



**COMMONWEALTH OF KENTUCKY
OFFICE OF THE ATTORNEY GENERAL**

**RUSSELL COLEMAN
ATTORNEY GENERAL**



October 7, 2026

VIA HAND-DELIVERY

Senator Stephen West, Co-Chair
Representative Derek Lewis, Co-Chair
c/o Ange Darnell
Administrative Regulation Review Subcommittee
Legislative Research Commission
083, Capitol Annex
Frankfort KY 40601

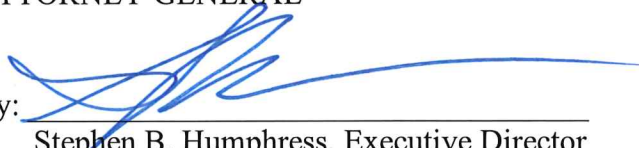
Re: 40 KAR 12:450. Emergency Contractors.

Dear Co-Chairs West and Lewis:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 40 KAR 12:450, the Kentucky Office of Regulatory Relief ("KORR") proposes the attached amendments.

Sincerely,

RUSSELL COLEMAN
ATTORNEY GENERAL

By: 

Stephen B. Humphress, Executive Director
Kentucky Office of Regulatory Relief
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601
502-696-5481
Email: steve.humphress@ky.gov

Attachments

SUGGESTED SUBSTITUTE

**OFFICE OF THE ATTORNEY GENERAL
Kentucky Office of Regulatory Relief**

40 KAR 12:450. Emergency Contractors.

RELATES TO: KRS 367.379

STATUTORY AUTHORITY: KRS 15.180, 367.150(4), ~~367.379(7)~~~~[367.379(8)]~~

CERTIFICATION STATEMENT: This is to certify that this administrative regulation amendment complies with the requirements of 2025 RS HB 6, Section 8.

NECESSITY, FUNCTION, AND CONFORMITY: KRS 15.180 authorizes the Attorney General to promulgate administrative regulations that will facilitate performing the duties and exercising the authority vested in the Attorney General and the Department of Law. KRS 367.150(4) requires the Department of Law to recommend administrative regulations in the consumers' interest. KRS ~~367.379(7)~~~~[367.379(8)]~~ authorizes the Attorney General to promulgate administrative regulations pertaining to emergency contractors. This administrative regulation establishes an online registration application, an online renewal application, person in control statement, and a surety bond form to be used by emergency contractors in designated emergency areas.

Section 1. Emergency ~~Contractor~~~~[Contractors]~~ Registration Application.

(1) Except as ~~established~~~~[provided]~~ in ~~subsection~~~~[paragraph]~~ (4) of this section, a contractor, ~~as defined by KRS 367.379(1)(a)~~, shall not perform services for Commonwealth of Kentucky residents in a designated emergency area under a KRS 367.379(2)(a) Attorney General executive order, unless the Attorney General approves the contractor's online Emergency Contractor Registration Application in accordance with this administrative regulation. An applicant shall submit an online registration application using the Emergency Contractor Registration Application Portal available at <https://www.ag.ky.gov/Resources/Pages/Office-of-Regulatory-Relief.aspx>.

(2) To complete an online application, an applicant shall submit:

- (a) Payment of the \$100.00 registration fee;
- (b) The applicant's certificate of existence, authorization certificate from the Kentucky Secretary of State's office, other evidence of the applicant's authority to transact business in Kentucky, or verification of a sole proprietor's business address;
- (c) ~~A copy~~~~[Copies]~~ of the applicant's general liability insurance policy or insurance declaration page evidencing insurance coverage in the minimum amount of \$200,000; a completed Emergency Contractor Surety Bond, form EC-1; or other completed surety bond in the minimum amount of \$200,000 by a surety authorized to do business in Kentucky; and
- (d) ~~A copy~~~~[Copies]~~ of the applicant's workers compensation insurance policy.

(3)

- (a) An applicant shall complete ~~the~~~~[its]~~ application by submitting additional information or documents related to the application within thirty (30) days of a request by the Attorney General.

(b) The Attorney General may deny any application:

1. If an applicant fails to timely complete the application by not paying the application fee or providing requested information or documents; or
2. For any reason that the Attorney General, in the exercise of sound discretion, deems sufficient.

(4) **An** emergency **contractor[contractors]** shall not be required to obtain registration to perform work in a designated emergency area **if[when]**:

(a) Work is performed pursuant to a contract executed prior to a state of emergency declaration; or

(b) The Attorney General issues an executive order under KRS 367.379(2)(b)1 determining that a local government in the designated emergency area imposes emergency registration or emergency licensure requirements for contractors that are greater than the requirements imposed under KRS 367.379 (3)(a), (b), and (c), **in which case[whereby]** the contractor shall comply with that local government's requirements.

Section 2. Emergency Contractor Person in Control. ~~[(1)]~~ A registrant shall not perform services for Commonwealth of Kentucky residents in a designated emergency area under a KRS 367.379(2)(a) Attorney General executive order unless the registrant designates a person responsible for the conduct of all employees and solicitors for a designated emergency area. If not provided in the original application, a registrant shall identify the person in control of a designated emergency area using the Emergency Contractor Person in Control **[submission]** Portal available at <https://www.ag.ky.gov/Resources/Pages/Office-of-Regulatory-Relief.aspx>.

Section 3. Emergency Contractor Renewal Applications.

(1) An approved emergency contractor registration or renewal shall be valid for one (1) year from the date of registration or renewal by the Attorney General.

(2) Thirty (30) days prior to the expiration of a current registration, a registered emergency contractor may renew **the[its]** registration. Registration renewal shall be accomplished by submitting an online renewal application using the Emergency Contractor **Registration** Renewal Application Portal available at <https://www.ag.ky.gov/Resources/Pages/Office-of-Regulatory-Relief.aspx>.

(3) **To submit[When-submitting]** an online renewal application, each registrant shall submit:

- (a) Payment of the \$100.00 registration renewal fee;
- (b) If the registrant's prior submitted general liability insurance policy or surety bond is no longer current:
 1. **A copy[Copies]** of the applicant's current general liability insurance policy or insurance declaration page evidencing insurance coverage in the minimum amount of \$200,000;
 2. A completed Emergency Contractor **Surety** Bond, form EC-1; or
 3. Other completed surety bond in the minimum amount of \$200,000 by a surety authorized to do business in Kentucky; and

(c) If the registrant's prior submitted worker's compensation policy is no longer current, **a copy[copies]** of the registrant's current worker's compensation insurance policy.

