAR 28:030, 302 KAR 28:040, 302 KAR 28:050, 302 KAR 28:060 and 302 KAR 85:010.



Ryan F. Quarles
Commissioner



Corporate Drive
Complex
Frankfort, KY 40601
(502) 573-0282

Kentucky Department of Agriculture

Sincerely,

A handwritten signature in black ink, appearing to read "Clint Quarles".

Clint Quarles
Staff Attorney
Kentucky Department of Agriculture
107 Corporate Drive
Frankfort, KY 40601



Suggested Amendment

Final Version: 3/6/2019 12:55 PM

**GENERAL GOVERNMENT CABINET
Department of Agriculture
Office of Consumer and Environmental Protection**

302 KAR 28:060. Fine schedule for violation of KRS 217B.120.

Page 1

RELATES TO

Line 6

After "KRS 217B.120", insert ", 40 C.F.R. 170".

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 10

After "penalties for violations", insert "established".

Delete "set forth".

Line 11

After "to the violations", insert "established".

Delete "set forth".

Page 1

Section 1(1)

Line 13

After "of Agriculture shall", insert the following:

in accordance with KRS 217B.193(1).

Line 14

After "302 KAR 31:040,", insert "or".

Delete "and".

Lines 14 and 15

After "40 CFR 170", delete the remainder of subsection (1), except the period.

Page 1

Section 1(2)(a)

Line 19

After "in the amount", insert "established".

Delete "specified".

Page 2

Section 1(2)(b)

Line 1

After "(b) He", insert "or she".

Page 2

Section 1(4)

Line 8

After "maximum time", insert "established".

Delete "set forth".

Page 2

Section 1(5)

Line 10

After "(5) The", delete "Kentucky".

After "incorporated by reference", insert "in 302 KAR 27:060".

Page 4

Section 5

Lines 13 through 19

Delete Section 5 in its entirety.

Agency Ann

Ryan F. Quarles
Commissioner



Corporate Drive
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Frankfort, KY 40601
(502) 573-0282

Kentucky Department of Agriculture

March 6, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601



Re: 302 KAR 27:060. Fine schedule for violation of KRS 217B.120.
302 KAR 28:060. Fine schedule for violation of KRS 217B.120.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 302 KAR 27:060 and 302 KAR 28:060, the Kentucky Department of Agriculture proposes the attached amendments to 302 KAR 27:060 and 302 KAR 28:060.

Sincerely,

A handwritten signature in black ink, appearing to read "Clint Quarles".

Clint Quarles
Staff Attorney
Kentucky Department of Agriculture
107 Corporate Drive
Frankfort, KY 40601



Agency Amendment

Version: 3/5/2019 9:56 AM

**GENERAL GOVERNMENT CABINET
Department of Agriculture
Office of Consumer and Environmental Protection**

302 KAR 28:060. Fine schedule for violation of KRS 217B.120.

Note to Compiler: Please enroll the suggested amendment for this administrative regulation prior to enrolling this agency amendment.

Page 2

Section 2(1)

Line 13

After "fines for each", insert "application".
Delete "first".

Page 3

Section 2(1)(j)

Line 1

After "(j)", insert "\$100".
Delete "Fifty (50) dollars".

Page 3

Section 2(2) through (4)

Lines 16 through 22

Delete subsections (2) through (4) in their entirety.

Page 4

Section 2(5) and (6)

Lines 1 and 3

Renumber subsections (5) and (6) as subsections (2) and (3), respectively.

Ryan F. Quarles
Commissioner

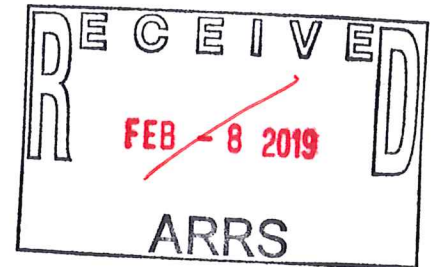


Corporate Drive
Complex
Frankfort, KY 40601
(502) 573-0282

Kentucky Department of Agriculture

February 7, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601



Re: 302 KAR 50:090. Enforcement, corrective action plans and mandatory reporting to state and federal agencies; department to retain growing site information for at least three (3) years.

Dear Co-Chairs Harris and Upchurch:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 302 KAR 50:090, the Kentucky Department of Agriculture proposes the attached amendment to 302 KAR 50:090.

Sincerely,

A handwritten signature in blue ink, appearing to read "Clint Quarles".

Clint Quarles
Staff Attorney
Kentucky Department of Agriculture
107 Corporate Drive
Frankfort, KY 40601



Suggested Amendment

Final Version: 1/23/2019 11:33 AM

GENERAL GOVERNMENT CABINET Department OF Agricultural Marketing Office of Agricultural Marketing

302 KAR 50:090. Enforcement, corrective action plans and mandatory reporting to state and federal agencies;[,] department to retain growing site information for at least three (3) years.

Page 1

TITLE

Line 6

After "federal agencies", insert a semicolon.
Delete the comma.

Page 2

Section 2

Line 6

First-initial capitalize this and all section titles in this administrative regulation as one would a book title.

Lines 6 and 7

After "growing locations. The", lowercase the first letter of "Department".

Line 7

After "shall collect", delete the comma.
After "and retain", insert a comma.
After "at least three", insert "(3)".

Page 2

Section 3

Line 9

After "Have Negligently Violated", insert the following:
Requirements Three (3) or More
Delete "rules three".

Line 12

After "program three (3)", insert "or more".

Page 2

Section 4(1)

Line 17

After "penalty procedures", insert "established".
Delete "set forth".

Lines 17 and 18

After "found by the", lowercase the first letter of "Department".

Page 3
Section 4(2)(a)
Line 1

After "Failing to disclose", delete the comma.

Page 3
Section 4(2)(c)
Line 5

After "of more than", insert "zero and three-tenths (0.3)".
Delete "0.3".

Page 3
Section 4(3)
Lines 7 and 8

After "at a minimum", delete ", the following information".

Page 3
Section 4(3)(a)
Line 9

After "person shall correct", insert "the".
Delete "his or her".

Page 3
Section 5(1)
Line 16

After "penalty procedures", insert "established".
Delete "set forth".

Lines 16 and 17

After "found by the", lowercase the first letter of "Department".

Line 19

After "the reporting requirements", insert "established".
Delete "set forth".

Page 4
Section 5(2)(b)
Line 2

After "(b) The", lowercase the first letter of "Commissioner".

Page 4
Section 5(2)(c)
Line 3

After "(c) The", lowercase the first letter of "Commander".

Page 4

Section 6(1)

Line 7

After "Department shall provide", delete "it".

After "Agriculture or the", lowercase the first letter of "Secretary's".

Page 6

Section 6(1)(d)

Line 14

After "An indication whether", insert "or not".

Page 6

Section 6(2)

Line 15

After "information that the", lowercase the first letter of "Department".

Ryan F. Quarles
Commissioner



Corporate Drive
Complex
Frankfort, KY 40601
(502) 573-0282

Kentucky Department of Agriculture

March 6, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: 302 KAR 27:010. Definitions for 302 KAR Chapter 27.
302 KAR 27:020. General provisions.
302 KAR 27:031. Repeal of 302 KAR 27:030.
302 KAR 27:040. Pesticide licenses for prison inmates.
302 KAR 27:050. Pesticide licensing and certification.
302 KAR 27:060. Fine schedule for violation of KRS 217B.120.
302 KAR 28:010. Definitions for 302 KAR Chapter 28.
302 KAR 28:020. General provisions.
302 KAR 28:030. Ornamental and interior plantscape posting.
302 KAR 28:040. Pesticide licenses for prison inmates.
302 KAR 28:050. Pesticide licensing and certification.
302 KAR 28:060. Fine schedule for violation of KRS 217B.120.
302 KAR 85:010. Requirements to establish fee schedules for calibrations, adjustments, weights, and measures.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 302 KAR 27:010, 302 KAR 27:020, 302 KAR 27:031, 302 KAR 27:040, 302 KAR 27:050, 302 KAR 27:060, 302 KAR 28:010, 302 KAR 28:020, 302 KAR 28:030, 302 KAR 28:040, 302 KAR 28:050, 302 KAR 28:060 and 302 KAR 85:010 the Kentucky Department of Agriculture proposes the attached amendments to 302 KAR 27:010, 302 KAR 27:020, 302 KAR 27:031, 302 KAR 27:040, 302 KAR 27:050, 302 KAR 27:060, 302 KAR 28:010, 302 KAR 28:020, 302 KAR 28:030, 302 KAR 28:040, 302 KAR 28:050, 302 KAR 28:060 and 302 KAR 85:010.



