

1 AN ACT relating to land use.

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

3 → Section 1. KRS 103.200 is amended to read as follows:

4 As used in KRS 103.200 to 103.285:

- 5 (1) "Building" or "industrial building" means any land and building or buildings,
 6 ~~{(including office space related and subordinate to any of the facilities enumerated~~
 7 **in this subsection**~~{below})~~, any facility or other improvement thereon, and all real
 8 and personal properties, including operating equipment and machinery deemed
 9 necessary in connection therewith, whether or not now in existence, which shall be
 10 suitable for the following or any combination thereof:
- 11 (a) Any activity, business, or industry for the manufacturing, processing or
 12 assembling of any commercial product, including agricultural, mining, or
 13 manufactured products and solar-generated electricity, together with storage,
 14 warehousing, and distribution facilities in respect thereof;
- 15 (b) Any undertaking involving the construction, reconstruction, and use of
 16 airports, mass commuting facilities, ship canals, ports or port facilities, docks
 17 or wharf facilities or harbor facilities, off-street parking facilities or of
 18 railroads, monorails, or tramways, railway or airline terminals, cable
 19 television, mass communication facilities, and related facilities;
- 20 (c) Any buildings, structures, and facilities, including the site thereof and
 21 machinery, equipment, and furnishings suitable for use as health-care or
 22 related facilities, including without limitation hospitals, clinics, nursing
 23 homes, research facilities, extended or long-term care facilities, including
 24 housing for the aged or the infirm and all buildings, structures, and facilities
 25 deemed necessary or useful in connection therewith;
- 26 (d) Any nonprofit educational institution in any manner related to or in
 27 furtherance of the educational purposes of such institution, including but not

- 1 limited to classroom, laboratory, housing, administrative, physical
2 educational, and medical research and treatment facilities;
- 3 (e) Any facilities for any recreation or amusement park, public park, or theme
4 park, including specifically facilities for the use of nonprofit entities in
5 making recreational and cultural benefits available to the public;
- 6 (f) Any facilities involving manufacturing and service industries which process
7 raw agricultural products, including timber, provide value-added functions, or
8 supply ingredients used for production of basic agricultural crops and
9 products;
- 10 (g) Any facilities incident to the development of industrial sites, including land
11 costs and the costs of site improvements thereon, such as grading, streets,
12 drainage, storm and sanitary sewers, and other facilities and structures
13 incidental to the use of such site or sites for industrial use;
- 14 (h) Any facilities for the furnishing of water, if available on reasonable demand to
15 members of the general public;
- 16 (i) Any facilities for the extraction, production, grading, separating, washing,
17 drying, preparing, sorting, loading, and distribution of mineral resources,
18 together with related facilities;
- 19 (j) Any convention or trade show facilities, together with all related and
20 subordinate facilities necessary to the development and proper utilization
21 thereof;
- 22 (k) Any facilities designed and constructed to be used as hotels ~~and~~ or motels,
23 together with all related and subordinate facilities necessary to the operation
24 thereof, including site preparation and similar facilities;
- 25 (l) Any activity designed for the preservation of residential neighborhoods,
26 provided that such activity receives approval of the heritage division and
27 insures the preservation of not fewer than four (4) family units;

- 1 (m) Any activity designed for the preservation of commercial or residential
 2 buildings which are on the National Register of Historic Places or within an
 3 area designated as a national historic district or approved by the heritage
 4 division;
- 5 (n) Any activity, including new construction, designed for revitalization or
 6 redevelopment of downtown business districts as designated by the issuer;{
 7 ~~and~~}
- 8 (o) Any use by an entity recognized by the Internal Revenue Service as an
 9 organization described in 26 U.S.C. sec. 501(c)(3) in any manner related to or
 10 in the furtherance of that entity's exempt purposes where the use would also
 11 qualify for federally tax-exempt financing under the rules applicable to a
 12 qualified 501(c)(3) bond as defined in 26 U.S.C. sec. 145; and
- 13 (p) Any activity, including new construction, that would result in an increase of
 14 forty-eight (48) units or more to the stock of residential multifamily housing
 15 units.
- 16 (2) "Bonds" or "negotiable bonds" means bonds, notes, variable rate bonds, commercial
 17 paper bonds, bond anticipation notes, or any other obligations for the payment of
 18 money issued by a city, county, or other authority pursuant to KRS 103.210 to
 19 103.285.
- 20 (3) "Substantiating documentation" means an independent finding, study, report, or
 21 assessment of the economic and financial impact of a project, which shall include a
 22 review of customary business practices, terms, and conditions for similar types of
 23 projects, both taxable and tax-exempt, in the current market environment.

24 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 7A IS CREATED TO
 25 READ AS FOLLOWS:

26 As used in Sections 2 to 9 of this Act:

27 (1) "Board" means the Medicaid Oversight and Advisory Board;

1 (2) "Cabinet" means the Cabinet for Health and Family Services;

2 (3) "Commission" means the Legislative Research Commission;

3 (4) "Department" means the Department for Medicaid Services; and

4 (5) "Medicaid program" means the Kentucky Medical Assistance Program
 5 established in KRS 205.510 to 205.630 and the Kentucky Children's Health
 6 Insurance Program established in KRS 205.6483.

7 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 7A IS CREATED TO
 8 READ AS FOLLOWS:

9 The Medicaid Oversight and Advisory Board of the Kentucky General Assembly is
 10 hereby established. The purpose of the board is to optimize delivery of health services
 11 for continually improving health outcomes and doing so in a cost efficient and effective
 12 manner. The board shall review, analyze, study, evaluate, provide legislative oversight,
 13 and make recommendations to the General Assembly regarding any aspect of the
 14 Kentucky Medicaid program, including but not limited to benefits and coverage
 15 policies, access to services and network adequacy, health outcomes and equity,
 16 reimbursement rates, payment methodologies, delivery system models, financing and
 17 funding, and administrative regulations.

18 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 7A IS CREATED TO
 19 READ AS FOLLOWS:

20 (1) The board shall be composed of the following members:

21 (a) Ten (10) legislative members, as follows:

- 22 1. Four (4) members of the House of Representatives appointed by the
 23 Speaker of the House of Representatives, each of whom shall serve
 24 while a member of the House for the term for which he or she has
 25 been elected, one (1) of whom shall be the chair or vice chair of the
 26 House Standing Committee on Health Services, and one (1) of whom
 27 shall be the chair or vice chair of the House Standing Committee on

1 *Families and Children;*

2 2. One (1) member of the House of Representatives appointed by the
 3 Minority Floor Leader of the House of Representatives, who shall
 4 serve while a member of the House for the term for which he or she
 5 has been elected;

6 3. Four (4) members of the Senate appointed by the President of the
 7 Senate, each of whom shall serve while a member of the Senate for the
 8 term for which he or she has been elected, one (1) of whom shall be
 9 the chair or vice chair of the Senate Standing Committee on Health
 10 Services, and one (1) of whom shall be the chair or vice chair of the
 11 Senate Standing Committee on Families and Children; and

12 4. One (1) member of the Senate appointed by the Minority Floor Leader
 13 of the Senate, who shall serve while a member of the Senate for the
 14 term for which he or she has been elected;

15 (b) Eleven (11) nonlegislative, nonvoting members, as follows:

16 1. The commissioner of the department or his or her designee;

17 2. The chief medical officer of the Commonwealth or his or her
 18 designee;

19 3. The chair of the Advisory Council for Medical Assistance established
 20 in KRS 205.540 or his or her designee;

21 4. The state budget director or his or her designee;

22 5. The Auditor of Public Accounts or his or her designee;

23 6. The executive director of the Kentucky Association of Health Plans, or
 24 its successor organization, or his or her designee;

25 7. The director of the Center of Excellence in Rural Health established
 26 in KRS 164.937 or his or her designee;

27 8. Two (2) members appointed by the Speaker of the House of

1 Representatives, of which:

2 a. One (1) shall have significant Medicaid-specific experience in
3 healthcare administration, financing, policy, or research; and

4 b. One (1) shall be a licensed healthcare provider who is a
5 participating Medicaid provider and who serves on one (1) of the
6 technical advisory committees to the Advisory Council for
7 Medical Assistance established in KRS 205.590; and

8 9. Two (2) members appointed by the President of the Senate, of which:

9 a. One (1) shall have significant Medicaid-specific experience in
10 healthcare administration, financing, policy, or research; and

11 b. One (1) shall be a licensed healthcare provider who is a
12 participating Medicaid provider and who serves on one (1) of the
13 technical advisory committees to the Advisory Council for
14 Medical Assistance established in KRS 205.590; and

15 (c) Two (2) nonvoting ex officio members, as follows:

16 1. The chair of the House Standing Committee on Appropriations and
17 Revenue; and

18 2. The chair of the Senate Standing Committee on Appropriations and
19 Revenue.