(4)

(a) A registrant shall complete ~~the[its]~~ renewal application by submitting additional information or documents related to the[for its] application within thirty (30) days of a request by the Attorney General.

(b) The Attorney General may deny any renewal application:

1. If a registrant fails to timely complete the application by not paying the application fee or providing requested information or documents; or
2. For any reason that the Attorney General, in the exercise of sound discretion, deems sufficient.

Section 4. ~~[Annual Registration Fee. The annual registration fee for an emergency contractor shall be \$100.00.]~~

~~Section 5.~~ [Written Notification of Material Changes. A registered emergency contractor shall notify the Attorney General, in writing, within fourteen (14) days of any material change to information provided in the registrant's original application, any renewal application, application attachments, or written notices.]

Section ~~5.~~ [6.] Record Requests. An emergency contractor shall make requested business records and documents and information related to an investigation or inquiry readily available to the Attorney General for inspection and copying upon request.

Section ~~6.~~ [7.] Subsequent Proceedings. Registration or renewal by the Attorney General shall not be construed to waive or condone any violation of law that occurred prior to or after any registration or renewal and shall not prevent subsequent proceedings against a registrant.

Section ~~7.~~ [8.] Incorporation by Reference.

(1) The following material is incorporated by reference:

- (a) "Emergency Contractor Registration Application Portal", July 2026;
- (b) "Emergency Contractor Person in Control Portal[-~~submission,~~]", July 2026;[-~~and~~]
- (c) "Emergency Contractor Registration Renewal Application Portal", July 2026; ~~and~~
- (d) "Emergency Contractor Surety Bond", form EC-1[~~"],~~ July 2026.

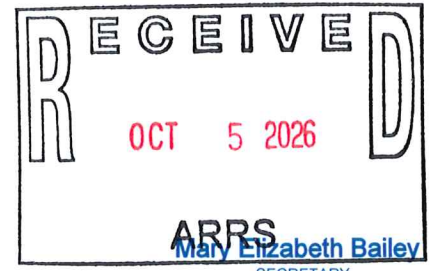
(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Office of the Attorney General, Capital Complex East, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m. This material is also available on the Attorney General's website, <https://ag.ky.gov/Pages/default.aspx>.



Andy Beshear
GOVERNOR

PERSONNEL CABINET

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October 5, 2026

Senator Stephen West, Co-Chair
Representative Derek Lewis, Co-Chair
c/o Ange Darnell, Regulations Compiler
Administrative Regulation Review Subcommittee
Legislative Research Commission
Room 83, State Capitol Annex
Frankfort, KY 40601

Re: 101 KAR 2:150. State Safety Program.

Dear Co-Chairs West and Lewis:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 101 KAR 2:150, the Personnel Cabinet proposes the attached substitute for this ordinary regulation.

Sincerely,

Rosemary G. Holbrook
Assistant General Counsel
Office of Legal Services

**PERSONNEL CABINET
Office of the Secretary
(Amendment)**

101 KAR 2:150. State Safety Program.

RELATES TO: ~~KRS 18A.030(2)(i), 18A.155, Chapter 338~~ [KRS 18A.030(2)(i), 18A.110(7)(i), 18A.155]

STATUTORY AUTHORITY: ~~KRS 18A.030(2)(b), 18A.110(7)(h)~~ [KRS 18A.030(2)(i), 18A.110(7)(i), 18A.155]

NECESSITY, FUNCTION, AND CONFORMITY: **KRS 18A.030(2)(b) requires the Secretary of the Personnel Cabinet to promulgate comprehensive administrative regulations consistent with the provisions of KRS Chapters 13A and 18A, and with federal standards.** KRS 18A.110(7)(h) [KRS 18A.110(7)(i)] requires the Secretary of the Personnel Cabinet to promulgate administrative regulations[,] for the development and[,] operation [and enforcement] of programs to improve work safety. This administrative regulation establishes the state safety program.

Section 1. Establishment of State Safety Program.

(1) A state safety program shall be established and administered through the Personnel Cabinet, and headed by a state safety coordinator who shall/will:

- (a) Obtain applicable data and analyze costs associated with workers' compensation injuries; and
- (b) Advise agencies on relevancy of data.

(2) An appointing authority shall designate an agency safety representative for each site location.

(3) The state safety program shall comply with the occupational health and safety requirements established in KRS Chapter 338 and the administrative regulations promulgated by the Kentucky Occupational Safety and Health Program in 803 KAR Chapter 2.

Section 2. Duties of Agency Safety Representative.

(1) Each agency safety representative shall:

- (a) Implement and supervise a safety program;
- (b) Attend safety meetings sponsored by the Personnel Cabinet;
- (c) Conduct safety meetings and training sessions for agency employees;
- (d) Document preventive safety measures; and
- (e) Promote safety of employees.

(2) The agency safety representative may establish an agency safety committee, to meet on a regular basis for:

- (a) Review of causes of accidents;
- (b) Inspection of facilities;
- (c) Development of hazard abatement methods; and
- (d) Assessment of safety training needs.

Section 3. Duties of Supervisors.

(1) A supervisor shall:

- (a) Review the safety program with new employees;
- (b) Enforce general safety regulations and procedures;
- (c) Maintain safe working conditions; and

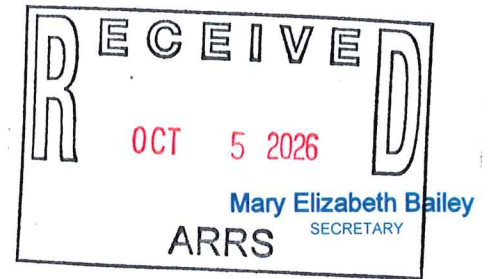
- (d) Require employees to follow safety regulations and procedures.
- (2) A supervisor or designee shall investigate each accident and shall forward a report on the findings to the state safety coordinator in the Personnel Cabinet.
- (3) A supervisor shall require an employee to attend a regular safety meeting and training session at a time to be determined in coordination with the agency safety representative.



