

**56.491 Approval required for certain projects -- Conditions -- Exceptions.**

- (1) No state agency shall have power or authority to make plans and specifications, provide public notice of invitations for bids, let contracts, or incur any financing commitments, either in the way of a charge against public funds or in the way of negotiations for issuance of revenue bonds, for any capital construction projects involving the improvement of lands or the construction, alteration, reconstruction, or major repair of any building or other structure, or sewage disposal or water supply system, requiring the expenditure of more than five hundred thousand dollars (\$500,000) without first securing the approval of the Finance and Administration Cabinet.
- (2) The state agency seeking the approval shall submit to the Finance and Administration Cabinet a general description of the proposed project, with the detailed information the cabinet may require. Review of construction plans for conformance with the Uniform State Building Code shall be conducted by the Department of Housing, Buildings and Construction. The Finance and Administration Cabinet shall not approve any project requiring its approval in any instance if it finds that: the project is not needed; the proposed method of financing is not sound; the project will exceed the amount of the funds available therefor; the work contemplated will be insufficient to accomplish the purpose of the project; or after providing for the ordinary recurring expenses of government and debt service and for payments under existing allotments for extraordinary expenses and capital outlay, cash will not be available in the State Treasury to promptly pay for the work during the biennium, or except as provided in subsection (5) of this section, that the work is to be done by employees of the agency.
- (3) The finding of the Finance and Administration Cabinet shall be final, except in cases where the issuance and sale of bonds is proposed, in which cases the cabinet shall submit its findings to the commission for final approval, modification, or disapproval.
- (4) Any capital construction project, the total cost of completion of which the Finance and Administration Cabinet determines will exceed five hundred thousand dollars (\$500,000), shall be contracted for on a competitive bid basis, and the execution of the contracts shall be approved and authorized by the cabinet. When a capital construction project has been approved as provided in this section, in whole or in part, the cabinet shall prepare the plans and specifications, provide public notice of invitations for bids, award the contracts, supervise the construction, and handle the financial negotiations on behalf of the requesting state agency; or with prior written approval, the cabinet may authorize a state agency to do so with delegated authority of the cabinet.
- (5) A capital construction project, the total cost of completion of which the Finance and Administration Cabinet determines will not exceed five hundred thousand dollars (\$500,000), may be performed by the employees of the requesting agency or by individuals hired specifically for the project who shall be exempt from the requirements of KRS Chapter 18A, if the project is approved and authorized by the cabinet. Necessary materials and supplies shall be procured in accordance with the standard purchasing procedures and policies of the cabinet as defined in KRS

Chapter 45A.

- (6) This section shall not apply to capital outlays to the Department of Highways for roads and bridges.
- (7) This section shall not apply to capital outlays by the Justice and Public Safety Cabinet for repair, maintenance, improvement, or expansion of present correctional facilities on which projects inmates are used. Any capital construction project to be performed by the Justice and Public Safety Cabinet shall be approved and authorized by the Finance and Administration Cabinet.
- (8) This section shall not apply to surveys capable of being performed by employees of the Department of Fish and Wildlife Resources. Boundary surveys or surveys involving property lines shall be performed by or under the supervision of an employee possessing a professional land surveyor license.

**Effective:** April 27, 2024

**History:** Amended 2024 Ky. Acts ch. 223, sec. 80, effective April 27, 2024. -- Amended 2010 Ky. Acts ch. 24, sec. 52, effective July 15, 2010. -- Amended 2009 Ky. Acts ch. 72, sec. 1, effective June 25, 2009. -- Amended 2007 Ky. Acts ch. 85, sec. 127, effective June 26, 2007. -- Amended 2006 Ky. Acts ch. 127, sec. 1, effective July 12, 2006. -- Amended 2000 Ky. Acts ch. 225, sec. 2, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 120, sec. 24, effective July 15, 1998. -- Amended 1994 Ky. Acts ch. 15, sec. 1, effective July 15, 1994. -- Amended 1992 Ky. Acts ch. 211, sec. 11, effective July 14, 1992. -- Amended 1990 Ky. Acts ch. 496, sec. 34, effective July 13, 1990. -- Amended 1986 Ky. Acts ch. 331, sec. 14, effective July 15, 1986; and ch. 338, sec. 1, effective July 15, 1986. -- Amended 1980 Ky. Acts ch. 338, sec. 1, effective July 15, 1980. -- Amended 1978 Ky. Acts ch. 117, sec. 62, effective June 17, 1978. -- Amended 1974 Ky. Acts ch. 74, Art. II, sec. 9(1); and ch. 74, Art. IV, sec. 20(1). -- Amended 1972 Ky. Acts ch. 247, sec. 1. - Amended 1970 Ky. Acts ch. 146, sec. 1. -- Created 1968 Ky. Acts ch. 174, sec. 1.