20 (2) (a) Of the members appointed pursuant to subsection (1)(a)1. of this section,
21 the Speaker of the House of Representatives shall designate one (1) as co-
22 chair of the board.

23 (b) Of the members appointed pursuant to subsection (1)(a)3. of this section,
24 the President of the Senate shall designate one (1) as co-chair of the board.

25 (c) In order to be eligible for appointment under subsection (1)(b)8. and 9. of
26 this section an individual shall not:

27 1. Be a member of the General Assembly;

- 1 2. Be employed by a state agency of the Commonwealth of Kentucky; or
 2 3. Receive contractual compensation for services rendered to a state
 3 agency of the Commonwealth of Kentucky that would conflict with his
 4 or her service on the board.

5 (d) For the purpose of appointing members described in subsection (1)(b)8.a.
 6 and 9.a. of this section, "significant Medicaid-specific experience in
 7 healthcare administration, financing, policy, or research" means:

- 8 1. Experience in administering the Kentucky Medical Assistance
 9 Program;
 10 2. A hospital administrator with relevant experience in Medicaid billing
 11 or regulatory compliance;
 12 3. An attorney licensed to practice law in the Commonwealth of
 13 Kentucky with relevant experience in healthcare law;
 14 4. A consumer or patient advocate with relevant experience in the area of
 15 Medicaid policy; or
 16 5. A current or former university professor whose primary area of
 17 emphasis is healthcare economics or financing, health equity,
 18 healthcare disparities, or Medicaid policy.

19 (e) Individuals appointed to the board under subsection (1)(b)8. and 9. of this
 20 section shall:

- 21 1. Serve for a term of two (2) years; and
 22 2. Not serve more than one (1) consecutive term after which time he or
 23 she may not be reappointed to the board for a period of at least two (2)
 24 years.

25 (f) If an individual appointed to the board pursuant to subsection (1)(b)8.b. or
 26 9.b. of this section ceases to participate in the Medicaid program or ceases
 27 to serve on a technical advisory committee to the Advisory Council for

1 Medical Assistance established in KRS 205.590, he or she may continue to
 2 serve on the board until his or her replacement has been appointed.

3 (3) (a) Any vacancy which may occur in the membership of the board shall be
 4 filled in the same manner as the original appointment.

5 (b) A member of the board whose term has expired may continue to serve until
 6 such time as his or her replacement has been appointed.

7 (4) Members of the board shall be entitled to reimbursement for expenses incurred in
 8 the performance of their duties on the board.

9 ➔SECTION 5. A NEW SECTION OF KRS CHAPTER 7A IS CREATED TO
 10 READ AS FOLLOWS:

11 (1) The board shall meet at least six (6) times during each calendar year.

12 (2) The co-chairs of the board shall have joint responsibilities for board meeting
 13 agendas and presiding at board meetings.

14 (3) (a) On an alternating basis, each co-chair shall have the first option to set a
 15 meeting date.

16 (b) A scheduled meeting may be canceled by agreement of both co-chairs.

17 (4) A majority of the entire voting membership of the board shall constitute a
 18 quorum, and all actions of the board shall be by vote of a majority of its entire
 19 voting membership.

20 ➔SECTION 6. A NEW SECTION OF KRS CHAPTER 7A IS CREATED TO
 21 READ AS FOLLOWS:

22 The board, consistent with its purpose as established in Section 3 of this Act, shall have
 23 the authority to:

24 (1) Require any of the following entities to provide any and all information necessary
 25 to carry out the board's duties, including any contracts entered into by the
 26 department, the cabinet, or any other state agency related to the administration of
 27 any aspect of the Medicaid program or the delivery of Medicaid benefits or

1 services:

2 (a) The cabinet;

3 (b) The department;

4 (c) Any other state agency;

5 (d) Any Medicaid managed care organization with whom the department has
6 contracted for the delivery of Medicaid services;

7 (e) The state pharmacy benefit manager contracted by the department pursuant
8 to KRS 205.5512; and

9 (f) Any other entity contracted by a state agency to administer or assist in
10 administering any aspect of the Medicaid program or the delivery of
11 Medicaid benefits or services;

12 (2) Establish a uniform format for reports and data submitted to the board and the
13 frequency, which may be monthly, quarterly, semiannually, annually, or
14 biannually, and the due date for the reports and data;

15 (3) Conduct public hearings in furtherance of its general duties, at which it may
16 request the appearance of officials of any state agency and solicit the testimony of
17 interested groups and the general public;

18 (4) Establish any advisory committees or subcommittees of the board that the board
19 deems necessary to carry out its duties;

20 (5) Recommend that the Auditor of Public Accounts perform a financial or special
21 audit of the Medicaid program or any aspect thereof; and

22 (6) Subject to selection and approval by the Legislative Research Commission, utilize
23 the services of consultants, analysts, actuaries, legal counsel, and auditors to
24 render professional, managerial, and technical assistance, as needed.

25 ➔SECTION 7. A NEW SECTION OF KRS CHAPTER 7A IS CREATED TO
26 READ AS FOLLOWS:

27 (1) The board, consistent with its purpose as established in Section 3 of this Act,

1 shall:

2 (a) On an ongoing basis, conduct an impartial review of all state laws and
3 regulations governing the Medicaid program and recommend to the
4 General Assembly any changes it finds desirable with respect to program
5 administration including delivery system models, program financing,
6 benefits and coverage policies, reimbursement rates, payment
7 methodologies, provider participation, or any other aspect of the program;

8 (b) On an ongoing basis, review any change or proposed change in federal laws
9 and regulations governing the Medicaid program and report to the
10 Legislative Research Commission on the probable costs, possible budgetary
11 implications, potential effect on healthcare outcomes, and the overall
12 desirability of any change or proposed change in federal laws or regulations
13 governing the Medicaid program;

14 (c) At the request of the Speaker of the House of Representatives or the
15 President of the Senate, evaluate proposed changes to state laws affecting
16 the Medicaid program and report to the Speaker or the President on the
17 probable costs, possible budgetary implications, potential effect on
18 healthcare outcomes, and overall desirability as a matter of public policy;

19 (d) At the request of the Legislative Research Commission, research issues
20 related to the Medicaid program;

21 (e) Beginning in 2026 and at least once every five (5) years thereafter, cause a
22 review to be made of the administrative expenses and operational cost of the
23 Medicaid program. The review shall include but not be limited to evaluating
24 the level and growth of administrative costs, the potential for legislative
25 changes to reduce administrative costs, and administrative changes the
26 department may make to reduce administrative costs or staffing needs. At
27 the discretion of the Legislative Research Commission, the review may be

1 conducted by a consultant retained by the board;

2 (f) Beginning in 2027 and at least once every five (5) years thereafter, cause a
3 program evaluation to be conducted of the Medicaid program. In any
4 instance in which a program evaluation indicates inadequate operating or
5 administrative system controls or procedures, inaccuracies, inefficiencies,
6 waste, extravagance, unauthorized or unintended activities, or other
7 deficiencies, the board shall report its findings to the Legislative Research
8 Commission. The program evaluation shall be performed by a consultant
9 retained by the board;