Andy Beshear
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Senator Stephen West, Co-Chair
Representative Derek Lewis, Co-Chair
c/o Ange Darnell, Regulations Compiler
Administrative Regulation Review Subcommittee
Legislative Research Commission
Room 83, State Capitol Annex
Frankfort, KY 40601

Re: 101 KAR 2:221. Employee Educational Assistance Program.

Dear Co-Chairs West and Lewis:

After discussions with Administrative Regulation Review Subcommittee staff of the issues raised by 101 KAR 2:221, the Personnel Cabinet proposes the attached substitute for this ordinary regulation.

Sincerely,

Rosemary G. Holbrook
Assistant General Counsel
Office of Legal Services

PERSONNEL CABINET
Office of the Secretary
(Amendment)

101 KAR 2:221. Employee Educational Assistance Program.

RELATES TO: KRS 18A.030(2)(i), 26 U.S.C. 127

STATUTORY AUTHORITY: KRS 18A.030(2)(b), 18A.110(7)(h)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 18A.110(7)(h) requires the Secretary of the Personnel Cabinet to promulgate administrative regulations ~~that~~**[which]** govern the development and operation of programs to improve work effectiveness of employees in the state service, including training, health, welfare, counseling and employee relations. This administrative regulation establishes the requirements for employee participation and the agency reporting obligations relating to the Employee Educational Assistance Program to ensure that agencies are maintaining and reporting required usage data.

Section 1. Definitions.

(1) "Educational assistance" means the financial assistance provided to an employee by the employee's cabinet or agency for the purpose of continuing the employee's education or training, based on the educational needs of the workforce, which results in an improved workforce and assists the employee in the achievement of individual career goals.

(2) "Educational provider" means a public or private degree-granting postsecondary education institution accredited by a regional or national accrediting body recognized by the U.S. Department of Education or the Council for Higher Education Accreditation (CHEA), or other approved education or training ~~provider~~**[providers]**.

(3) "Employee Educational Assistance Program" means the program established by this administrative regulation.

(4) "Satisfactory ~~grade~~**[Grade]**" means a grade that meets the minimum academic standards required by the institution for the student to receive credit toward completion of ~~the student's~~**[their]** degree or certificate program.

(5) "Service obligation" means the twelve (12) month minimum period that an employee is obligated to work in state government following the receipt of educational assistance, beginning:

(a)

1. On the educational provider's published end date of the academic term in which the employee is receiving educational assistance; or

2. If no published end date exists, on the date of the last class activity, such as the final exam, the date a final paper is submitted, or the last scheduled class session; and

(b) After the employee has achieved a satisfactory grade on the current coursework.

Section 2. Employee Educational Assistance Program.

(1) The Personnel Cabinet shall be responsible for issuing, administering, and monitoring the Employee Educational Assistance Program.

(2) A cabinet or agency may adopt an educational assistance policy to specify the terms and conditions of the agency or cabinet's participation in the Employee Educational Assistance Program.

- (a) A cabinet or agency's education assistance policy shall not conflict with the employee educational assistance program.
- (b) A cabinet or agency's educational assistance policy shall be subject to the approval of the secretary.
- (c) A copy of the cabinet or agency's current educational assistance policy shall be filed with the Personnel Cabinet upon approval by the secretary.
- (d) A cabinet or agency shall utilize this administrative regulation if no other educational assistance policy is filed with the Personnel Cabinet for that cabinet or agency.
- (3) Eligibility requirements. A permanent, full-time classified employee with status shall be eligible for the Employee Educational Assistance Program if the employee:
 - (a) Is in full-time active work status;
 - (b) Has not received a disciplinary action within one **(1)** year immediately preceding the date of application for educational assistance;
 - (c) Has not received one **(1)** of the two (2) lowest final performance evaluation scores for the previous year;
 - (d) Does not have an outstanding reimbursement obligation in accordance with subsection (8) of this section; and
 - (e) Has not exceeded the maximum gross income tax exclusion provided by 26 U.S.C. 127.
- (4) Employee Educational Assistance Program financial provisions.
 - (a) Funding.
 - 1. Funding for educational assistance shall come from a cabinet or agency's budget.
 - 2. Cabinet or agency participation in the Employee Educational Assistance Program shall be based on the availability of cabinet or agency funds.
 - (b) Approved educational assistance funds.
 - 1. Educational assistance may be granted to pay for tuition and other related expenses **if** permitted by 26 U.S.C. 127 and approved in advance by the Personnel Cabinet.
 - 2. Documentation of the Personnel Cabinet's approval of expenses shall be maintained in the cabinet or agency's educational assistance policy file and made available during periodic audits conducted by the Personnel Cabinet.
 - (c) Limits of funding.
 - 1. The maximum educational assistance an agency may provide to an employee per calendar year shall not exceed the limits specified in 26 U.S.C. 127.
 - 2. Financial assistance from any other financial aid program shall not be duplicated under this program. If eligible for tuition waiver or student fee waiver, the employee shall apply for these programs first.
- (5) Disbursement of funds shall be in accordance with Personnel Cabinet payroll system requirements.
- (6) Approved courses.
 - (a) Each course, program, or degree for which educational assistance is provided shall have a clear and direct relationship to:
 - 1. The work of the cabinet or agency;
 - 2. Improving the employee's effectiveness in his or her present position;
 - 3. Preparing the employee for a position to which the employee can reasonably aspire; or
 - 4. A requirement for a degree or program on the cabinet or agency's approved list of courses, programs, and degrees.
 - (b) Lists of courses, programs, and degrees.

1. With approval of the Personnel Cabinet, a cabinet or agency may establish lists of courses, programs, and degrees for which educational assistance may be granted and shall be based on the recognized educational needs of the workforce in the agency.

2. Each approved list shall be made available for review by the respective cabinet or agency employees.

3. The cabinet or agency shall annually review the approved list and make revisions as necessary and appropriate after re-approval by the Personnel Cabinet.

4. A request by an employee for an exception or addition to the approved list shall be made in writing to the cabinet or agency's designated agent. Exceptions and additions shall only be granted after approval by the Personnel Cabinet.

(c) Courses taken through the Employee Educational Assistance Program shall not be applied toward an Educational Achievement Award.

(7) Maximum courses allowed.