Ryan F. Quarles
Commissioner



Corporate Drive
Complex
Frankfort, KY 40601
(502) 573-0282

Kentucky Department of Agriculture

Sincerely,

A handwritten signature in black ink, appearing to read "Clint Quarles".

Clint Quarles
Staff Attorney
Kentucky Department of Agriculture
107 Corporate Drive
Frankfort, KY 40601



Suggested Amendment

Final Version: 3/6/2019 1:45 PM

**GENERAL GOVERNMENT CABINET
Department of Agriculture
Office of Consumer and Environmental Protection**

302 KAR 85:010. Requirements to establish fee schedules for calibrations, adjustments, weights, and measures.

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 10

After "and measures to", insert "promulgate".
Delete "issue".

Lines 10 and 11

After "of KRS 363.510", insert "through".
Delete "to".

Lines 11 and 12

After "test, to ascertain", insert "accuracy".
Delete "if they are correct".

Line 12

After "KRS", insert "246.057".
Delete "XXX".

Lines 12 and 13

After "authorizes the", lowercase the first letter of "Department".

Page 2

Section 1(2)(b)

Lines 8 and 9

After "established in subsections", insert the following:
(1) and (2) of this section
Delete "1 and 2".



Agency Ann.

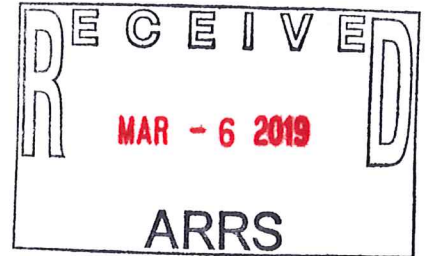
JUSTICE AND PUBLIC SAFETY CABINET

Matthew G. Bevin
Governor

John C. Tilley
Secretary

Office of Legal Services
125 Holmes Street, Second Floor
Frankfort, Kentucky 40601
(502) 564-3279
Fax No. (502) 564-6686

March 6, 2019



Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: **500 KAR 2:020**. Filing and processing SLEO commissions.

Dear Co-Chairs West and Hale:

The Justice and Public Safety Cabinet requests that the attached amendments be made to 500 KAR 2:020.

Sincerely,

Amy V. Barker
Assistant General Counsel

enclosures

3/6/2019

AGENCY AMENDMENT

JUSTICE AND PUBLIC SAFETY CABINET

500 KAR 2:020. Filing and processing SLEO commissions.

Page 7

Section 9(1)

Lines 9-13

After "(1)", insert the following:

Training pursuant to KRS 61.906(2)(f)2. A SLEO applicant may request approval from the Kentucky Law Enforcement Council for eighty (80) or more hours of training, if that training is not currently approved, by providing documentation verifying successful completion of the training and detailed information concerning the contents of the training to the SLEO program administrator. The training approval request shall be provided to the KLEC to review the request and make a decision.

Delete the remainder of subsection (1) in its entirety, including paragraphs (a) and (b).

Page 7

Section 9(2)

Line 15

After "past police experience," delete "or".

After "examination records", delete the comma.

Line 16

After ""61.906(2)(f)2.", insert the following:

(3) Firearms and First Aid Proficiency. A SLEO applicant shall:

(a) Be certified in first aid and cardiopulmonary resuscitation (CPR) through training provided according to the American Heart Association or the American Red Cross requirements; and

(b)1. Meet the marksmanship qualification requirements for a retired peace officer as specified in KRS 237.140; or

2. Fire twenty (20) rounds at an adult size silhouette target at a range of twenty-one (21) feet, with a handgun, and shall hit the target not less than eleven (11) times. The range test shall be conducted and certified by a firearms instructor trainer or certified firearms instructor trained pursuant to KRS 237.122 or by other firearms instructor program provided by the Department of Criminal Justice Training.



JUSTICE AND PUBLIC SAFETY CABINET

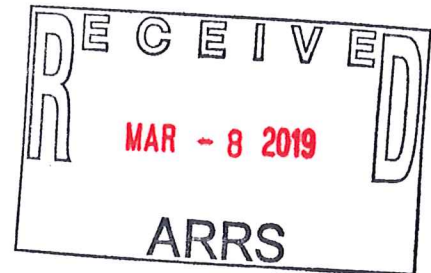
Matthew G. Bevin
Governor

John C. Tilley
Secretary

Office of Legal Services
125 Holmes Street, Second Floor
Frankfort, Kentucky 40601
(502) 564-3279
Fax No. (502) 564-6686

March 8, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601



Re: 500 KAR 2:020. Filing and processing SLEO commissions.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 500 KAR 2:020, the Justice and Public Safety Cabinet proposes the attached amendment to 500 KAR 2:020.

Sincerely,

A handwritten signature in cursive script that reads "Amy V. Barker".

Amy V. Barker
Assistant General Counsel

enclosures

3/8/2019

SUGGESTED AMENDMENT

JUSTICE AND PUBLIC SAFETY CABINET

500 KAR 2:020. Filing and processing SLEO commissions.

Page 1

RELATES TO

Line 4

After "KRS", insert "15.334, 15.383, 61.300,".

After "61.930", insert ", 61.990, 61.991, 62.010, 62.990".

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 6

After "CONFORMITY:", insert the following:

KRS 61.902 authorizes the Secretary of the Justice and Public Safety Cabinet to commission special law enforcement officers.

After "KRS 61.904", insert "requires".

Delete "authorizes".

Lines 6-7

After "the Secretary", delete the following:

of the Justice and Public Safety Cabinet

Page 1

Section 1(1)

Line 11

After ""Cabinet"", insert the following:

is defined by KRS 61.900(3).

Delete the remainder of subsection (1) in its entirety.

Page 1

Section 1(2)

Line 12

After "(2)", insert the following:

"Kentucky Law Enforcement Council" or "KLEC" means the administrative body established in KRS 15.315.

(3) "Secretary" is defined by KRS 61.900(5).

(4)

Renumber remaining subsection accordingly.

Page 1

Section 1(3)

Lines 15-16

After "whose address is: SLEO Program Administrator," insert the following:

Kentucky Law Enforcement Council, 521 Lancaster Avenue, Suite 401, Richmond,
KY 40475

Delete the following:

Justice and Public Safety Cabinet, 125 Holmes Street, Frankfort, Kentucky 40601

Page 1

Section 2

Line 19

After "and requirements", insert "established".

Delete "set forth".

Page 2

Section 3(3)

Line 5

After "Cabinet SLEO", lowercase "Program Administrator".

Page 2

Section 4(1)

Line 15

After "SLEO", lowercase "Program Administrator".

Page 3

Section 4(1)(g)

Line 6

After "Proof that the applicant has", insert "successfully".

After "completed", insert the following:

first aid and cardiopulmonary resuscitation (CPR) training provided according to
the American Heart Association or the American Red Cross requirements

Delete "a recognized course".

Lines 6-8

After "certified in first aid and CPR", delete the following:

. This requirement may be waived if the agency hiring the applicant has full-time
EMT's on staff

Page 3

Section 4(1)(h)

Line 9

After "application fee", insert "required by KRS 61.908".

Page 3

Section 4(2)

Line 11

After "Kentucky 40601", insert the following:
or at a local law enforcement office

Page 3

Section 4(4)

Line 15

After "SLEO", insert "Acknowledgment".
Delete "Acknowledgement Notice".

Page 4

Section 4(4)(c)

Line 2

After "18 U.S.C.", insert "§".
After "926B or", insert "§".

Page 4

Section 7(2)

Line 23

After "deficiencies by the", insert "SLEO".

Page 5

Section 8(1)(b)

Line 10

After "issued by the secretary", delete a comma.
After "designee", insert a comma.

Page 6

Section 8(9)

Line 14

After "of the government unit", insert "or".
After "the", delete "cabinet".

Line 15

After "or the", delete "cabinet".