10 (g) Beginning in 2028 and at least once every five (5) years thereafter, cause an
11 actuarial analysis to be performed of the Medicaid program, to evaluate the
12 sufficiency and appropriateness of Medicaid reimbursement rates
13 established by the department and those paid by any managed care
14 organization contracted by the department for the delivery of Medicaid
15 services. The actuarial analysis shall be performed by an actuary retained
16 by the board;

17 (h) Beginning in 2029 and at least once every five (5) years thereafter, cause
18 the overall health of the Medicaid population to be assessed. The
19 assessment shall include but not be limited to a review of health outcomes,
20 healthcare disparities among program beneficiaries and as compared to the
21 general population, and the effect of the overall health of the Medicaid
22 population on program expenses. The assessment shall be performed by a
23 consultant retained by the board; and

24 (i) Beginning in 2026 and annually thereafter, publish a report covering the
25 board's evaluations and recommendations with respect to the Medicaid
26 program. The report shall be submitted to the Legislative Research
27 Commission no later than December 1 of each year, and shall include at a

1 minimum a summary of the board's current evaluation of the program and
 2 any legislative recommendations made by the board.

3 (2) The board, consistent with its purpose as established in Section 3 of this Act,
 4 may:

5 (a) Review all new or amended administrative regulations related to the
 6 Medicaid program and provide comments to the Administrative Regulation
 7 Review Subcommittee established in KRS 13A.020;

8 (b) Make recommendations to the General Assembly, the Governor, the
 9 secretary of the cabinet, and the commissioner of the department regarding
 10 program administration including benefits and coverage policies, access to
 11 services and provider network adequacy, healthcare outcomes and
 12 disparities, reimbursement rates, payment methodologies, delivery system
 13 models, funding, and administrative regulations. Recommendations made
 14 pursuant to this section shall be nonbinding and shall not have the force of
 15 law; and

16 (c) On or before December 1 of each calendar year, adopt an annual research
 17 agenda. The annual research agenda may include studies, research, and
 18 investigations considered by the board to be significant. Board staff shall
 19 prepare a list of study and research topics related to the Medicaid program
 20 for consideration by the board in the adoption of the annual research
 21 agenda. An annual research agenda adopted by the board may be amended
 22 by the Legislative Research Commission to include any studies or reports
 23 mandated by the General Assembly during the next succeeding regular
 24 session.

25 (3) At the discretion of the Legislative Research Commission, studies and research
 26 projects included in an annual research agenda adopted by the board pursuant to
 27 subsection (2)(c) of this section may be conducted by outside consultants,

1 *analysts, or researchers to ensure the timely completion of the research agenda.*

2 ➔SECTION 8. A NEW SECTION OF KRS CHAPTER 7A IS CREATED TO
3 READ AS FOLLOWS:

4 *The Legislative Research Commission shall have exclusive jurisdiction over the*
5 *employment of personnel necessary to carry out the provisions of Sections 2 to 9 of this*
6 *Act. Staff and operating costs of the board shall be provided from the budget of the*
7 *Legislative Research Commission.*

8 ➔SECTION 9. A NEW SECTION OF KRS CHAPTER 7A IS CREATED TO
9 READ AS FOLLOWS:

10 *The officers and personnel of any state agency and any other person may serve at the*
11 *request of the board upon any advisory committees that the board may create. State*
12 *officers and personnel may serve upon these advisory committees without forfeiture of*
13 *office or employment and with no loss or diminution in the compensation statute,*
14 *rights, and privileges which they otherwise enjoy.*

15 ➔Section 10. KRS 7A.010 is amended to read as follows:

16 As used in *KRS 7A.010 to 7A.170*~~[this chapter, unless the context otherwise requires]:~~

17 (1) "Capital project" means:

18 (a) Any undertaking which is to be financed or funded through an appropriation
19 by the General Assembly of general fund, road fund, bond fund, trust and
20 agency fund, or federal fund moneys, where the expenditure is a capital
21 expenditure pursuant to statute or under standards prescribed by the
22 Legislative Research Commission under the authority of KRS Chapter 48;

23 (b) Any undertaking which is to be financed by a capital expenditure for use by
24 the state government or one of its departments or agencies, as defined in KRS
25 12.010 or enumerated in KRS 12.020, including projects related to the
26 construction or maintenance of roads, and including projects of institutions of
27 higher education as defined in KRS 164A.550(2);

- 1 (c) Any capital construction item, or any combination of capital construction
 2 items necessary to make a building or utility installation complete, estimated
 3 to cost:
- 4 1. Except for items of movable equipment, one million dollars
 5 (\$1,000,000) or more, regardless of the source of funds; or
 - 6 2. Any item of movable equipment, estimated to cost two hundred
 7 thousand dollars (\$200,000) or more, regardless of the source of funds;
- 8 (d) Any lease of real property whose value is two hundred thousand dollars
 9 (\$200,000) or more;
- 10 (e) Any lease of an item of movable equipment if the total cost of the lease, lease-
 11 purchase, or lease with an option to purchase is two hundred thousand dollars
 12 (\$200,000) or more; or
- 13 (f) Any new acquisition, upgrade, or replacement of an information technology
 14 system estimated to cost one million dollars (\$1,000,000) or more;
- 15 (2) "Board" means the Capital Planning Advisory Board of the Kentucky General
 16 Assembly created by KRS 7A.110;
- 17 (3) "Plan" means the state capital improvement plan provided for by KRS 7A.120;
- 18 (4) "State agency" means any department, commission, council, board, bureau,
 19 committee, institution, legislative body, agency, government corporation, or other
 20 entity of the executive, judicial, or legislative branch of the state government; and
- 21 (5) "Information technology system" means any related computer or
 22 telecommunications components that provide a functional system for a specific
 23 business purpose and contain one (1) or more of the following:
- 24 (a) Hardware;
 - 25 (b) Software, including application software, systems management software,
 26 utility software, or communications software;
 - 27 (c) Professional services for requirements analysis, system integration,

1 installation, implementation, or data conversion services; or

2 (d) Digital data products, including acquisition and quality control.

3 → Section 11. KRS 7A.140 is amended to read as follows:

4 The board may adopt any administrative regulations *in accordance with KRS Chapter*
 5 *13A* necessary to carry out its planning and advisory functions as provided by *KRS*
 6 *7A.010 to 7A.170*~~[this chapter]~~.

7 → Section 12. KRS 7A.150 is amended to read as follows:

8 The Legislative Research Commission shall have exclusive jurisdiction over the
 9 employment of personnel necessary to carry out the provisions of KRS *7A.010 to*
 10 *7A.170*~~[Chapter 7A]~~. Staff and operating costs of the Capital Planning Advisory Board
 11 shall be provided from the budget of the Legislative Research Commission.

12 → Section 13. KRS 7A.180 is amended to read as follows:

13 As used in *KRS 7A.180 to 7A.190*~~[this section]~~:

14 (1) "Board" means the Investments in Information Technology Improvement and
 15 Modernization Projects Oversight Board;

16 (2) "Information technology system" means any related computer or
 17 telecommunication components that provide a functional system for a specific
 18 business purpose and contain one (1) or more of the following:

19 1. Hardware;

20 2. Software, including application software, systems management software,
 21 utility software, or communications software;

22 3. Professional services for requirements analysis, system integration,
 23 installation, implementation, or data conversion services; or

24 4. Digital data products, including acquisition and quality control; and

25 (3) "State agency" means any department, commission, council, board, bureau,
 26 committee, institution, legislative body, agency, government corporation, or other
 27 entity of the executive, judicial, or legislative branch of state government.