(a) Educational assistance provided for undergraduate and post-graduate studies shall not exceed the following:

1. For undergraduate studies, a maximum of eight (8) courses per year, with a limit of:

a. Three (3) courses in any regular semester session;

b. Two (2) courses in any regular quarter session; and

c. One (1) course in any inter-session; and

2. For post-graduate studies (including graduate level professional studies), a maximum of six (6) courses per year, with a limit of:

a. Two (2) courses in any regular semester session;

b. One (1) course in any regular quarter session; and

c. One (1) course in any summer session or inter-session.

(b) An appointing authority or designated agent may make an exception to the maximum course load if:

1. The exception is necessary for an employee to complete the approved program;

2. The exception **shall/will** not adversely affect the cabinet or agency's service or the employee's performance; and

3. The exception is approved in advance by the Personnel Cabinet.

(c) The Personnel Cabinet's approval of a cabinet or agency's exception to the maximum course load shall be maintained in the cabinet or agency's Educational Assistance Program file for audit purposes.

(8) Employee obligations.

(a) To be eligible for educational assistance funds or to continue to receive those funds, the employee shall:

1. Sign an agreement with the cabinet or agency;

2. Continue to work on a full-time basis;

3. Provide the agency, within thirty (30) calendar days upon completion of a course, evidence of a satisfactory grade; and

4. Complete the service obligation.

(b) A cabinet or agency shall attempt to recover from an employee the full amount of educational assistance funds expended on that employee's behalf if:

1. The employee's application form contains any material falsification;

2. The employee fails to provide the agency, within thirty (30) calendar days upon completion of a course, evidence of a satisfactory grade;

3. The employee drops a course, regardless of cause, without prior approval of the appointing authority or designated agent; or

4. The employee receives duplicate payment for the same course from any other source, such as a scholarship, Veteran's Educational Payments, or an Educational Achievement Award.

(c) A cabinet or agency shall attempt to recover from an employee the educational assistance funds expended on that employee's behalf if the employee resigns, retires, or is dismissed for cause prior to completion of the service obligation.

1. Any amount of educational assistance funds a cabinet or agency seeks to recover pursuant to an employee's failure to complete the service obligation shall be prorated according to the portion of the service obligation the employee has fulfilled.

2. The service obligation shall not apply to an employee who is laid-off.

(d) If an employee for whom a cabinet or agency has paid educational assistance transfers from one cabinet or agency to another while enrolled in the course or prior to completion of the employee's service obligation, the employee shall be required to repay educational assistance funds.

(e) An approved course shall be taken on the employee's own time. Flexible scheduling options and leave time may be utilized at a cabinet or agency's discretion to accommodate course schedules.

(9) Records.

(a) The cabinet or agency shall maintain complete and accurate records relating to its Employee Educational Assistance Program.

(b) A cabinet or agency's appointing authority or designated agent shall be responsible for maintenance and accuracy of all records relating to a cabinet or agency's Employee Educational Assistance Program.

(c) A cabinet or agency shall utilize its signed agreement with the employee as the key record for the Employee Educational Assistance Program.

(d) A cabinet or agency's educational assistance policy shall be made available for periodic audits or upon request.

(e) The cabinet or agency shall maintain all records associated with this program in the agency personnel file of the employee and shall forward the records to the receiving cabinet or agency if the employee transfers.

(f) The Personnel Cabinet shall be responsible for retaining comprehensive statewide records, on a fiscal year basis, of Educational Assistance Program activity.

1. This information shall be reported annually to the secretary or as needed upon request and shall include the following:

a. The number of employees participating in the program;

b. The amount (tuition and fees) reimbursed;

c. The number of employees granted educational leave; and

d. A summary of the annual reporting data required by Section 3(3) of this administrative regulation.

2. The Personnel Cabinet may request additional information from cabinets or agencies as needed to assist in the administration or monitoring of the program.

Section 3. Program Audits.

(1) The Personnel Cabinet shall conduct annual audits of cabinet or agency compliance with the Employee Educational Assistance Program from a representative sample selected by the Personnel Cabinet.

(2) In the course of the audits, the Personnel Cabinet shall review a cabinet or agency's Educational Assistance Program documents and records.

(3) Cabinets and agencies shall maintain the following data and reports in the cabinet or agency's Educational Assistance Program file:

- (a) Total dollar expenditures for educational assistance;
- (b) Total number of employees utilizing educational assistance provided by the agency;
- (c) Total dollar expenditures by educational provider by the cabinet or agency;
- (d) Approved lists of course titles, degrees, or programs;
- (e) A list of all course titles, degrees, programs, and certifications for which educational assistance is provided on a fiscal year basis;
- (f) ~~Each~~**The** employee's signed agreement;
- (g) A list of all outstanding reimbursement obligations; and
- (h) A list of all employees that have completed degree requirements during the current fiscal year.

Section 4. Equal Opportunity. Each participating cabinet or agency shall ensure that its Employee Educational Assistance Policy is administered fairly, consistently, and equitably for all employees.
~~RELATES TO: KRS 18A.110(7)(i), 164.357 STATUTORY AUTHORITY: KRS 18A.030(2) and 18A.110(7)(i)~~
~~NECESSITY, FUNCTION, AND CONFORMITY: KRS 18A.110(7)(i) requires the Secretary of the Personnel Cabinet to promulgate administrative regulations which govern the development and operation of programs to improve the work effectiveness of employees in the state service, including training, health, welfare, counseling and employee relations. This administrative regulation establishes the requirements for employee participation in and the agency reporting obligations relating to the Employee Educational Assistance Program to ensure that agencies are maintaining and reporting required usage data.]~~

~~[Section 1.] [Definitions:]~~

~~[(1)] ["Educational assistance" means the financial assistance provided to an employee by the employee's cabinet or agency for the purpose of continuing the employee's education or training, based on the educational needs of the workforce, which results in an improved workforce and assists the employee in the achievement of individual career goals.]~~

~~[(2)] ["Educational providers" means accredited public or private degree-granting postsecondary education institutions, educational television, accredited correspondence or online schools, secondary schools, General Educational Development (GED) preparatory programs, Kentucky Virtual Campus (KYVC), or other approved education or training providers.]~~

~~[(3)] ["Employee Educational Assistance Program" means the program established by this administrative regulation:]~~

~~[(4)] ["Satisfactory Grade" means:]~~

~~[(a)] [a grade of "C" or higher for undergraduate or law school courses;]~~

~~[(b)] [a grade of "B" or higher for graduate-level or other professional studies courses; or]~~