Page 7

Section 8(12)(c)

Line 1

After "comply with", delete "the provisions of".
After "Section 11", insert "(4)".

Delete "(5)".

Page 7

Section 8(14)(a)

Line 6

After "by the", insert "SLEO".

Delete "cabinet".

Page 8

Section 11(1)(c)1.

Lines 8-9

After "and CPR", delete the following:

unless this requirement is waived pursuant to Section 4(1)(g) of this administrative regulation

Page 9

Section 11(3)(a)2.

Line 1

After "oral report,", insert "stating".

Delete "setting forth".

Page 9

Section 11(5)

Line 22

After "(5) The", insert "governmental".

Page 10

Section 12(1)

Line 2

After "by the", lowercase "Cabinet".

Page 10

Section 13(4)

Lines 13-14

After "may request an administrative hearing", delete the following:

before the secretary or the secretary's designee

Line 15

After "received by the", insert "SLEO program administrator".

Delete the following:

Secretary or the secretary's designee

Page 11

Section 13(8)(d)

Line 12

After "(d) The", insert "SLEO".

Page 11

Section 14(2)

Line 19

After "(2) The", insert "SLEO".

Delete "cabinet".

Page 12

Section 15(1)(a)

Line 3

After "(a)" and the opening quotation mark, insert the following:

Special Law Enforcement Officer (SLEO)

Delete "SLEO".

After "Application", delete "Candidate Information".

After "SLEO-1,", insert "3/2019".

Delete "July 1, 2010".

Page 12

Section 15(1)(b)

Line 4

After "SLEO-2,", insert "3/2019".

Delete "April 13, 2009".

Page 12

Section 15(1)(c)

Line 5

After "SLEO-3,", insert "3/2019".

Delete "June 3, 2009".

Page 12

Section 15(1)(d)

Line 6

After ""SLEO", insert "Acknowledgment".

Delete "Acknowledgement Notice".

After "SLEO-4", insert "3/2019".

Delete "August 10, 2009".

Page 12

Section 15(1)(e)

Line 7

After "(e)" and the opening quotation mark, insert the following:

Special Law Enforcement Officer (SLEO)

Delete "SLEO".

After "SLEO-5," insert "3/2019".

Delete "July 1, 2010".

Page 12

Section 15(1)(f)

Line 8

After "Oath", delete "Form".

After "SLEO-6," insert "3/2019".

Delete "July 1, 2010".

After the period, insert the following:

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Kentucky Law Enforcement Council, 521 Lancaster Avenue, Suite 401, Richmond, KY 40475, Monday through Friday, 8 a.m. to 4:30 p.m.



JUSTICE AND PUBLIC SAFETY CABINET

Matthew G. Bevin
Governor

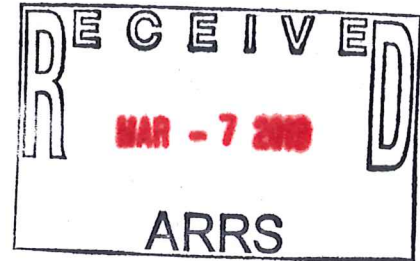
Department of Juvenile Justice

1025 Capital Center Drive, 3rd Floor
Frankfort, Kentucky 40601-8205
Phone (502) 573-2738
Fax (502) 573-4308
www.kentucky.gov

John C. Tilley
Secretary

Carey D. Cockerell
Commissioner

March 7, 2019



Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Legislative Research Commission
029, Capitol Annex
Frankfort, Kentucky 40601

Re: **505 KAR 1:080** Kentucky Educational Collaborative for State Agency Children

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 505 KAR 1:080, the Department of Juvenile Justice proposes the attached amendment to 505 KAR 1:080.

Sincerely,

Jeffrey R. Belt
Division of Program Services
1036 Amberly Way
Suite B
Richmond, KY 40475

3/7/2019

SUGGESTED AMENDMENT

**JUSTICE AND PUBLIC SAFETY CABINET
Department of Juvenile Justice**

505 KAR 1:080. Kentucky Educational Collaborative for State Agency Children.

Page 1

Section 1(3)

Line 18

After "pupil personnel worker", insert a comma.

Page 2

Section 1(12)

Lines 18-19

After "(12)", delete the remainder of this subsection in its entirety.

Page 2

Section 1(13)

Line 20

Before ""Program"", delete "(13)".

Renumber subsections "(14)" through "(23)" as subsections "(13)" through "(22)".

Page 3

Section 1(19)

Line 15

After "is defined", insert "by".

Delete "in".

Page 3

Section 1(21)

Line 19

After "university", insert "that".

Delete "which".

Page 4

Section 2(2)(a)2.

Line 15

After "U.S.C.", delete "Section".

Page 11

Section 4(4)(a)

Line 25

After "707 KAR 1:", insert "350".

Delete "230".

After "Section", insert "2".

Delete "5".



Matthew G. Bevin
Governor

Jenean Hampton
Lt. Governor

Kentucky Labor Cabinet

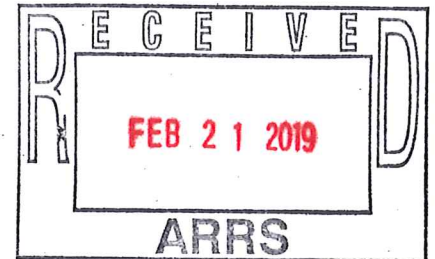
657 Chamberlin Avenue
Frankfort, Kentucky 40601
Phone: (502) 564-3070
Fax: (502) 564-5387
www.labor.ky.gov

David A. Dickerson
Secretary

Michael G. Swansburg Jr.
Deputy Secretary

February 21, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill, Regulation Compiler
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601



Re: **803 KAR 2:320**. Toxic and Hazardous Substances
803 KAR 2:505. Cranes and Derricks in Construction

Dear Co-Chairs:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 803 KAR 2:320 and 803 KAR 2:505, the Labor Cabinet proposes the attached amendments to 803 KAR 2:320 and 803 KAR 2:505.

Sincerely,

Brian Black, OSH Standards Specialist
Kentucky Labor Cabinet
657 Chamberlin Avenue
Frankfort, KY 40601



Staff-suggested Amendment

Version 2/20/2019 2:39 p.m.

LABOR CABINET

Department of Workplace Standards

Division of Occupational Safety and Health Compliance

Division of Occupational Safety and Health Education and Training

803 KAR 2:320. Toxic and hazardous substances.

Page 1

Title Line

Line 6

After "803 KAR 2:320", insert "1".

Page 1

Statutory Authority

Line 8

After "338.061,", insert "29 C.F.R. 1910.1000 - 1910.1450".

Page 3

Section 1 (14)(b) and (15)

Lines 8 and 9

After "other than hands and arms. (15)", delete the following:

"National consensus standard" is defined by KRS 338.015(9).

Renumber subsequent subsections accordingly.

Page 4

Section 2(2)(a)

Line 10

Delete the quotation marks around the word glove box.

Page 4

Section 2(2)(d)

Lines 20 and 21

Delete the quotation marks around the term laboratory type hood.

Delete the quotation marks around the term closed system.



Matthew G. Bevin
Governor

Jenean Hampton
Lt. Governor

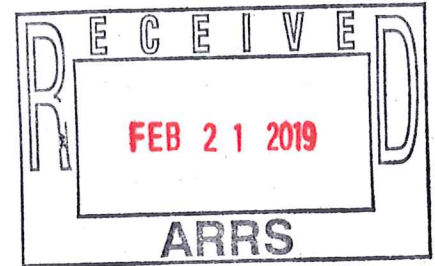
Kentucky Labor Cabinet
657 Chamberlin Avenue
Frankfort, Kentucky 40601
Phone: (502) 564-3070
Fax: (502) 564-5387
www.labor.ky.gov

David A. Dickerson
Secretary

Michael G. Swansburg Jr.
Deputy Secretary

February 21, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill, Regulation Compiler
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601



Re: 803 KAR 2:320. Toxic and Hazardous Substances
803 KAR 2:505. Cranes and Derricks in Construction

Dear Co-Chairs:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 803 KAR 2:320 and 803 KAR 2:505, the Labor Cabinet proposes the attached amendments to 803 KAR 2:320 and 803 KAR 2:505.