1 ➔ Section 14. KRS 227.200 is amended to read as follows:

2 As used in KRS 227.200 to 227.400, unless the context otherwise requires:

- 3 (1) "Commissioner" means the commissioner of housing, buildings and construction;
- 4 (2) "Department" means the Department of Housing, Buildings and Construction;
- 5 (3) "Fire investigator" means a deputy fire marshal who has been appointed by the state
6 fire marshal to be a fire investigator and to exercise peace officer powers in order to
7 investigate crimes set out in KRS Chapter 513 and other crimes discovered in the
8 course of investigation;
- 9 (4) "Fire loss" means loss of or damage to property, loss of life or personal injury, by
10 fire, lightning, or explosion;
- 11 (5) **"Local legislative body" means the chief legislative body of a city, county, urban-**
12 **county government, consolidated local government, charter county government,**
13 **or unified local government;**
- 14 (6) **"Local government" means a city, county, urban-county government,**
15 **consolidated local government, charter county government, or unified local**
16 **government;**
- 17 (7) "Order" or "special order" means an order of the state fire marshal, designed for the
18 prevention of fire loss, that affects or may affect the property rights of a particular
19 owner or designated property;
- 20 (8)~~(6)~~ "Owner" means any person who owns, occupies, or has charge of any
21 property;
- 22 (9)~~(7)~~ "Property" means property of all types, both real and personal, movable and
23 immovable; and
- 24 (10)~~(8)~~ "Rule" or "regulation" means a general order of the commissioner, designed
25 for the prevention of fire loss, which affects or may affect property rights of a
26 designated class of owners or for the prevention of fire loss by certain indicated
27 hazards.

1 → Section 15. KRS 227.335 is amended to read as follows:

2 (1) An appeal from the local appeals board or state fire marshal, in cases where no
 3 local appeals board has been established under Section 18 of this Act, shall be
 4 taken only from a final order on hearing.

5 (2) Any person who was a party to a hearing and who is aggrieved by the final order
 6 may appeal in accordance with KRS Chapter 13B to the Circuit Court with
 7 jurisdiction~~[within which the property is located].~~

8 → Section 16. KRS 227.380 is amended to read as follows:

9 (1) Whenever the chief of the fire department or any officer or member of his
 10 department designated by him for that purpose finds any property which, for want
 11 of repairs, lack of sufficient fire escapes, age, dilapidated condition, or any other
 12 cause, is especially liable to fire loss, or whenever an officer finds in any property,
 13 combustible or explosive matter or inflammable materials likely to result in fire
 14 loss, he shall order it to be remedied. The order shall forthwith be conformed to by
 15 the owner of the property.

16 (2) The owner may appeal to the local appeals board or to the state fire marshal if no
 17 local appeals board has been established under Section 18 of this Act within ten
 18 (10) days following receipt of the order. ~~[The state fire marshal shall, upon appeal,~~
 19 ~~conduct a hearing in accordance with KRS Chapter 13B.]~~

20 → Section 17. KRS 227.390 is amended to read as follows:

21 If any owner fails to comply with an order issued pursuant to KRS 227.380 or with an
 22 order as modified on appeal~~[to the commissioner]~~, the officer may cause the property to
 23 be repaired, or removed if repair is not feasible, and all fire hazard conditions remedied,
 24 at the expense of the owner. Such expense may be enforced against any property of such
 25 owners and the officer and those employed to do the work or who furnish materials or
 26 equipment therefor shall have a lien for such expense on the real estate or property
 27 involved.

1 ➔SECTION 18. A NEW SECTION OF KRS 227.200 TO 227.400 IS CREATED
2 TO READ AS FOLLOWS:

3 *(1) The mayor or county judge/executive of a local government which is enforcing*
4 *the fire prevention and protection codes may, upon approval of the local*
5 *legislative body, appoint a local appeals board. The local appeals board shall:*

6 *(a) Consist of five (5) technically qualified persons with professional experience*
7 *related to the fire prevention and construction industry;*

8 *(b) Hear appeals from orders of the local fire chief or designee or any deputy or*
9 *assistant of the state fire marshal acting in the state fire marshal's name*
10 *and his or her delegated authority; and*

11 *(c) Have at least three (3) members of the local appeals board that are not*
12 *employed by the local government.*

13 *(2) Local governments may enter into an interlocal cooperation agreement pursuant*
14 *to KRS 65.210 to 65.300 to cooperate with each other in providing a local appeals*
15 *board and shall adhere to the provisions of KRS Chapter 227 when entering into*
16 *an interlocal cooperation agreement.*

17 *(3) (a) A fire chief, or an employee of a local fire prevention or fire department*
18 *shall not sit on a local appeals board if the board is hearing an appeal to a*
19 *decision rendered by his or her department.*

20 *(b) A member of a local appeals board shall not hear an appeal in a case in*
21 *which he or she has a private interest.*

22 *(4) (a) Any party to a decision by the fire chief or designee, or any deputy or*
23 *assistant of the state fire marshal acting in the state fire marshal's name*
24 *and under his or her delegated authority may appeal the decision to the*
25 *local appeals board.*

26 *(b) The local appeals board shall:*

27 *1. Convene a hearing to consider the appeal within fifteen (15) days of*

- 1 receipt of an appeal from a qualified party;
- 2 2. Notify all parties of the time and place of the hearing by certified mail
- 3 no later than ten (10) days prior to the date of the hearing; and
- 4 3. Render a decision within five (5) working days after the hearing.
- 5 (5) (a) An appeal shall include:
- 6 1. Citation of those provisions of the fire prevention and protection codes
- 7 which are at issue; and
- 8 2. An explanation of why the decision is being contested.
- 9 (b) The local appeals board shall uphold, amend, or reverse the decision of the
- 10 fire chief order signee, or any deputy or assistant of the state fire marshal
- 11 on each infraction being appealed.
- 12 (6) The state fire marshal shall hear appeals directly from the decisions of the fire
- 13 chief or any deputy or assistant with delegated authority in cases where no local
- 14 appeals board has been established under this section. In no case shall the state
- 15 fire marshal hear an appeal directly from a party aggrieved by the decision of the
- 16 fire chief or any deputy or assistant with delegated authority from the state fire
- 17 marshal when there is a local appeals board with jurisdiction.
- 18 (7) An appeal to the state fire marshal shall when no local appeals board has been
- 19 established under this section shall be in accordance with KRS 227.335.
- 20 (8) An appeal of a local appeals board's final order, or of the state fire marshal's
- 21 final order in cases where no local appeals board has jurisdiction, shall be to the
- 22 Circuit Court with jurisdiction in accordance with KRS 13B.125.

23 **➔** Section 19. KRS 43.010 is amended to read as follows:

24 As used in this chapter, unless the context requires otherwise:

- 25 (1) "Auditor" means the Auditor of Public Accounts;[-]
- 26 (2) "Budget unit" means a department or other unit of organization for which separate
- 27 appropriations are made from those for any other organization unit;[-]

1 (3) "Deputy auditor" means the deputy auditor of public accounts appointed
 2 pursuant to Section 20 of this Act;

3 (4) "Ombudsman" means the executive director of the Commonwealth Office of the
 4 Ombudsman appointed pursuant to Section 21 of this Act;

5 (5) "State agency" means any state officer, department, board, commission, institution,
 6 division, or other person or functional group that is authorized to exercise or does
 7 exercise any executive or administrative jurisdiction, powers, duties, rights or
 8 obligations of the state government conferred or imposed by law or exercised,
 9 performed, or discharged by legal authority in compliance with law; and[-]

10 (6) ~~(4)~~ "Writing" or "written" means letters, words, or numbers, or their equivalent,
 11 set down by handwriting, typewriting, printing, photostating, photographing,
 12 magnetic impulse, mechanical or electronic recording, or other form of data
 13 compilation.