~~[(c)] ["Pass" for courses which are graded on a "Pass/Fail" basis.]~~

~~[(5)] ["Service obligation" means the six (6) month minimum period of time that an employee is obligated to work in state government following the receipt of educational assistance, beginning:]~~

~~[(a)]~~

~~[1.] [On the educational provider's published end date of the academic term in which the employee is receiving educational assistance; or]~~

~~[2.] [If no published end date exists, on the date of the last class activity, such as the final exam, the date a final paper is submitted, or the last scheduled class session; and]~~

~~[(b)] [If the employee has achieved a satisfactory grade on the current coursework.]~~

[(6)] [~~"Special Purpose Educational Assistance Program" means coursework or specified training that has been predetermined by a cabinet or agency to be mandatory or job related that is required to meet accreditation, or certification or professional standards.~~]

[Section 2.] [Employee Educational Assistance Program.]

[(1)] [~~The Governmental Services Center (GSC) shall be responsible for issuing, administering, and monitoring the Employee Educational Assistance Program.~~]

[(2)] [~~A cabinet or agency may adopt an Educational Assistance Policy to specify the terms and conditions of the agency or cabinet's participation in the Employee Educational Assistance Program.~~]

[(a)] [~~A cabinet or agency's education assistance policy shall not conflict with the employee educational assistance program.~~]

[(b)] [~~A cabinet or agency's educational assistance policy shall be subject to the approval of the Executive Director of GSC or the Executive Director's designated agent.~~]

[(c)] [~~A copy of the cabinet or agency's current educational assistance policy shall be filed with the GSC upon approval by the Executive Director of GSC or the Executive Director's designated agent.~~]

[(d)] [~~A cabinet or agency shall utilize this administrative regulation if no other Educational assistance policy is filed with the GSC for that cabinet or agency.~~]

[(3)] [Eligibility requirements.]

[(a)] [~~A permanent, full-time classified employee shall be eligible for the Employee Educational Assistance Program if the employee:~~]

[1.] [~~Is in full-time active work status; and~~]

[2.] [~~Has satisfactorily completed the initial probationary period.~~]

[(b)] [~~The requirements established in paragraph (a) of this subsection may be waived by a cabinet or agency on an individual basis if the nature of the work justifies providing educational assistance.~~]

[1.] [~~If a cabinet or agency waives any requirement for an employee, the agency shall maintain justification documentation.~~]

[2.] [~~Documentation shall include:~~]

[a.] [~~The employee's application for educational assistance;~~]

[b.] [~~The specific education or training requested; and~~]

[c.] [~~The written determination by the cabinet or agency that waiver of one or more requirements is justified based on the nature of the employee's work.~~]

[3.] [~~Documentation shall be maintained in the cabinet or agency's Educational Assistance Policy file and made available during periodic audits conducted by the GSC.~~]

[4.] [~~An employee who has an outstanding reimbursement obligation in accordance with subsection (8) of this section shall not receive further educational assistance until the outstanding obligation is satisfied.~~]

[5.] [~~The cabinet's or agency's Education Assistance Policy shall not apply to programs providing scholarships or other educational assistance to individuals who are not qualifying employees of the executive branch of Kentucky state government.~~]

[(4)] [Employee Educational Assistance Program.]

[(a)] [Funding.]

[1.] [Funding for educational assistance shall come from a cabinet or agency's budget.]

[2.] [Cabinet or agency participation in the Employee Educational Assistance Program shall be based on the availability of cabinet or agency funds.]

[(b)] [Approved educational assistance funds.]

[1.] [Educational assistance shall be granted to pay for tuition and other related expenses, such as:]

- [a.] [Laboratory fees;]
- [b.] [Basic and normal costs charged by the institution for course registration;]
- [c.] [Computer usage fees;]
- [d.] [Required texts and other required course supplies;]
- [e.] [Examination fees; or]
- [f.] [Records and transcript fees required by the institution.]
- [2.] [Educational assistance may be granted for educational testing for credit, such as General Educational Development (GED), College Level Examination Program (CLEP), or Defense Activity for Non-Traditional Education Support (DANTES).]
- [3.] [Educational assistance shall be available for educational testing which is an entry requirement by an educational provider, such as ACT, SAT, GRE, GMAT, or LSAT.]
- [4.] [A cabinet or agency may elect to cover additional or other types of educational expenses.]
 - [a.] [Additional or other types of educational expenses by a cabinet or agency shall not require pre-approval from the GSC.]
 - [b.] [Documentation of a cabinet or agency's approval of expenses shall be maintained in the cabinet or agency's Educational Assistance Policy file and made available during periodic audits conducted by the GSC.]
- [(c)] [Limits of funding.]
 - [1.] [Educational assistance provided for coursework at an accredited in-state private college, out-of-state college, or out-of-state university shall be limited by the then-current costs at the four (4) year state university located in Kentucky nearest to the employee's county of employment.]
 - [a.] [The educational assistance provided per semester hour of credit shall not exceed the then-current cost per semester hour at the four (4) year state university located in Kentucky nearest the employee's county of employment.]
 - [b.] [Educational assistance based on semester quarter hours of credit shall not exceed two-thirds (2/3) of the then-current cost per semester hour at the four (4) year state university located in Kentucky nearest the employee's county of employment.]
 - [2.] [Educational assistance provided per semester hour of credit for an online course or program shall be limited to the higher of:]
 - [a.] [The then-current costs per semester hour for an online course or program offered by a Kentucky public post-secondary educational institution which is delivered directly by that institution; or]
 - [b.] [The then-current costs per semester hour for an online course or program offered by a Kentucky public postsecondary educational institution which is delivered through the Kentucky Virtual Campus (KYVC).]
 - [3.] [Educational assistance based on semester quarter hours of credit for an online course or program shall not exceed two-thirds (2/3) of the higher of:]
 - [a.] [The then-current costs per semester hour for an online course or program offered by a Kentucky public postsecondary educational institution which is delivered directly by that institution; or]
 - [b.] [The then-current costs per semester hour for an online course or program offered by a Kentucky public postsecondary educational institution which is delivered through KYVC.]
 - [4.] [Each cabinet or agency shall verify that the selected university or college has:]
 - [a.] [Conducted regular assessments to accredit each academic, academic support, and nonacademic programs;]

[b.] [Assessment results which substantiate that the academic activities are aligned with institutional mission and goals; and]

[c.] [Provided information specifying the source of the accreditation information on the Employee Educational Assistance Program Form.]