Sincerely,

Brian Black, OSH Standards Specialist
Kentucky Labor Cabinet
657 Chamberlin Avenue
Frankfort, KY 40601



Staff-suggested Amendment

Version 2/20/2019 2:22 p.m.

LABOR CABINET

Department of Workplace Standards

Division of Occupational Safety and Health Compliance

Division of Occupational Safety and Health Education and Training

803 KAR 2:505. Cranes and derricks in construction.

Page 1

Statutory Authority

Line 8

After "338.061", insert ", E.O. 2018-586".

Page 1

Section 1(4) and (5)

Lines 19 and 20

After "defined by KRS 338.015(10). (5)", delete the following:

"National consensus standard" is defined by KRS 38.015(9). (6)

Page 2

Section 1(6)

Line 1

After "Workplace Standards, Labor Cabinet.", return and insert "(6)".

Delete "(7)".

Page 2

Section 1(8)

Line 3

Delete the following:

(8) "U.S. Department of Labor" means U.S. Department of Labor or Kentucky Labor Cabinet.



Matthew G. Bevin
Governor

Jenean M. Hampton
Lieutenant Governor

KENTUCKY LABOR CABINET
Department of Workers' Claims

Office of General Counsel
Workers' Claims Legal Division

657 Chamberlin Avenue
Frankfort KY 40601
Telephone: (502) 564-5550
Fax: (502) 564-0681
www.labor.ky.gov/workersclaims

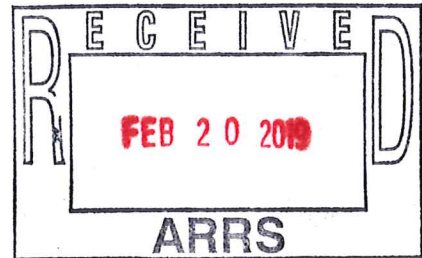
David A. Dickerson
Acting Secretary

Robert L. Swisher
Commissioner

B. Dale Hamblin, Jr.
Assistant General Counsel

February 20, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill, Regulation Compiler
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort, KY 40601



Re: **803 KAR 25:290** Continuation of Medical Benefits

Dear Co-Chairs:

After discussion with Administrative Regulation Review Subcommittee staff of the issues raised by 803 KAR 25:290, the Department of Workers' Claims proposes the attached amendment to 803 KAR 25:290.

Sincerely,

B. Dale Hamblin, Jr., Assistant General Counsel
Workers' Claims Legal Division
Labor Cabinet
657 Chamberlin Avenue
Frankfort, KY 40601

Staff-suggested Amendment

**Version 2/13/2019 9:33 a.m.
LABOR CABINET
Department of Workers' Claims**

803 KAR 25:290. Continuation of Medical Benefits.

Page 3

Section 2(3)

Line 14

After "aware.", insert "The".

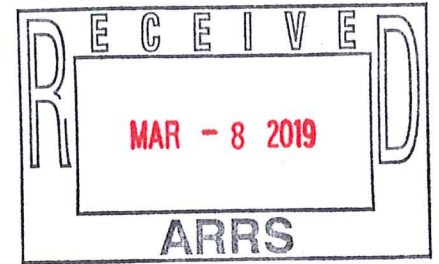
Delete "Such".

Page 5

Section 3(6)(d)

Line 16

After "filed by the defendant;", insert "and".



**PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS**

Matthew G. Bevin
Governor

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K. Gail Russell
Acting Secretary

Charles A. Vice
Commissioner

March 8, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: 808 KAR 1:060. Automated teller machines.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 808 KAR 1:060, the Department of Financial Institutions proposes the attached amendment to 808 KAR 1:060.

Sincerely,

A handwritten signature in blue ink that reads "Joe Donohue".

Joseph Donohue
General Counsel

Revised: 3/7/19

SUGGESTED AMENDMENT

**PUBLIC PROTECTION CABINET
Department of Financial Institutions**

808 KAR 1:060. Automated teller machines.

Page 1

STATUTORY AUTHORITY

Line 6

After "286.1-020", insert "(1)".

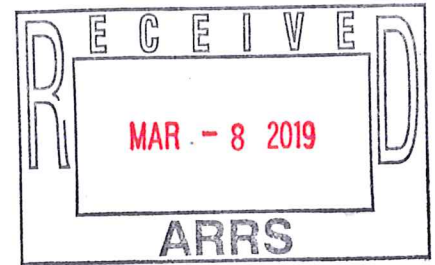
Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 7

After "CONFORMITY:", insert the following:

KRS 286.1-020(1) authorizes the commissioner to promulgate administrative regulations necessary to implement KRS Chapter 286.



**PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS**

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K. Gail Russell
Acting Secretary

Charles A. Vice
Commissioner

March 8, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: 808 KAR 1:140. Fees.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 808 KAR 1:140, the Department of Financial Institutions proposes the attached amendment to 808 KAR 1:140.

Sincerely,

A handwritten signature in blue ink that reads "Joe Donohue".

Joseph Donohue
General Counsel

Revised: 3/8/19

SUGGESTED AMENDMENT

**PUBLIC PROTECTION CABINET
Department of Financial Institutions**

808 KAR 1:140. Fees.

Page 1

RELATES TO

Line 7

After "286.3-820," insert "286.3-905."

After "286.6-100" insert "286.8-046, 286.8-090, 286.9-110".

Page 1

STATUTORY AUTHORITY

Lines 8-9

After "286.6-100" insert "(1)".

Pages 1-2

NECESSITY, FUNCTION, AND CONFORMITY

Lines 15-16

After "any financial institution." delete the following:

This administrative regulation establishes the fees for such services.

Lines 16-17

After "KRS 286.3-480(1)(b)" insert "requires".

Delete "provides that".

After "each state bank" insert "to".

Delete "shall".

Lines 18-19

After "of the bank or branch." delete the following:

This administrative regulation establishes the schedule of fees for a state bank.

Line 19

After "KRS 286.6-100(1)(d)" insert "requires".

Delete "establishes that".

Line 20

After "by the commissioner" insert "to".

Delete "shall".

Line 1

After "credit union. This administrative regulation establishes" insert the following:

examination fees, assessment fee schedules, and fees for related services for banks, credit unions, check casher licensees, and mortgage loan companies and brokers

Delete the following:

the fees for such services

Pages 2-3

Section 2

Line 22

After "Hourly Examination Fees.", insert "(1)".

Line 23

After "investigation of a", insert the following:

state chartered bank or trust company

Delete the following:

department licensee or chartered institution

Lines 23-1

After "(\$55) dollars", insert the following:

(2) The hourly fee for each examiner conducting an examination or investigation of all other department licensees shall be forty-two (42) dollars.

(3) In addition to the hourly fee, reasonable costs may be charged if the examination or investigation involves travel expenses or other incidental out-of-pocket costs

Delete the following:

and, in some instances, may also include additional reasonable costs incurred

Pages 4-6

Section 5

Chart, Fee Column, First Box

After "\$5,000 plus the hourly fee established in Section", insert "2".

Delete "1".

Chart, Fee Column, Second Box

After "\$5,000, plus the hourly fee established in Section", insert "2".

Delete "1".

Chart, Fee Column, Third Box

After "\$5,000, plus the hourly fee established in Section", insert "2".

Delete "1".

Chart, Fee Column, Twelfth Box

After "The hourly fee established in Section", insert "2".

Delete "1".

Chart, Fee Column, Thirteenth Box

After "The hourly fee established in Section", insert "2".

Delete "1".

Page 7

Section 7

Line 3

After "Section 7. Credit Unions.", insert "(1)".

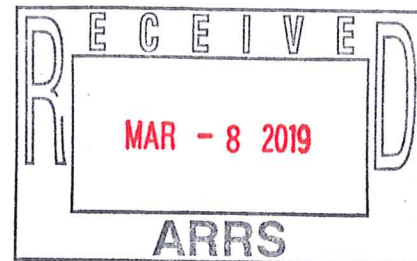
Page 8

Section 9(1)

Lines 12-13

After "established in Section", insert "2".

Delete "1".



**PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS**

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Governor

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K. Gail Russell
Acting Secretary

Charles A. Vice
Commissioner

March 8, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: 808 KAR 1:170. Licensing and Registration.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 808 KAR 1:170, the Department of Financial Institutions proposes the attached amendment to 808 KAR 1:170.