14 → Section 20. KRS 43.030 is amended to read as follows:

15 (1) The Auditor shall appoint for the duration of his or her own term, subject to
 16 removal by the Auditor at any time, one (1) deputy~~assistant~~ auditor ~~of public~~
 17 ~~accounts~~, who shall be a certified public accountant and who has been a citizen and
 18 resident of the state for at least two (2) years. Except for the Office of the
 19 Ombudsman as established in KRS 43.035, the deputy~~assistant~~ auditor shall have
 20 direct supervision over all technical work and technical assistants, and shall
 21 otherwise aid the Auditor in the performance of his or her duties, except that the
 22 deputy~~assistant~~ auditor ~~of public accounts~~ may exercise a full or partial recusal
 23 from this supervision requirement in regard to the consulting function authorized in
 24 KRS 43.050 if needed to comply with the professional standards of accountancy. If
 25 the Auditor is absent or is rendered incapable of performing his or her duties, or if a
 26 vacancy in the office occurs, the deputy~~assistant~~ auditor shall perform the duties
 27 of Auditor until the necessity therefor ceases to exist. He or she shall take the

1 constitutional oath.

2 (2) The Auditor may employ other subordinate personnel subject to the provisions of
 3 KRS 12.060. All employees with status as defined in KRS 18A.005 **operating**
 4 **under the authority of the deputy auditor** who are engaged in auditing or
 5 investigations shall possess a minimum of a four (4) year college degree. No less
 6 than ninety percent (90%) of all employees engaged in financial auditing or
 7 financial investigations shall have twenty (20) semester hours or thirty (30) quarter
 8 hours of accounting, or alternately, shall be a certified public accountant. Not more
 9 than two (2) persons charged with the conduct of audits and investigations may
 10 substitute year-for-year responsible experience acceptable to the Personnel Cabinet
 11 for the required college education and accounting hours.

12 (3) The Auditor and his or her sureties are liable on his or her official bond for the acts
 13 of the **deputy**~~assistant~~ auditor and clerks.

14 (4) Nothing in this section shall be deemed to affect the provisions of KRS 11.090 or
 15 other legislation authorizing audits.

16 → Section 21. KRS 43.035 is amended to read as follows:

17 **(1)** The Commonwealth Office of the Ombudsman is hereby created **as an office**
 18 **within**~~[and is an independent office that shall be administratively attached to]~~ the
 19 Auditor of Public Accounts. The Auditor shall appoint an executive director of the
 20 Commonwealth Office of the Ombudsman, **who shall serve as the ombudsman**
 21 **and be responsible for overseeing the operations of the office.**

22 **(2)** The Commonwealth Office of the Ombudsman shall:

23 **(a)**~~(1)~~ Investigate, upon complaint or on its own initiative, any administrative
 24 act **or inaction** of an organizational unit, employee, or contractor of the
 25 Cabinet for Health and Family Services without regard to the finality of the
 26 administrative act **or inaction**. Organizational units, employees, or contractors
 27 of the Cabinet for Health and Family Services shall not willfully obstruct an

1 investigation, restrict access to records or personnel, or retaliate against a
2 complainant or cabinet employee;

3 ~~(b)~~~~(2)~~ Make recommendations that resolve citizen complaints about the
4 Cabinet for Health and Family Services and improve the cabinet's
5 performance and may require corrective action when policy violations are
6 identified;

7 ~~(c)~~~~(3)~~ Provide evaluation and information analysis of the Cabinet for Health
8 and Family Service's performance and compliance with state and federal law;

9 ~~(d)~~~~(4)~~ Place an emphasis on research and best practices, program
10 accountability, quality service delivery, and improved performance of the
11 Cabinet for Health and Family Services;

12 ~~(e)~~~~(5)~~ Provide information on how to contact the office ***in poster, brochure,***
13 ***pamphlet, or other format to the Cabinet for Health and Family Services,***
14 ***which shall print and publicly post or otherwise make the information***
15 ***available***~~for public posting~~ at all offices where Department for Community
16 Based Services of the Cabinet for Health and Family Services employees or
17 contractors work, at any facility where a child in the custody of the cabinet
18 resides, and to all cabinet or contracted foster parents ***in a manner approved***
19 ***by the ombudsman***;

20 ~~(f)~~~~(6)~~ Report to the Cabinet for Health and Family Services, Office of
21 Inspector General for review and investigation:

22 1.~~(a)~~ Any charge or case against an employee of the Cabinet for Health
23 and Family Services where it has cause to believe the employee has
24 engaged in dishonest, unethical, or illegal conduct or practices related to
25 his or her job duties; or

26 2.~~(b)~~ A violation of state law or administrative regulation by any
27 organization or individual regulated by or contracted with the cabinet;

1 ~~(g)~~⁽⁷⁾ Compile a report of all citizen complaints about programs or services of
 2 the Cabinet for Health and Family Services and a summary of resolution of
 3 the complaints and submit the report upon request to the Interim Joint
 4 Committee on Health Services and the Interim Joint Committee on Families
 5 and Children;~~and~~

6 ~~(h)~~⁽⁸⁾ Provide information to the Office of the Attorney General, when
 7 requested, related to substantiated violations of state law against an employee
 8 or contractor of the Cabinet for Health and Family Services or a foster or
 9 adoptive parent;

10 *(i) Notwithstanding any other provision of law, maintain confidentiality except*
 11 *when disclosures may be advisable in the ombudsman's judgment to enable*
 12 *the office to carry out its duties and to support recommendations; and*

13 *(j) Promulgate administrative regulations in accordance with KRS Chapter*
 14 *13A necessary to perform its duties as specified in this chapter.*

15 *(3) Any expense incurred by the Commonwealth Office of the Ombudsman for*
 16 *discretionary investigations, reviews, evaluations, information analysis, or other*
 17 *work performed under this section at the direction of the ombudsman shall be*
 18 *charged to the entity that is the subject of that work at the same rate as*
 19 *established by the Auditor for audit work done pursuant to KRS 43.050. The*
 20 *Commonwealth Office of the Ombudsman shall maintain records of all time and*
 21 *expenses for such work.*

22 → Section 22. KRS 43.040 is amended to read as follows:

23 (1) Upon the expiration of the Auditor's term of office, the Auditor shall file a
 24 certification of the inventory of the office with the Secretary of State and shall
 25 deliver the inventory to the Auditor's successor.

26 (2) In the event of a vacancy in the office of Auditor, the ~~deputy~~^{assistant} auditor ~~of~~
 27 ~~public accounts~~ shall file a certification of the inventory of the office with the

1 Secretary of State and shall deliver the inventory to the Auditor's successor.

2 → Section 23. KRS 43.080 is amended to read as follows:

- 3 (1) The Auditor ~~[and his authorized agents]~~ shall have access to and may examine all
 4 books, accounts, reports, vouchers, correspondence files, records, money and
 5 property of any state agency. Every officer or employee of any such agency having
 6 such records or property in his or her possession or under his or her control shall
 7 permit access to and examination of them upon the request of the Auditor ~~[or any~~
 8 ~~agent authorized by him to make such request]~~.
- 9 (2) The Auditor ~~[and his assistants]~~ shall have access at all times to the papers, books,
 10 and records of the asylums, prisons, institutions for the intellectually disabled and
 11 eleemosynary institutions, and public works that he or she is authorized to examine,
 12 and of any county officer who receives or disburses county funds.
- 13 (3) The Auditor may require information on oath from any person touching any matters
 14 relative to any account or matter that the Auditor is required or authorized to state,
 15 audit, investigate, review, or settle. The Auditor may administer the oath ~~[himself]~~,
 16 or have it done by any officer authorized to administer an oath.
- 17 (4) The Auditor ~~[and his assistants]~~ may issue process and compel the attendance of
 18 witnesses ~~[before them,]~~ and administer oaths and compel witnesses to testify in
 19 any of the audits, reviews, or investigations the Auditor is authorized to make.
- 20 **(5) Every state agency shall provide at no cost to the Auditor any software and access**
 21 **rights that the Auditor deems advisable to view and retrieve any information**
 22 **subject to this section. Any cost that may be incurred by providing the Auditor**
 23 **with software and access rights shall be borne by the state agency.**
- 24 **(6) As used in this section, "Auditor" includes:**
- 25 **(a) The Auditor's authorized agents;**
- 26 **(b) The deputy auditor; and**
- 27 **(c) The ombudsman.**