[(5)] [Payments of funds to educational providers:]

[(a)] [The cabinet or agency shall pay educational assistance funds directly to the educational provider if:]

[1.] [The employee's application for educational assistance was timely filed;]

[2.] [The application meets cabinet or agency approval; and]

[3.] [A GSC exception request is approved if necessary.]

[(b)] [Financial assistance from any other financial aid program shall not be duplicated under this program.]

[1.] [If eligible for tuition waiver or student fee waiver, the employee shall apply for these programs first.]

[2.] [If additional allowable costs remain after the utilization of the Tuition Waiver or Student Fee Waiver, the employee may seek additional funding from the educational assistance program to cover those remaining costs.]

[(6)] [Approved courses:]

[(a)] [Each course, program, or degree for which educational assistance is provided shall have a clear and direct relationship to:]

[1.] [The work of the cabinet or agency;]

[2.] [Improving the employee's effectiveness in his or her present position;]

[3.] [Preparing the employee for a position to which the employee can reasonably aspire; or]

[4.] [A requirement for a degree or program on the cabinet or agency's approved list of courses, programs, and degrees.]

[(b)] [Approved Lists of courses, programs and degrees:]

[1.] [A cabinet or agency shall establish approved lists of courses, programs, and degrees for which educational assistance may be granted.]

[a.] [A cabinet or agency's approved list of courses, programs and degrees shall be based on the recognized educational needs of the workforce in the agency.]

[b.] [A cabinet or agency may establish different approved lists for work units or job classifications.]

[c.] [A cabinet or agency may grant educational assistance for courses that do not qualify an individual to meet the minimum requirements for a job outlined on the official class specification.]

[2.] [Each approved list shall be made available for review by cabinet or agency employees.]

[3.] [A copy of a cabinet or agency's current approved list shall be provided to the GSC.]

[4.] [The cabinet or agency shall periodically review the approved list and make revisions as necessary and appropriate.]

[5.] [A request by an employee for an exception or addition to the approved list shall be made in writing to the cabinet or agency's designated agent.]

[(c)] [Courses taken through the Employee Educational Assistance Program shall not be applied toward an Educational Achievement Award.]

[(7)] [Maximum courses allowed:]

[(a)] [Educational assistance provided for undergraduate and post-graduate studies shall not exceed the following:]

[1.] [For undergraduate studies, a maximum of eight (8) courses per year, with a limit of:]

[a.] [Three (3) courses in any regular semester session;]

- ~~[b.] [Two (2) courses in any regular quarter session; and]~~
 - ~~[c.] [One (1) course in any summer session or inter-session; and]~~
- ~~[2.] [For post-graduate studies (including graduate level professional studies), a maximum of six (6) courses per year, with a limit of:]~~
 - ~~[a.] [Two (2) courses in any regular semester session;]~~
 - ~~[b.] [One (1) course in any regular quarter session; and]~~
 - ~~[c.] [One (1) course in any summer session or inter-session.]~~
- ~~[(b)] [An appointing authority or designated agent may make an exception to the maximum course load if:]~~
 - ~~[1.] [The exception is necessary for an employee to complete the approved program; and]~~
 - ~~[2.] [The exception will not adversely affect the cabinet or agency's service or the employee's performance.]~~
- ~~[(c)] [Documentation of a cabinet or agency's exception to the maximum course load shall be maintained in the cabinet or agency's Educational Assistance Program file and made available during periodic audits conducted by the GSC.]~~
- ~~[(8)] [Kentucky State University Requirement pursuant to KRS 164.357.]~~
 - ~~[(a)] [The following employees shall receive educational assistance only for classroom, online or independent study courses at Kentucky State University (KSU), unless the course, program or degree required is not available or offered at KSU:]~~
 - ~~[1.] [Employees who live in Franklin County or an adjoining county; or]~~
 - ~~[2.] [Employees whose work station is in Franklin County or an adjoining county.]~~
 - ~~[(b)] [This KSU requirement shall apply uniformly unless the Executive Director of the GSC or designee waives the requirement for a particular employee or course by written approval to an exception request.]~~
- ~~[(9)] [Employee obligations:]~~
 - ~~[(a)] [To be eligible for educational assistance funds or to continue to receive those funds, the employee shall:]~~
 - ~~[1.] [Sign the Employee Educational Assistance Program Form;]~~
 - ~~[2.] [Continue to work on a full-time basis;]~~
 - ~~[3.] [Provide the agency, within thirty (30) calendar days upon completion of a course, evidence of a satisfactory grade; and]~~
 - ~~[4.] [Complete the minimum six (6) month service obligation. The employee shall be required at a minimum to comply with requirements established in this paragraph in order to qualify for and maintain educational assistance funds:]~~
 - ~~[a.] [The employee shall continue to work on a full-time basis;]~~
 - ~~[b.] [The employee shall sign the Employee Educational Assistance]~~
 - ~~[c.] [Program Form and comply with the terms of the form;]~~
 - ~~[d.] [The employee shall provide the agency within thirty (30) calendar days upon completion of a course evidence of a Satisfactory Grade; and]~~
 - ~~[e.] [The employee shall complete the minimum six (6) month service obligation.]~~
 - ~~[(b)] [A cabinet or agency shall recover from an employee the full amount of educational assistance funds expended on that employee's behalf if:]~~
 - ~~[1.] [The employee's application form contains any material falsification;]~~
 - ~~[2.] [The employee fails to provide the agency, within thirty (30) calendar days upon completion of a course, evidence of a satisfactory grade;]~~

[3.] [The employee drops a course, regardless of cause, without prior approval of the appointing authority or designated agent; or]

[4.] [The employee receives duplicate payment for the same course from any other source, such as a scholarship, Veteran's Educational Payments, or an Educational Achievement Award.]

[(c)] [A cabinet or agency shall recover from an employee the educational assistance funds expended on that employee's behalf if the employee resigns, retires or is dismissed for cause prior to completion of the six (6) month minimum service obligation.]