Sincerely,

A handwritten signature in blue ink that reads "Joe Donohue".

Joseph Donohue
General Counsel

Revised: 3/7/19

SUGGESTED AMENDMENT

**PUBLIC PROTECTION CABINET
Department of Financial Institutions**

808 KAR 1:170. Licensing and Registration.

Page 1

RELATES TO

Line 5

After "KRS", insert "Chapter".

After "286.8-030(1)", insert "286.8-032, 286.8-034,".

Line 6

After "286.8-090(1)", insert "286.8-255,".

Line 7

After "286.9-080", delete the period.

Page 1

STATUTORY AUTHORITY

Lines 8-9

After "286.4-450(1)(b)", insert "286.4-480".

Delete "286.4480".

After "286.8-140(1)", insert "(4)".

Delete "286.8140(4)".

Line 10

After "286.9-090(1)", delete the period.

Pages 1-2

NECESSITY, FUNCTION, AND CONFORMITY

Lines 15-16

After "KRS Chapter 286.4.", delete the following:

This administrative regulation establishes the procedures and forms for submitting an application for licensure as a consumer loan company.

Lines 18-20

After "KRS Chapter 286.8.", delete the following:

This administrative regulation establishes procedures for licensure, registration, and electronic submission of filings and fees with the nationwide mortgage licensing system operated by the State Regulatory Registry, LLC.

Lines 3-5

After "This administrative regulation establishes", insert the following:

licensing and registration requirements for consumer loan companies and procedures for using the nationwide mortgage licensing system.

Page 2

Section 1(1)

Line 7

After ""Audited financial statement"", insert "means".
Delete "shall mean".

Page 2

Section 1(2)

Line 11

After ""Surety bond"", insert "means".
Delete "shall mean".

Page 2

Section 2(1)

Line 15

After "Application for a", insert "Kentucky".

Page 3

Section 3(1)(c)

Lines 6-7

After "Limited Check Casher License", insert the following:
, incorporated by reference in 808 KAR 9:050,

Page 3

Section 3(1)(f)2.

Line 18

After "Limited Check Casher License,", insert the following:
incorporated by reference in 808 KAR 9:050,

Page 3

Section 3(1)(f)3.

Lines 21-22

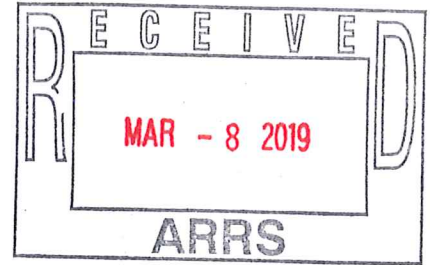
After "Limited Check Casher License,", insert the following:
incorporated by reference in 808 KAR 9:050,

Page 5

Section 4(1)(e)

Line 15

After "(e)", delete the period.



**PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS**

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Governor

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K. Gail Russell
Acting Secretary

Charles A. Vice
Commissioner

March 8, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: **808 KAR 3:050**. Conduct of Credit Unions.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 808 KAR 3:050, the Department of Financial Institutions proposes the attached amendment to 808 KAR 3:050.

Sincerely,

A handwritten signature in blue ink that reads "Joe Donohue".

Joseph Donohue
General Counsel

Revised: 3/7/19

SUGGESTED AMENDMENT

**PUBLIC PROTECTION CABINET
Department of Financial Institutions**

808 KAR 3:050. Conduct of Credit Unions.

Page 1

RELATES TO

Line 5

After "12", insert "C.F.R. Part".

Delete "U.S.C.".

Page 1

STATUTORY AUTHORITY

Line 7

After "286.1-020,", delete "KRS".

After "286.6-070,", delete "KRS".

Page 4

Section 5

Line 1

After "any investment", insert "that".

Line 2

After "credit union", insert the following:
under 12 C.F.R. Part 703

Page 4

Section 6(7)

Line 20

After "12", insert "C.F.R. Part".

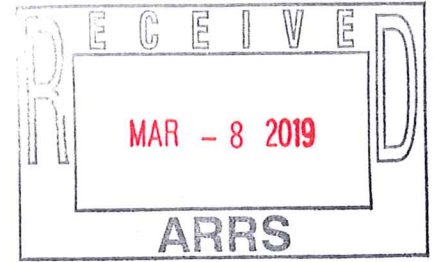
Delete "U.S.C.".

Page 4

Section 6(8)

Line 22

After "Federal Credit Union Act", insert the following:
, 12 U.S.C. 1751 et seq.



**PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS**

Matthew G. Bevin
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K. Gail Russell
Acting Secretary

Charles A. Vice
Commissioner

March 8, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: 808 KAR 3:061. Repeal of 808 KAR 3:020; 3:060.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 808 KAR 3:061, the Department of Financial Institutions proposes the attached amendment to 808 KAR 3:061.

Sincerely,

A handwritten signature in blue ink that reads "Joe Donohue".

Joseph Donohue
General Counsel

Revised: 3/7/19

SUGGESTED AMENDMENT

**PUBLIC PROTECTION CABINET
Department of Financial Institutions**

808 KAR 3:061. Repeal of 808 KAR 3:020; 3:060.

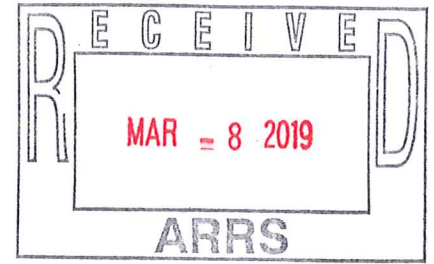
Page 1

Section 1(1)

Line 19

After "808 KAR 3:020,", insert "Recordkeeping requirements".

Delete "Records retention schedule".



**PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS**

Matthew G. Bevin
Governor

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K. Gail Russell
Acting Secretary

Charles A. Vice
Commissioner

March 8, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: 808 KAR 6:095. Mandatory availability for repayment.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 808 KAR 6:095, the Department of Financial Institutions proposes the attached amendment to 808 KAR 6:095.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joe Donohue".

Joseph Donohue
General Counsel

Revised: 3/7/19

SUGGESTED AMENDMENT

**PUBLIC PROTECTION CABINET
Department of Financial Institutions**

808 KAR 6:095. Mandatory availability for repayment.

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 8

After "provisions of KRS", insert "Chapter".

Lines 8-9

After "regulation", insert "promotes".

Delete "serves to promote".

Page 1

Section 1

Line 12

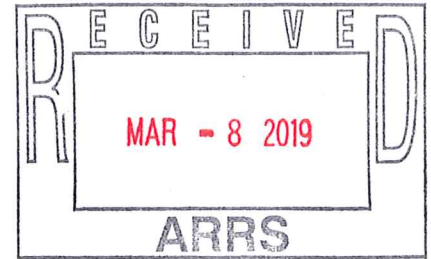
After "Section 1.", insert "(1)".

Line 13

After "shall be payable.", insert "(2)".

Line 14

After "payments from borrowers", insert a comma.



**PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS**

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K. Gail Russell
Acting Secretary

Charles A. Vice
Commissioner

March 8, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: **808 KAR 6:121**. Repeal of 808 KAR 6:015; 6:105; 6:115; and 6:120.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 808 KAR 6:121, the Department of Financial Institutions proposes the attached amendment to 808 KAR 6:121.

Sincerely,

A handwritten signature in blue ink that reads "Joe Donohue".

Joseph Donohue
General Counsel

Revised: 3/7/19

SUGGESTED AMENDMENT

**PUBLIC PROTECTION CABINET
Department of Financial Institutions**

808 KAR 6:121. Repeal of 808 KAR 6:015; 6:105; 6:115; and 6:120.

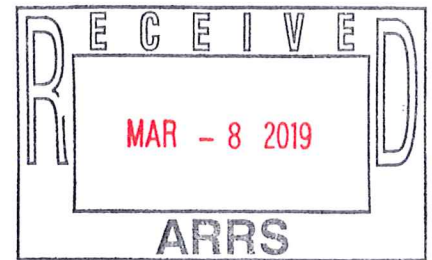
Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 15

After "new administrative regulation at 808 KAR 1:", insert "170".

Delete "030".



**PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS**

Matthew G. Bevin
Governor

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K. Gail Russell
Acting Secretary

Charles A. Vice
Commissioner

March 8, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: **808 KAR 9:040**. Customer account transfers.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 808 KAR 9:040, the Department of Financial Institutions proposes the attached amendment to 808 KAR 9:040.

Sincerely,

A handwritten signature in blue ink that reads "Joe Donohue".

Joseph Donohue
General Counsel

Staff-suggested Amendment

Version 3/6/2019 4:17 p.m.

PUBLIC PROTECTION CABINET

Kentucky Department of Financial Institutions

808 KAR 9:040. Customer account transfers.

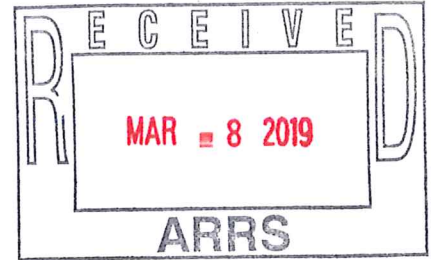
Page 1

Section 2

Line 18

After "of the customer's", insert "actual".

Delete "physical".



**PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS**

Matthew G. Bevin
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K. Gail Russell
Acting Secretary

Charles A. Vice
Commissioner

March 8, 2019

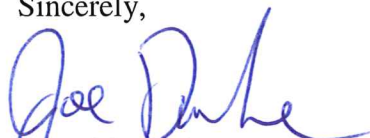
Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: **808 KAR 12:050**. Processing and closing charges for real estate loans to consumers.808 KAR 6:121.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 808 KAR 12:050, the Department of Financial Institutions proposes the attached amendment to 808 KAR 12:050.

Sincerely,


Joseph Donohue
General Counsel

Staff-suggested Amendment

**Version 1/28/2019 2:06 p.m.
PUBLIC PROTECTION CABINET**

Kentucky Department of Financial Institutions

808 KAR 12:050. Processing and closing charges for real estate loans to consumers.

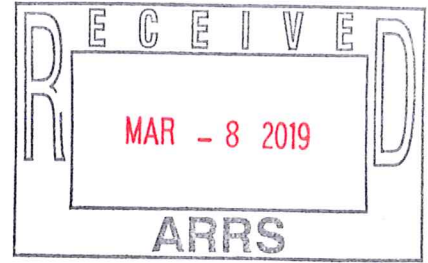
Page 1

STATUTORY AUTHORITY

Line 7

After "KRS 286.8-", insert "120".

Delete "140".



**PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS**

Matthew G. Bevin
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K. Gail Russell
Acting Secretary

Charles A. Vice
Commissioner

March 8, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: 808 KAR 12:111, Repeal of 808 KAR 12:002; 12:021; 12:022; 12:023; 12:024;
12:026; 12:030; and 12:110.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 808 KAR 12:111, the Department of Financial Institutions proposes the attached amendment to 808 KAR 12:111.

Sincerely,

A handwritten signature in blue ink that reads "Joe Donohue".

Joseph Donohue
General Counsel

Staff-suggested Amendment

**Version 3/7/2019 3:12 p.m.
PUBLIC PROTECTION CABINET
Department of Financial Institutions**

808 KAR 12:111. Repeal of 808 KAR 12:002; 12:021; 12:022; 12:023; 12:024; 12:026; 12:030; and 12:110.

Page 1

Title

Line 4

After "12:024;," delete "12:026;".

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 12

After "This administrative regulation repeals", insert "(7)".
Delete "(8)".

Page 2

Section 1(6)

Line 13

After "(6)", delete the following:

808 KAR 12:026, Procedures for distributing and using funds from the mortgage fraud prosecution fund; (7)

Renumber the remaining subsection accordingly.

Staff-suggested Amendment

**Version 3/7/2019 3:12 p.m.
PUBLIC PROTECTION CABINET
Department of Financial Institutions**

808 KAR 12:111. Repeal of 808 KAR 12:002; 12:021; 12:022; 12:023; 12:024; 12:026; 12:030; and 12:110.

Page 1

Title

Line 4

After "12:024;"; delete "12:026;".

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 12

After "This administrative regulation repeals", insert "(7)".
Delete "(8)".

Page 2

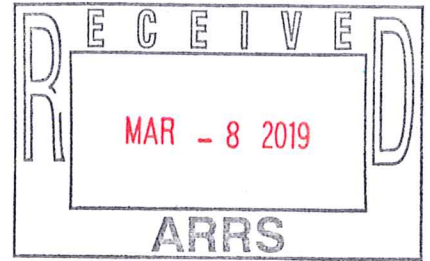
Section 1(6)

Line 13

After "(6)", delete the following:

808 KAR 12:026, Procedures for distributing and using funds from the mortgage fraud prosecution fund; (7)

Renumber the remaining subsection accordingly.



**PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS**

Matthew G. Bevin
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K. Gail Russell
Acting Secretary

Charles A. Vice
Commissioner

March 8, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: **808 KAR 14:010**. Record retention.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 808 KAR 14:010, the Department of Financial Institutions proposes the attached amendment to 808 KAR 14:010.

Sincerely,

A handwritten signature in blue ink that reads "Joe Donohue".

Joseph Donohue
General Counsel

Suggested Amendment

Final Version: 3/6/2019 3:52 PM

**PUBLIC PROTECTION CABINET
Kentucky Department of Financial Institutions**

808 KAR 14:010. Record retention.

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Lines 8 and 9

After "286.3-375(4) requires the", lowercase the first letter of "Commissioner".

Page 1

Section 1

Line 21

After "or other internal", delete "or other".

Page 2

Section 1

Line 1

After "data or", delete "other".

After "regular course of", insert "the financial institution's".

Delete "its".

Page 2

Section 2(1)

Line 4

After "by federal law", insert the following:

or federal regulation, a Kentucky Revised Statute, or an

Delete ", state statute, or".

Line 5

After "accordance with the", insert "Record".

Delete "Records".

Lines 5 and 6

After "Retention Schedule", delete "promulgated by the Department".

Page 2

Section 2(2)

Line 7

After "(2) Credit Unions", insert "Record".

Delete "Records".

Page 2

Section 2(2)(a)

Lines 9 and 10

After "the records retention", insert "requirements".

Delete "guidelines set forth".

Page 3

Section 4(1)(a)

Line 3

After "(a)", delete the quotation marks around "Loan register".

Page 3

Section 4(1)(b)

Line 8

After "card with borrowers", insert "that".

Delete "which".

Page 3

Section 4(1)(b)1.

Line 11

After "for the loan", insert a comma.

Page 3

Section 4(1)(c)

Line 20

After "indebtedness or security", insert "that".

Delete "which".

Page 4

Section 4(2)

Line 2

After "card shall show", insert "the".

Page 4

Section 4(2)(a) through (c)

Lines 8 through 5

At the end of each paragraph, insert a semicolon and delete each period.

Page 4

Section 4(2)(d)

Line 6

After "(d) Court costs", insert "; and".

Delete the period.

Page 4

Section 4(3)(a)1.

Line 10

After "obtained, and when", insert "; and".
Delete the period.

Page 4

Section 4(3)(b)2.

Line 16

After "original of which", insert "shall".
Delete "must".

Page 4

Section 4(3)(b)3.

Line 19

After "of final accounting", delete "shall be".

Page 5

Section 5

Line 1

After "of business, a", insert "mortgage loan".

Lines 2 and 3

After "of Physical Records", insert the following:
and Records of Custodian Disclosure. The information in the disclosure shall be kept current for at least as established in the Mortgage Licensee Record Retention Schedule

Delete the following:
, and Designation of Records Custodian Form

Page 5

Sections 6 and 6(1)

Lines 4 and 6

After "Incorporation by Reference.", insert the following:
(1) The following material is incorporated by reference:
(a)

Page 5

Section 6(1)

Line 5

After "Retention Schedule", delete "dated".

Page 5

Section 6(1) and (2)

Lines 5 and 6

After "July 1, 2006", insert "; (b)".

Delete the following:

, is incorporated by reference.