1 → Section 24. KRS 43.090 is amended to read as follows:

2 (1) Immediately upon completion of each audit and investigation, except those
3 provided for in KRS 43.070 or Section 21 of this Act, the Auditor shall prepare a
4 report of his or her findings and recommendations. He or she shall furnish one (1)
5 copy of the report to the head of the agency to which the report pertains, one (1)
6 copy to the Governor, one (1) copy to the secretary of the Finance and
7 Administration Cabinet, one (1) copy to the Legislative Research Commission, and
8 one (1) copy to the state librarian. The agency to which an Auditor's draft report
9 pertains shall respond in writing to any adverse or critical audit findings and to any
10 recommendations contained in the draft report within fifteen (15) days of receipt of
11 the draft report. The Auditor shall distribute the agency's response to those entitled
12 by this subsection to a copy of the audit report. Within sixty (60) days of the
13 completion of the final audit or examination report, the agency to which an
14 Auditor's report pertains shall notify the Legislative Research Commission and the
15 Auditor of the audit recommendations it has implemented and of the audit
16 recommendations it has not implemented. The agency shall state the reasons for its
17 failure to implement any recommendation made in the final audit or examination
18 report. All audit reports and agency responses shall be, subject to KRS 61.870 to
19 61.884, posted online in a publicly searchable format.

20 (2) The Auditor shall, within a reasonable time after the examination of each county as
21 provided in KRS 43.070, make a written report to the Governor, the General
22 Assembly, the Attorney General, the state librarian, and the fiscal court and county
23 attorney of the county examined, calling attention in specific terms to any
24 mismanagement, misconduct, misapplication or illegal appropriation, or
25 extravagant use of money received or disbursed by any officer of the county
26 examined. In addition, said report shall be sent to a newspaper having general
27 circulation in the county examined, and the letter of transmittal accompanying the

1 report shall be published in said newspaper in accordance with the provisions of
 2 KRS Chapter 424. All audit reports and responses shall be, subject to KRS 61.870
 3 to 61.884, posted online in a publicly searchable format.

4 **(3) Immediately upon completion of each audit, investigation, or review conducted**
 5 **under Section 21 of this Act, the ombudsman shall prepare a report of his or her**
 6 **findings and recommendations and furnish a copy of the report to the head of the**
 7 **agency to which the report pertains. The agency shall respond in writing to any**
 8 **adverse or critical audit findings and to any recommendations contained in the**
 9 **report within fifteen (15) days of receipt of the report. Within sixty (60) days of**
 10 **completion of the final audit, investigation, or draft report, the agency to which**
 11 **the report pertains shall notify the ombudsman of which recommendations have**
 12 **and have not been implemented and shall state in its notice to the ombudsman the**
 13 **reason or reasons for any failure to implement any recommendations.**

14 **(4) The Auditor shall maintain confidentiality, except when disclosure may be**
 15 **advisable in the Auditor's judgment to enable the office to carry out its duties and**
 16 **to support its recommendations.**

17 → Section 25. KRS 43.990 is amended to read as follows:

18 (1) Any officer, **employee, or contractor** who prevents, attempts to prevent, or
 19 obstructs an **audit, examination, or review** by the Auditor **or his or her agents,**
 20 under the provisions of **this chapter** ~~[paragraph (c) of subsection (2) of KRS 43.050,~~
 21 ~~or of subsection (3) of KRS 43.050],~~ into his **or her** official conduct, or the conduct
 22 or condition of the office in his **or her** charge or with which he **or she** is connected~~;~~
 23 ~~except when the office constitutes a state agency,]~~ is guilty of a high misdemeanor,
 24 and, upon conviction on indictment in the Franklin Circuit Court, shall be fined five
 25 hundred dollars (\$500) and removed by the Governor. Any person, other than an
 26 officer, who prevents, attempts to prevent or obstructs such an examination shall be
 27 fined one thousand dollars (\$1,000).

- 1 (2) If the Auditor fails or refuses without good cause to perform the duties imposed
 2 upon him or her by KRS 43.060, he or she shall be fined not less than two hundred
 3 and fifty dollars (\$250) nor more than one thousand dollars (\$1,000) for each
 4 offense.
- 5 (3) Any county officer who prevents, attempts to prevent or obstructs an examination
 6 by the Auditor, under KRS 43.070, into his official conduct, or the conduct or
 7 condition of the office in his charge or with which he is connected, is guilty of a
 8 high misdemeanor, and shall, upon indictment and conviction in the Franklin
 9 Circuit Court, be fined five hundred dollars (\$500). Any person, other than a county
 10 officer, who prevents, attempts to prevent or obstructs such an examination shall be
 11 fined one thousand dollars (\$1,000).
- 12 (4) Any officer or other person who fails or refuses to permit the access and
 13 examination provided for in ~~subsection (1) of~~ KRS 43.080, or who interferes with
 14 such examination, shall be fined not less than one hundred dollars (\$100), or
 15 imprisoned in the county jail for not less than one (1) month nor more than twelve
 16 (12) months, or both. Each refusal by an officer or other person shall constitute a
 17 separate offense.
- 18 (5) Any person who has custody of any papers, books or records of an asylum, prison,
 19 institution for the intellectually disabled or eleemosynary institution or public
 20 works, other than a state agency, that the Auditor and his or her agents are ~~is~~
 21 authorized to audit, examine, or review under this chapter ~~paragraph (c) of~~
 22 ~~subsection (2) of KRS 43.050, under subsection (3) of KRS 43.050, and under~~
 23 ~~subsection (2) of KRS 43.080,~~ who fails or refuses, when called upon by the
 24 Auditor or his or her agents for that purpose, to permit him or her to inspect any of
 25 such papers, books or records, shall, upon conviction on indictment in the Franklin
 26 Circuit Court, be fined not more than five hundred dollars (\$500) and be subject to
 27 removal by the Governor.

1 (6) Any person who refuses to be sworn when required ~~[by the Auditor]~~ to be sworn for
 2 the purpose mentioned in subsection (3) of KRS 43.080 shall be fined not more
 3 than one hundred dollars (\$100).

4 (7) Any witness called pursuant to ~~[by the Auditor under]~~ subsection (4) of KRS
 5 43.080 who fails, without legal excuse, to attend or testify shall be fined not more
 6 than two hundred and fifty dollars (\$250).

7 ➔SECTION 26. A NEW SECTION OF KRS CHAPTER 43 IS CREATED TO
 8 READ AS FOLLOWS:

9 **The Auditor of Public Accounts shall have the following organizational structure:**

10 **(1) The Office of the State Auditor;**

11 **(2) The Office of the Deputy Auditor, which shall have the following offices:**

12 **(a) Office of Local Government Audits;**

13 **(b) Office of State Government Audits and Technology;**

14 **(c) Office of Special Investigations; and**

15 **(d) Office of Quality Assurance;**

16 **(3) The Office of Planning and Management, which shall have the following**
 17 **divisions:**

18 **(a) Division of Information Technology Services;**

19 **(b) Division of Financial Management; and**

20 **(c) Division of Human Resource Administration;**

21 **(4) The Office of Legal and Records Services, which shall contain the Division of**
 22 **Records Management; and**

23 **(5) The Commonwealth Office of the Ombudsman, which shall have the following**
 24 **offices:**

25 **(a) Office of Citizen Services and Policy Integrity;**

26 **(b) Office of Program Performance, which shall have the following divisions:**

27 **1. Division of Quality Control; and**

1 2. Division of Program Access Compliance;

2 (c) Office of Professional Integrity and Employee Development; and

3 (d) Office of Policy and Research.