[4.] [Any amount of educational assistance funds a cabinet or agency seeks to recover pursuant to an employee's failure to complete the six (6) month minimum service obligation shall be prorated according to the portion of the service obligation the employee has fulfilled.]

[2.] [The six (6) month minimum service obligation shall not apply to an employee who is laid off.]

[(d)] [If an employee for whom a cabinet or agency has paid educational assistance transfers from one cabinet or agency to another through the Internal Mobility Program while enrolled in the course or prior to completion of the employee's six (6) month minimum service obligation, the employee shall not be required to repay educational assistance funds, unless previously agreed to by other contract.]

[(e)] [An approved course should be taken on the employee's own time. If a course is only offered only during working hours, eligible employees must request an Exception for Benefit of the Public Interest as set forth in Section 4 of this administrative regulation.]

[(10)] [Records and forms.]

[(a)] [The cabinet or agency shall maintain complete and accurate records relating to its Employee Educational Assistance Program and Special Purpose Educational Assistance Program if applicable.]

[(b)] [A cabinet or agency's appointing authority or designated agent shall be responsible for maintenance and accuracy of all records relating to a cabinet or agency's Employee Educational Assistance Program or Special Purpose Educational Assistance Program.]

[(c)] [A cabinet or agency shall utilize the Employee Educational Assistance Authorization Form as the key record for the Employee Educational Assistance Program.]

[(d)] [A cabinet or agency's Educational Assistance Policy or Special Purpose Educational Assistance Program records shall be made available for GSC periodic audits or upon request.]

[(e)] [The cabinet or agency shall maintain all records and forms associated with this program in the agency personnel file of the employee and shall forward the records to the receiving cabinet or agency if the employee transfers.]

[(f)] [Administration in the GSC shall be responsible for retaining comprehensive statewide records, on a fiscal year basis, of Educational Assistance Program activity.]

[1.] [This information shall be reported annually to the Secretary of the Personnel Cabinet or as needed upon request and shall include the following:]

[a.] [The number of employees participating in the program;]

[b.] [The amount (tuition and fees) reimbursed;]

[c.] [The number of employees granted educational leave;]

[d.] [The number of employees taking courses at each cabinet's or agency's request;]

[e.] [The number of employees taking courses for required certification; and]

[f.] [A summary of the annual reporting data required by Section 5(3)(a) through (h) of this administrative regulation.]

[2.] [GSC may request additional information from cabinets or agencies as needed to assist in the administration or monitoring of the program.]

[Section 3.] [Special Purpose Educational Assistance Program.]

~~[(1)] [A cabinet or agency may create a Special Purpose Educational Assistance Program which provides educational assistance for an employee to obtain a specific degree or certification that is in the interest of the cabinet or agency.]~~

~~[(2)] [A cabinet or agency and employee may set different terms and obligations other than those established in the Educational Assistance Program.]~~

~~[(a)] [A Special Purpose Educational Assistance Program may grant the employee the opportunity to use paid work hours to attend class or to complete coursework.]~~

~~[(b)] [A cabinet or agency shall not waive the proration requirement for recovery of educational assistance funds if the employee fails to complete the six (6) month minimum service obligation.]~~

~~[(3)] [Approval of a cabinet or agency's Special Purpose Educational Assistance Program shall be subject to the written approval of the Executive Director of the GSC or designee.]~~

[Section 4:] [Exceptions for Benefit of the Public Interest:]

~~[(1)] [The Executive Director of the GSC or designee may grant exception upon request by the cabinet or agency to any portion of the Educational Assistance Program in which the power of exception is not expressly granted to the cabinet or agency.]~~

~~[(2)] [A request for exception from the cabinet or agency shall, at a minimum, meet the following guidelines and include the following information:]~~

~~[(a)] [The request from the cabinet or agency's appointing authority or designated agent shall be in writing:]~~

~~[(b)] [The request shall include the completed Employee Educational Assistance Authorization Form from the cabinet or agency's appointing authority or designated agent; and]~~

~~[(c)] [The request shall include the specific nature of the exception, the reason for the exception, and an explanation as to why the exception would be in the cabinet or agency's interest or in the public's interest.]~~

~~[(3)] [The request for exception shall be mailed or sent electronically by email to the Executive Director of the GSC.]~~

~~[(4)] [A request for exception shall be received by the GSC:]~~

~~[(a)] [Prior to the start of the educational course for which the exception is requested; or]~~

~~[(b)] [Prior to the date by which the cabinet or agency seeks to take any action subject to the exception requested.]~~

~~[(5)] [An agency shall not be required to file requests for exception if proposing a Special Purpose Educational Assistance Program for approval by the GSC.]~~

~~[(a)] [Upon the approval of a cabinet or agency's Special Purpose Educational Assistance Program, any exceptions contained within the Special Purpose Educational Assistance Program which establish terms and obligations different than those terms and obligations established in the Employee Educational Assistance Program, shall be deemed approved.]~~

~~[(b)] [Exceptions within a cabinet or agency's Special Purpose Educational Assistance Program shall be approved for the remainder of the respective fiscal year.]~~

[Section 5:] [Program Audits:]

~~[(1)] [The GSC shall conduct annual audits of cabinet or agency compliance with the Employee Educational Assistance Program from a representative sample selected by GSC.]~~

~~[(2)] [In the course of the audits, the GSC shall review a cabinet or agency's Educational Assistance Program and Special Purpose Educational Assistance Program documents and records.]~~

~~[(3)] [Cabinets and agencies shall maintain the following data and reports in the cabinet or agency's Educational Assistance Program and Special Purpose Educational Assistance Program file:]~~

- ~~[(a)] [Total dollar expenditures for educational assistance;]~~
- ~~[(b)] [Total number of employees utilizing educational assistance provided by the agency;]~~
- ~~[(c)] [Total dollar expenditures by educational provider by the cabinet or agency;]~~
- ~~[(d)] [Approved Lists of course titles, degrees, or programs;]~~
- ~~[(e)] [A list of all course titles, degrees, programs, certification or Special Purpose Educational Assistance Program for which educational assistance is provided on a fiscal year basis;]~~
- ~~[(f)] [The completed Employee Educational Assistance Authorization Form, which is required for approval provided to the GSC if an exception to the Employee Educational Assistance Program is requested or required;]~~
- ~~[(g)] [A list of all outstanding reimbursement obligations; and]~~
- ~~[(h)] [A list of all employees that have completed degree requirements during the current fiscal year.]~~