(2)

Page 5

Section 6(2)

Lines 6 and 7

After "of Physical Records", insert the following:

and Records of Custodian Disclosure,

Delete the following:

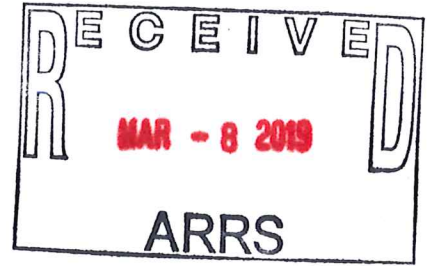
, and Designation of Records Custodian Form", dated

Line 7

After "08/2010", insert the following:

; and

(c) "Mortgage Licensee Record Retention Schedule", March 2019



**PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS**

Matthew G. Bevin
Governor

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<http://kfi.ky.gov>

K. Gail Russell
Acting Secretary

Charles A. Vice
Commissioner

March 8, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: **808 KAR 15:010**. Exceptions to bank lending limits.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 808 KAR 15:010, the Department of Financial Institutions proposes the attached amendment to 808 KAR 15:010.

Sincerely,

A handwritten signature in blue ink that reads "Joe Donohue".

Joseph Donohue
General Counsel

**Suggested Amendment
PUBLIC PROTECTION CABINET
Kentucky Department of Financial Institutions**

808 KAR 15:010. Exceptions to bank lending limits.

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 7

After "CONFORMITY:", insert the following:

KRS 286.1-011(2) requires the Department of Financial Institutions to exercise all administrative functions of the state in relation to the regulation, supervision, chartering, and licensing of banks. KRS 286.1-020(1) authorizes the commissioner to promulgate administrative regulations as are necessary to interpret and carry out the provisions and intent of KRS Chapter 286.1. KRS 286.3-290(2) establishes exceptions to the maximum debt to banks and authorizes the commissioner to make, alter, and repeal administrative regulations respecting the total liabilities of any person which meets the requirements of KRS 286.3-290(2)(a) through 2(c). This administrative regulation establishes

Delete "to establish".

Line 9

After "Kentucky", insert a comma.

After "and", immediately following, insert "provides".

Delete "to provide".

Line 10

After "transactions and loans", insert a comma.

Page 1

Section 2

Line 15

After "state banks", insert a comma.

Page 2

Section 4

Line 4

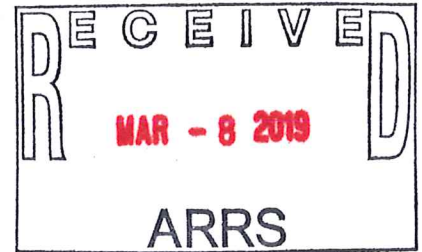
After "Section 3", insert "(2)".

Line 6

After first instance of "extension of credit", insert a comma.

After "and", immediately following, insert "shall".

Delete "must".



**PUBLIC PROTECTION CABINET
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March 8, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: **808 KAR 15:020**. Stay of notice of intention to remove from office.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 808 KAR 15:020, the Department of Financial Institutions proposes the attached amendment to 808 KAR 15:020.

Sincerely,

A handwritten signature in blue ink that reads "Joe Donohue".

Joseph Donohue
General Counsel

**Suggested Amendment
PUBLIC PROTECTION CABINET
Kentucky Department of Financial Institutions**

808 KAR 15:020. Stay of notice of intention to remove from office.

Page 1

STATUTORY AUTHORITY

Line 6

After "KRS 286.1-011", insert "286.1-020".

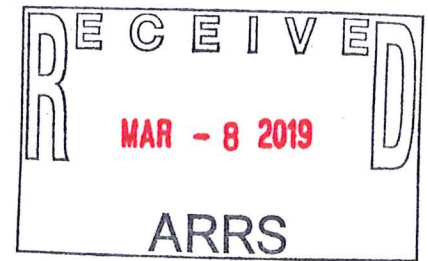
Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 7

After "CONFORMITY:", insert the following:

KRS 286.1-011(2) requires the Department of Financial Institutions to exercise all administrative functions of the state in relation to the regulation, supervision, chartering, and licensing of banks. KRS 286.1-020(1) authorizes the commissioner to promulgate administrative regulations as are necessary to interpret and carry out the provisions and intent of KRS Chapter 286.1.



**PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS**

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K. Gail Russell
Acting Secretary

Charles A. Vice
Commissioner

March 8, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: **808 KAR 15:030**. Bank branches, offices, and loan production offices.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 808 KAR 15:030, the Department of Financial Institutions proposes the attached amendment to 808 KAR 15:030.

Sincerely,


Joseph Donohue
General Counsel

**Suggested Amendment
PUBLIC PROTECTION CABINET
Kentucky Department of Financial Institutions**

808 KAR 15:030. Bank branches, offices, and loan production offices.

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 15

After "establishes", delete "the".

Line 17

After "office or branch, and", delete "also".

Page 1

Section 1

Line 19

After "Approval.", insert "A".

Delete "Any".

Page 3

Section 3

Line 3

After "by this section", insert a comma.

Page 3

Section 3(2)

Line 14

After "board of directors", insert "approves".

Delete "approve".

Page 3

Section 4

Line 22

After "an office,", insert "a".

After "branch, or", insert "a".

Page 4

Section 4

Line 1

After "the bank shall", delete "thereafter be required to".

Page 4

Section 5

Line 8

After "officers under", insert "those".
Delete "such".

Line 9

After "(1)(a).", insert "An officer at".
Lowercase "A".
After "production office", delete "officer".
After "may", delete "therefore".

Page 4

Section 6

Line 12

After "loans are deposited, and", insert "an officer at".

Line 13

After "loan production office", delete "officer".

Page 4

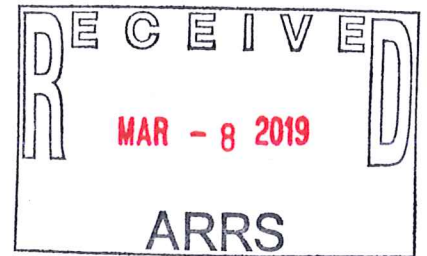
Section 7

Line 17

After "whether the loan originated at the loan production office", insert a comma.
Delete "or at", immediately following.

Line 18

After "another loan production office", insert a comma.



**PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS**

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K. Gail Russell
Acting Secretary

Charles A. Vice
Commissioner

March 8, 2019


Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601

Re: **808 KAR 15:040**. Multibank Companies.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 808 KAR 15:040, the Department of Financial Institutions proposes the attached amendment to 808 KAR 15:040.

Sincerely,


Joseph Donohue
General Counsel

**Suggested Amendment
PUBLIC PROTECTION CABINET
Kentucky Department of Financial Institutions**

808 KAR 15:040. Multibank Companies.

Page 1

STATUTORY AUTHORITY

Line 6

After "KRS", insert "286.1-011(2)".

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 7

After "CONFORMITY:", insert the following:

KRS 286.1-011(2) requires the Department of Financial Institutions to exercise all administrative functions of the state in relation to the regulation, supervision, chartering, and licensing of banks. KRS 286.3-020 authorizes the commissioner to approve applications for a bank or trust company charter.

Lines 7-8

After "set forth", delete "the".

Line 9

After "or bank holding company", insert "that controls".

Delete "which includes", immediately following.

Lines 9-11

After "a state-chartered bank," delete the following:

when either a state-chartered bank or a bank holding company which includes a state-chartered bank is involved in the transaction

Lines 12-13

After "This administrative regulation", insert "establishes".

Delete the following:

is to insure uniformity in

Page 1

Section 1(2)

Line 18

After "(2)", insert the following:

KRS 286.3-905 shall apply to transactions involving:

Page 1

Section 1(2)(a)

Line 19

After "control of a bank holding company", insert "that".

Delete "which".

After "state-chartered bank;", delete "and".

Page 1

Section 1(2)(b)

Line 20

After "by a bank holding company", insert "that".

Delete "which", immediately following.

Line 21

After "or bank holding company", insert "that".

Delete "which".

After "bank;", delete "and".

Page 2

Section 1(2)(c)

Line 1

After "by a bank holding company", insert "that".

Delete "which".

Page 2

Section 1(2)(d)

Line 5

After "or bank holding company", insert "that controls".

Delete "which includes".

Line 6

After "state-chartered bank", delete the following:

, are subject to KRS 286.3-905.

Page 2

Section 1(5)

Line 17

After "disapprove the application", insert "pursuant to KRS 286.3-905(1)".