4 ➔SECTION 27. A NEW SECTION OF KRS CHAPTER 43 IS CREATED TO
5 READ AS FOLLOWS:

6 (1) The Auditor shall require a national and state criminal background check for
7 every prospective and current employee, including contract staff, with access to or
8 use of federal tax information and may enroll employees and contract staff in the
9 rap back system for continuous monitoring. The criminal background check
10 required by this subsection shall include a fingerprint check by the Department of
11 Kentucky State Police and the Federal Bureau of Investigation, pursuant to the
12 following requirements:

13 (a) The Auditor shall require each employee and contracted staff member with
14 access to or use of federal tax information to submit a complete and legible
15 set of fingerprints to the Department of Kentucky State Police in the
16 manner deemed appropriate by the Department of Kentucky State Police
17 and the Federal Bureau of Investigation;

18 (b) The Department of Kentucky State Police shall submit the fingerprint card
19 to the Federal Bureau of Investigation for a national criminal background
20 check after a state criminal background check is conducted;

21 (c) The results of a national and state criminal background check shall not be
22 distributed or otherwise released by the Auditor, except that the Auditor:

23 1. Shall provide an employee with the results of his or her national and
24 state criminal background check upon request; and

25 2. May introduce the results, under seal, as evidence in a legal
26 proceeding that involves a challenge to any personnel action taken by
27 the Auditor based in whole or in part on information contained in the

1 results; and

2 (d) Any fee charged by the Department of Kentucky State Police or for the
3 Federal Bureau of Investigation background check or enrollment in the rap
4 back system shall be an amount no greater than the actual cost of
5 processing the request and conducting the background check.

6 (2) The Auditor shall promulgate administrative regulations in accordance with KRS
7 Chapter 13A to implement this section.

8 ➔SECTION 28. A NEW SECTION OF KRS CHAPTER 194A IS CREATED
9 TO READ AS FOLLOWS:

10 (1) The cabinet and any of its departments, divisions, offices, boards, commissions,
11 and any other organizational unit whether incorporated or attached that
12 maintains a generally accessible website or for which a generally accessible
13 website is maintained shall include the following at the top of the webpage and in
14 a manner approved by the Commonwealth Office of the Ombudsman:

15 (a) A link to the website of the Commonwealth Office of the Ombudsman;

16 (b) The telephone number for the Commonwealth Office of the Ombudsman;

17 and

18 (c) An email address for the Commonwealth Office of the Ombudsman.

19 (2) The cabinet shall provide the Commonwealth Office of the Ombudsman with
20 read-only access to any group email inboxes where complaints are received so
21 that the Commonwealth Office of the Ombudsman may assist individuals with
22 their complaints.

23 ➔Section 29. KRS 209.140 is amended to read as follows:

24 (1) All information obtained by the department staff or its delegated representative, as a
25 result of an investigation made pursuant to this chapter, shall not be divulged to
26 anyone except:

27 (a)~~(1)~~ Persons suspected of abuse or neglect or exploitation, provided that in

- 1 such cases names of informants may be withheld, unless ordered by the court;
- 2 ~~(b)(2)~~ Persons within the department or cabinet with a legitimate interest or
- 3 responsibility related to the case;
- 4 ~~(c)(3)~~ Other medical, psychological, or social service agencies, or law
- 5 enforcement agencies that have a legitimate interest in the case;
- 6 ~~(d)(4)~~ Cases where a court orders release of such information; ~~and~~
- 7 ~~(e)(5)~~ The alleged abused or neglected or exploited person; **and**
- 8 **(f) The Commonwealth Office of the Ombudsman established pursuant to**
- 9 **Section 21 of this Act.**

10 **(2) This section shall not be interpreted as prohibiting the Commonwealth Office of**

11 **the Ombudsman from reporting pursuant to Section 21 of this Act on de-**

12 **identified information made confidential by this section.**

13 → Section 30. KRS 620.050 is amended to read as follows:

- 14 (1) Anyone acting upon reasonable cause in the making of a report or acting under
- 15 KRS 620.030 to 620.050 in good faith shall have immunity from any liability, civil
- 16 or criminal, that might otherwise be incurred or imposed. Any such participant shall
- 17 have the same immunity with respect to participation in any judicial proceeding
- 18 resulting from such report or action. However, any person who knowingly makes a
- 19 false report and does so with malice shall be guilty of a Class A misdemeanor.
- 20 (2) Any employee or designated agent of a children's advocacy center shall be immune
- 21 from any civil liability arising from performance within the scope of the person's
- 22 duties as provided in KRS 620.030 to 620.050. Any such person shall have the
- 23 same immunity with respect to participation in any judicial proceeding. Nothing in
- 24 this subsection shall limit liability for negligence. Upon the request of an employee
- 25 or designated agent of a children's advocacy center, the Attorney General shall
- 26 provide for the defense of any civil action brought against the employee or
- 27 designated agent as provided under KRS 12.211 to 12.215.

- 1 (3) Neither the husband-wife nor any professional-client/patient privilege, except the
2 attorney-client and clergy-penitent privilege, shall be a ground for refusing to report
3 under this section or for excluding evidence regarding a dependent, neglected, or
4 abused child or the cause thereof, in any judicial proceedings resulting from a report
5 pursuant to this section. This subsection shall also apply in any criminal proceeding
6 in District or Circuit Court regarding a dependent, neglected, or abused child.
- 7 (4) Upon receipt of a report of an abused, neglected, or dependent child pursuant to this
8 chapter, the cabinet as the designated agency or its delegated representative shall
9 initiate a prompt investigation or assessment of family needs, take necessary action,
10 and shall offer protective services toward safeguarding the welfare of the child. The
11 cabinet shall work toward preventing further dependency, neglect, or abuse of the
12 child or any other child under the same care, and preserve and strengthen family
13 life, where possible, by enhancing parental capacity for adequate child care. If an
14 oral or written report, including but not limited to electronic submissions, alleging
15 that a child is dependent, neglected, or abused is made pursuant to this section, and
16 the cabinet determines that the report does not meet criteria for an investigation, the
17 cabinet shall refer the family to appropriate community-based child and family
18 service agencies for services to preserve and strengthen family life in accordance
19 with the requirements in 42 U.S.C. sec. 5106a.
- 20 (5) The report of suspected child abuse, neglect, or dependency and all information
21 obtained by the cabinet or its delegated representative, as a result of an investigation
22 or assessment made pursuant to this chapter, except for those records provided for
23 in subsection (6) of this section, shall not be divulged to anyone except:
- 24 (a) Persons suspected of causing dependency, neglect, or abuse;
 - 25 (b) The custodial parent or legal guardian of the child alleged to be dependent,
26 neglected, or abused;
 - 27 (c) Persons within the cabinet with a legitimate interest or responsibility related

1 to the case;

2 (d) A licensed child-caring facility or child-placing agency evaluating placement
3 for or serving a child who is believed to be the victim of an abuse, neglect, or
4 dependency report;

5 (e) Other medical, psychological, educational, or social service agencies, child
6 care administrators, corrections personnel, or law enforcement agencies,
7 including the county attorney's office, the coroner, and the local child fatality
8 response team, that have a legitimate interest in the case;

9 (f) A noncustodial parent when the dependency, neglect, or abuse is
10 substantiated;

11 (g) Members of multidisciplinary teams as defined by KRS 620.020 and which
12 operate pursuant to KRS 431.600;

13 (h) Employees or designated agents of a children's advocacy center;

14 (i) Those persons so authorized by court order;~~[-or]~~

15 (j) The external child fatality and near fatality review panel established by KRS
16 620.055; or

17 **(k) The Commonwealth Office of the Ombudsman established pursuant to**
18 **Section 21 of this Act.**

19 (6) (a) Files, reports, notes, photographs, records, electronic and other
20 communications, and working papers used or developed by a children's
21 advocacy center in providing services under this chapter are confidential and
22 shall not be disclosed except to the following persons:

23 1. Staff employed by the cabinet, law enforcement officers, and
24 Commonwealth's and county attorneys who are directly involved in the
25 investigation or prosecution of the case, including a cabinet
26 investigation or assessment of child abuse, neglect, and dependency in
27 accordance with this chapter;