~~[Section 6.] [Equal Opportunity. Each participating cabinet or agency shall ensure that its Employee Educational Assistance Policy is administered fairly, consistently, and equitably for all employees.]~~

~~[Section 7.] [Incorporation by Reference.]~~

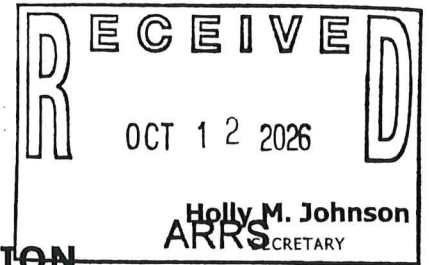
- ~~[(1)] ["Employee Educational Assistance Program Form", June 2008, is incorporated by reference.]~~
- ~~[(2)] [This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Personnel Cabinet, 501 High Street, 3rd Floor, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m.]~~



Andy Beshear
GOVERNOR

**FINANCE AND ADMINISTRATION CABINET
DEPARTMENT OF REVENUE
OFFICE OF TAX POLICY AND REGULATION**

501 High Street, Station 1
Frankfort, Kentucky 40601
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Thomas B. Miller
COMMISSIONER

Gary Morris
EXECUTIVE DIRECTOR

October 12, 2026

TO: Senator Stephen West
Representative Derek Lewis
Legislative Research Commission
083, Capital Annex
702 Capitol Avenue
Frankfort, KY 40601

Dear Co-Chairs:

After consideration of the issues raised by **103 KAR 41:040** and 41:090, the Department of Revenue proposes the attached suggested amendment to this administrative regulation.

Sincerely,

Gary C. Morris, Executive Director
Office of Tax Policy and Regulation
501 High Street, Station 1
Frankfort, KY 40601
Gary.Morris@ky.gov

SUGGESTED SUBSTITUTE

Final: 10/12/2026

**FINANCE AND ADMINISTRATION CABINET
Department of Revenue
(Amendment)**

103 KAR 41:040. Vending~~[Cigarette vending-]~~machine operators.

RELATES TO: KRS 138.130, 138.195

STATUTORY AUTHORITY: KRS 131.130, 138.195

NECESSITY, FUNCTION, AND CONFORMITY: KRS 131.130(1) authorizes the Department of Revenue to promulgate administrative regulations for the administration and enforcement of Kentucky tax laws. KRS 138.195(4)(e) requires the department to promulgate an administrative regulation to prescribe how the information shall be affixed to a vending machine. This administrative regulation~~[under authority of KRS 138.195,]~~ outlines license requirements for ~~[cigarette-]~~ vending machine operators that sell cigarettes, tobacco products, vapor products, or a combination thereof.

Section 1. Definitions.

- (1) "Cigarettes" is defined by KRS 138.130(2).
- (2) "Department" is defined by KRS 138.130(5).
- (3) "Tobacco products" is defined by KRS 138.130(24)~~[(23)]~~.
- (4) "Vapor products" is defined by KRS 138.130(30)~~[(29)]~~.

Section 2. Upon issuance of a ~~[cigarette-]~~ vending machine operator's license by the department ~~[Department of Revenue]~~, the license shall be retained at the principal address of the vending machine operator. If a change of address occurs, written notification shall be given to the department. The license number along with the name and address of the operator shall be affixed to each machine in operation in such a manner as to be visible at the time of the purchase of cigarettes, tobacco products, vapor products, or a combination thereof.



Andy Beshear
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Thomas B. Miller
COMMISSIONER

Gary Morris
EXECUTIVE DIRECTOR

October 12, 2026

TO: Senator Stephen West
Representative Derek Lewis
Legislative Research Commission
083, Capital Annex
702 Capitol Avenue
Frankfort, KY 40601

Dear Co-Chairs:

After consideration of the issues raised by 103 KAR 41:040 and 41:090, the Department of Revenue proposes the attached suggested amendment to this administrative regulation.

Sincerely,

Gary C. Morris, Executive Director
Office of Tax Policy and Regulation
501 High Street, Station 1
Frankfort, KY 40601
Gary.Morris@ky.gov

SUGGESTED SUBSTITUTE

Final: 10/12/2026

FINANCE AND ADMINISTRATION CABINET Department of Revenue (Amendment)

103 KAR 41:090. Evidence of tax payment.

RELATES TO: KRS 138.146

STATUTORY AUTHORITY: KRS 131.130(1)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 131.130(1) authorizes the Department of Revenue to promulgate administrative regulations for the administration and enforcement of Kentucky tax laws. This administrative regulation ***is promulgated pursuant to***~~[interprets]~~ KRS 138.146 and outlines requirements of the Department of Revenue for affixing evidence of cigarette tax payment.

Section 1. Payment of cigarette tax shall be evidenced by ~~[either]~~ the affixing of a decal stamp ~~[or a metered impression]~~ to each individual package of cigarettes.

Section 2. The decal stamps shall be printed, manufactured, and distributed exclusively by the authority of the Department of Revenue or its appointed agents. The stamps may ~~[can]~~ be affixed either by manual or mechanical application. The privilege of using a machine for affixing decal stamps shall ~~[must]~~ be secured from the Department of Revenue in advance of use. The application shall ~~[must]~~ be filed, in writing, by the party desiring to use this method of affixing tax evidence.

Section 3. ~~[The use of any type of metering device, affixing tax evidence by the application of an impression, shall be subject to the approval of the Department of Revenue. The person affixing the tax evidence shall declare in writing to the Department of Revenue his intentions of using this method of stamping, and request permission to purchase the required tax units from the department or its appointed agents. The setting and sealing of any tax meter register shall be performed exclusively by authorized employees or agents of the department. The privilege of using the metering device shall be withdrawn from any party failing to affix tax impressions in a manner satisfactory to the Department of Revenue.]~~

~~[Section 4.]~~ The decal stamp ~~[or metered impression]~~ shall be affixed to either the top or bottom edge of all standard packages of twenty (20) cigarettes in ~~[such]~~ a manner that the tax evidence will be visible when the packages are displayed for sale by the retailer. On packages containing more or less than twenty (20) cigarettes, the tax evidence shall be affixed to any part of the outer wrapping affording ample space and providing for a ready inspection by agents of the department.