Matthew G. Bevin
Governor

Cabinet for Health and Family Services
OFFICE OF LEGISLATIVE AND REGULATORY AFFAIRS

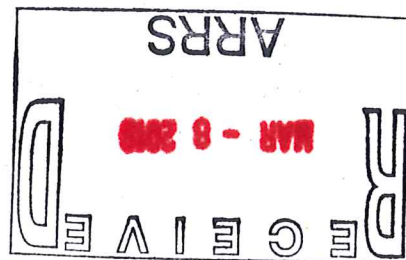
275 EAST MAIN, 5 W-A
FRANKFORT, KENTUCKY 40621-0001
(502) 564-7042
(502) 564-7091 FAX

Adam M. Meier
Secretary

James C. Musser
Executive Director

March 8, 2019

Ms. Emily Caudill, Regulations Compiler
Legislative Research Commission
029, Capitol Annex
702 Capitol Avenue
Frankfort, Kentucky 40601



Dear Regulations Compiler:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 907 KAR 1:560 and 1:563, the Department for Medicaid Services proposes the attached amendments to **907 KAR 1:560** and 907 KAR 1:563.

If you have any questions or concerns about this request, please feel free to contact Jonathan Scott, Regulatory and Legislative Advisor for the Department for Medicaid Services, at (502) 564-4321 ext. 2015.

Sincerely,

A handwritten signature in cursive script that reads "Donna Little".

Donna Little
Deputy Executive Director
Office of Legislative and Regulatory Affairs
Cabinet for Health and Family Services

Suggested Amendment
CABINET FOR HEALTH AND FAMILY SERVICES
Department for Medicaid Services
Division of Policy and Operations
(Amended After Comments Version)

907 KAR 1:560 & E. Medicaid hearings and appeals regarding eligibility.

Page 1

RELATES TO

Line 6

After "205.531,", delete "211.461, 211.466,".

Page 2

Section 2(2)(e)

Line 22

After "recipient", insert "if electing".

Delete "may elect".

Page 5

Section 5(3)

Line 12

After "recipient", insert a comma.

Page 6

Section 6(2)(b)

Line 8

After "recipient", insert a comma.

Page 7

Section 9(1)

Line 20

After "recipient", insert a comma.

Page 8

Section 10(2)(b)

Line 17

After "recipient", insert a comma.

Page 12

Section 19(1)

Line 23

After "with", delete the following:

KRS 211.461 through 211.466 and



Matthew G. Bevin
Governor

Cabinet for Health and Family Services
OFFICE OF LEGISLATIVE AND REGULATORY AFFAIRS

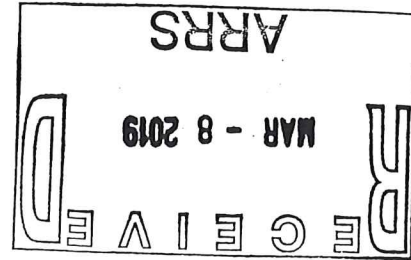
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Adam M. Meier
Secretary

James C. Musser
Executive Director

March 8, 2019

Ms. Emily Caudill, Regulations Compiler
Legislative Research Commission
029, Capitol Annex
702 Capitol Avenue
Frankfort, Kentucky 40601



Dear Regulations Compiler:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 907 KAR 1:560 and 1:563, the Department for Medicaid Services proposes the attached amendments to 907 KAR 1:560 and **907 KAR 1:563**.

If you have any questions or concerns about this request, please feel free to contact Jonathan Scott, Regulatory and Legislative Advisor for the Department for Medicaid Services, at (502) 564-4321 ext. 2015.

Sincerely,

Donna Little
Deputy Executive Director
Office of Legislative and Regulatory Affairs
Cabinet for Health and Family Services

Suggested Amendment
CABINET FOR HEALTH AND FAMILY SERVICES
Department for Medicaid Services
Division of Policy and Operations
(Amended After Comments Version)

907 KAR 1:563. Medicaid covered services appeals and hearings unrelated to managed care.

Page 13

Section 17

Line 2

After "Section 17.", insert the following:

Hearings and Appeals for Individuals with an Intellectual Disability Residing in State Institutions.



**CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR AGING AND INDEPENDENT LIVING**

Matthew G. Bevin
Governor

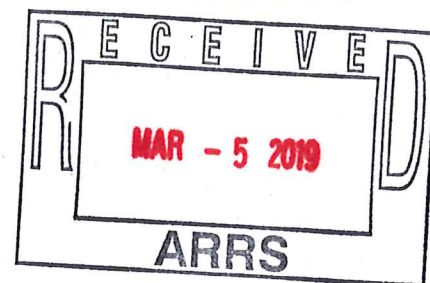
275 E Main St. 3E-E
Frankfort, KY 40621-2321
(502) 564-6930
Fax: (502) 564-4595
<http://chfs.ky.gov/dail/>

Adam M. Meier
Secretary

Shannon Gadd
Commissioner

March 4, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601



Re: **910 KAR 1:240**. Certification of assisted-living communities.

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 910 KAR 1:240, the Department for Aging and Independent Living proposes the attached amendment to 910 KAR 1:240.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannon Gadd".

Shannon Gadd, Commissioner
Department for Aging and Independent Living
275 E Main St, 3 E-E
Frankfort, KY 40621

3/4/19

SUGGESTED AMENDMENT

**CABINET FOR HEALTH AND FAMILY SERVICES
Department for Aging and Independent Living**

910 KAR 1:240. Certification of assisted-living communities.

Page 1

STATUTORY AUTHORITY

Line 8

After "194A.050(1)", delete "(9)".

After "194A.707(1)", insert ", (9)".

Page 1

NECESSITY, FUNCTION, AND CONFORMITY

Line 13

After "194A.707(1)", insert "and (2) require".

Delete "requires".

Page 4

Section 2(1)(e)1.d.

Line 11

After "\$1,000;", insert "or".

Page 5

Section 3(2)(c)

Line 6

After "and certification fee,", insert "that".

Line 7

After "2019,", insert the following:

shall be:

1.

Delete "in the amount of".

Capitalize "forty".

After "per certified unit", insert a comma.

Page 5

Section 3(2)(c)1.-3.

Lines 9-11

Renumber subparagraphs "1." through "3." as clauses "a." through "c.".

Page 5

Section 3(2)(c)4.

Line 12

Before "4.", insert "d.".

Delete "4."

After "\$1,000;", insert "or".

Page 5

Section 3(2)(c)5.

Line 13

Before "5.", insert "e.".

Delete "5."

After "\$500", insert a semicolon.

Delete "that shall be:"

Page 5

Section 3(2)(c)5.a.

Line 14

Before "a.", insert "2.".

Delete "a."

Page 5

Section 3(2)(c)5.b.

Line 15

Before "b.", insert "3.".

Delete "b."

Page 12

Section 7(6)

Line 2

After "194A.707", insert "(11)".

Delete "(10)".

Page 15

Section 9(12)

Line 6

After "194A.707", insert "(11)".

Delete "(10)".



**CABINET FOR HEALTH AND FAMILY SERVICES
OFFICE OF THE SECRETARY**

Matthew G. Bevin
Governor

275 East Main Street, 5W-A
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502-564-7091
www.chfs.ky.gov

Adam M. Meier
Secretary

March 1, 2019

Senator Stephen West, Co-Chair
Representative David Hale, Co-Chair
c/o Emily Caudill
Administrative Regulation Review Subcommittee
Legislative Research Commission
029, Capitol Annex
Frankfort KY 40601



Re: Suggested amendments

Dear Co-Chairs West and Hale:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by **921 KAR 2:055**, the Department for Community Based Services requests the enclosed amendments be made.

Sincerely,

Chase Coffey
Executive Assistant
Office of Legislative and Regulatory Affairs

Enclosure

Staff-suggested Amendment

Version 2/21/2019 4:01 p.m.

**CABINET FOR HEALTH AND FAMILY SERVICES
Department for Community Based Services
Division of Family Support**

921 KAR 2:055. Hearings and appeals.

Page 4

Section 4(4)

Line 22

After "is upheld, continued", insert "L".

Page 11

Section 12(2)(b)2.

Line 3

After "2.", insert "Federal Old-Age"

Delete "Retirement".