- 1 2. Medical and mental health professionals listed by name in a release of
2 information signed by the guardian of the child, provided that the
3 information shared is limited to that necessary to promote the physical
4 or psychological health of the child or to treat the child for abuse-related
5 symptoms;
- 6 3. The court and those persons so authorized by a court order;
- 7 4. The external child fatality and near fatality review panel established by
8 KRS 620.055;
- 9 **5. The Commonwealth Office of the Ombudsman established pursuant to**
10 **Section 21 of this Act;** and
- 11 ~~6.~~ The parties to an administrative hearing conducted by the cabinet or its
12 designee in accordance with KRS Chapter 13B in an appeal of a cabinet-
13 substantiated finding of abuse or neglect. The children's advocacy center
14 may, in its sole discretion, provide testimony in lieu of files, reports,
15 notes, photographs, records, electronic and other communications, and
16 working papers used or developed by the center if the center determines
17 that the release poses a threat to the safety or well-being of the child, or
18 would be in the best interests of the child. Following the administrative
19 hearing and any judicial review, the parties to the administrative hearing
20 shall return all files, reports, notes, photographs, records, electronic and
21 other communications, and working papers used or developed by the
22 children's advocacy center to the center.
- 23 (b) The provisions of this subsection shall not be construed as to contravene the
24 Rules of Criminal Procedure relating to discovery.
- 25 (7) Nothing in this section shall prohibit a parent or guardian from accessing records
26 for his or her child providing that the parent or guardian is not currently under
27 investigation by a law enforcement agency or the cabinet relating to the abuse or

1 neglect of a child.

2 (8) Nothing in this section shall prohibit employees or designated agents of a children's
3 advocacy center from disclosing information during a multidisciplinary team
4 review of a child sexual abuse case as set forth under KRS 620.040. Persons
5 receiving this information shall sign a confidentiality statement consistent with
6 statutory prohibitions on disclosure of this information.

7 (9) Employees or designated agents of a children's advocacy center may confirm to
8 another children's advocacy center that a child has been seen for services. If an
9 information release has been signed by the guardian of the child, a children's
10 advocacy center may disclose relevant information to another children's advocacy
11 center.

12 (10) (a) An interview of a child recorded at a children's advocacy center shall not be
13 duplicated, except that the Commonwealth's or county attorney prosecuting
14 the case may:

- 15 1. Make and retain one (1) copy of the interview; and
- 16 2. Make one (1) copy for the defendant's or respondent's counsel that the
17 defendant's or respondent's counsel shall not duplicate.

18 (b) The defendant's or respondent's counsel shall file the copy with the court clerk
19 at the close of the case.

20 (c) Unless objected to by the victim or victims, the court, on its own motion, or
21 on motion of the attorney for the Commonwealth shall order all recorded
22 interviews that are introduced into evidence or are in the possession of the
23 children's advocacy center, law enforcement, the prosecution, or the court to
24 be sealed.

25 (d) The provisions of this subsection shall not be construed as to contravene the
26 Rules of Criminal Procedure relating to discovery.

27 (11) Identifying information concerning the individual initiating the report under KRS

- 1 620.030 shall not be disclosed except:
- 2 (a) To law enforcement officials that have a legitimate interest in the case;
- 3 (b) To the agency designated by the cabinet to investigate or assess the report;
- 4 (c) To members of multidisciplinary teams as defined by KRS 620.020 that
- 5 operated under KRS 431.600;
- 6 (d) Under a court order, after the court has conducted an in camera review of the
- 7 record of the state related to the report and has found reasonable cause to
- 8 believe that the reporter knowingly made a false report; or
- 9 (e) The external child fatality and near fatality review panel established by KRS
- 10 620.055.
- 11 (12) (a) Information may be publicly disclosed by the cabinet in a case where child
- 12 abuse or neglect has resulted in a child fatality or near fatality.
- 13 (b) The cabinet shall conduct an internal review of any case where child abuse or
- 14 neglect has resulted in a child fatality or near fatality and the cabinet had prior
- 15 involvement with the child or family. The cabinet shall prepare a summary
- 16 that includes an account of:
- 17 1. The cabinet's actions and any policy or personnel changes taken or to be
- 18 taken, including the results of appeals, as a result of the findings from
- 19 the internal review; and
- 20 2. Any cooperation, assistance, or information from any agency of the state
- 21 or any other agency, institution, or facility providing services to the
- 22 child or family that were requested and received by the cabinet during
- 23 the investigation of a child fatality or near fatality.
- 24 (c) The cabinet shall submit a report by September 1 of each year containing an
- 25 analysis of all summaries of internal reviews occurring during the previous
- 26 year and an analysis of historical trends to the Governor, the General
- 27 Assembly, and the state child fatality review team created under KRS

1 211.684.

- 2 (13) When an adult who is the subject of information made confidential by subsection
3 (5) of this section publicly reveals or causes to be revealed any significant part of
4 the confidential matter or information, the confidentiality afforded by subsection (5)
5 of this section is presumed voluntarily waived, and confidential information and
6 records about the person making or causing the public disclosure, not already
7 disclosed but related to the information made public, may be disclosed if disclosure
8 is in the best interest of the child or is necessary for the administration of the
9 cabinet's duties under this chapter.
- 10 (14) As a result of any report of suspected child abuse or neglect, photographs and X-
11 rays or other appropriate medical diagnostic procedures may be taken or caused to
12 be taken, without the consent of the parent or other person exercising custodial
13 control or supervision of the child, as a part of the medical evaluation or
14 investigation of these reports. These photographs and X-rays or results of other
15 medical diagnostic procedures may be introduced into evidence in any subsequent
16 judicial proceedings or an administrative hearing conducted by the cabinet or its
17 designee in accordance with KRS Chapter 13B in an appeal of a cabinet-
18 substantiated finding of child abuse or neglect. The person performing the
19 diagnostic procedures or taking photographs or X-rays shall be immune from
20 criminal or civil liability for having performed the act. Nothing herein shall limit
21 liability for negligence.
- 22 (15) In accordance with 42 U.S.C. sec. 671, the cabinet shall share information about a
23 child in the custody of the cabinet with a relative or a parent of the child's sibling
24 for the purposes of:
- 25 (a) Evaluating or arranging a placement for the child;
- 26 (b) Arranging appropriate treatment services for the child; or
- 27 (c) Establishing visitation between the child and a relative, including a sibling of

1 the child.

2 (16) In accordance with 42 U.S.C. sec. 671, the cabinet shall, in the case of siblings
3 removed from their home who are not jointly placed, provide for frequent visitation
4 or other ongoing interaction between the siblings, unless the cabinet determines that
5 frequent visitation or other ongoing interaction would be contrary to the safety or
6 well-being of any of the siblings.

7 **(17) This section shall not be interpreted as prohibiting the Commonwealth Office of**
8 **the Ombudsman from reporting pursuant to Section 21 of this Act on de-**
9 **identified information made confidential by this section.**

10 ➔Section 31. The Cabinet for Health and Family Services is hereby directed to
11 immediately transfer control of the telephone number 800-372-2973 to the
12 Commonwealth Office of the Ombudsman, and the Cabinet for Health and Family
13 Services shall bear all costs incurred by any party in effectuating this transfer.

14 ➔Section 32. Whereas the duties of the Auditor and ombudsman operate to
15 protect the life, safety, and health of Kentuckians and no just cause exists for depriving
16 the citizens of the enhanced protections established in this Act, and there is urgent need to
17 establish legislative oversight of the Kentucky Medical Assistance Program in order to
18 ensure efficient program administration and timely access to benefits and provide
19 members of the General Assembly with the information and data necessary to make
20 informed decisions about the Kentucky Medical Assistance Program, an emergency is
21 declared to exist, and this Act takes effect upon its passage and approval by the Governor
22 or upon its otherwise becoming law.