

95A.055 Definitions for section -- Qualifiers for a fire district as a special purpose governmental entity -- Annual reports to commission -- Penalties for noncompliance -- Referral of irregularities -- Corrective actions -- Reported information is public record -- Financial review and audit of fire district and nonprofit fire department -- Administrative regulations -- Annual report.

- (1) As used in this section:
 - (a) "Fire district" means any fire protection district or volunteer fire department district operating under KRS Chapter 75 with the higher of annual receipts from all sources or annual expenditures of less than one hundred thousand dollars (\$100,000); and
 - (b) "Nonprofit fire department" means any fire department incorporated under KRS Chapter 273.
- (2) If a fire district's annual revenues or expenditures equals or exceeds one hundred thousand dollars (\$100,000) for two (2) consecutive fiscal years, then the fire district shall, for the next reporting period and any subsequent reporting period for which it exceeds that amount, be considered a special purpose governmental entity as defined in KRS 65A.010 and shall comply with KRS Chapter 65A until its annual revenues or expenditures are less than one hundred thousand dollars (\$100,000), whereupon it may again qualify as a fire department under this section.
- (3) Each fire district shall for each fiscal year beginning on and after July 1, 2016, annually submit to the commission the information required by this section. The information shall be submitted at the time and in the form and format required by the commission. The information submitted shall include at a minimum the following:
 - (a) Administrative information:
 1. The name, address, and, if applicable, the term and appointing authority for each board member of the governing body of the fire district;
 2. The fiscal year of the fire district;
 3. The Kentucky Revised Statute and, if applicable, the local government ordinance under which the fire district was established; the date of establishment; the establishing entity; and the statute or statutes, local government ordinance, or interlocal agreement under which the fire district operates, if different from the statute or statutes, ordinance, or agreement under which it was established;
 4. The mailing address and telephone number and, if applicable, the website uniform resource locator (URL) of the fire district;
 5. The operational boundaries and service area of the fire district and the services provided by the fire district;
 6. A listing of the taxes or fees imposed and collected by the fire district, including the rates or amounts charged for the reporting period and the statutory or other source of authority for the levy of the tax or fee;
 7. The primary contact for the fire district for purposes of communication with the commission;

8. The code of ethics that applies to the fire district, and whether the fire district has adopted additional ethics provisions;
 9. A listing of all federal, state, and local governmental entities that have oversight authority over the fire district or to which the fire district submits reports, data, or information; and
 10. Any other related administrative information required by the commission; and
- (b) Financial information including budgets and financial expenditure information that are designed to ensure that all public funds received by the fire districts are being responsibly used. The commission shall, through the promulgation of an administrative regulation, establish the specific financial information that shall be filed to meet the requirements of this paragraph.
- (4) The commission shall review the reports required for fire districts by this section and, if the commission finds that a report submitted does not comply with the requirements established by this section and regulations promulgated hereunder, the commission shall notify the fire district in writing. The notification shall include a description of the specific deficiencies identified, and shall describe the process the fire district shall follow to correct the deficiencies, including the time within which a response must be provided.
 - (5) The commission shall ensure that every fire district or nonprofit fire department shall at least once every twelve (12) months be subject to a financial review that shall include procedures developed by the commission and approved by the Auditor of Public Accounts in advance. Subsequent changes to these procedures shall also be approved by the Auditor of Public Accounts prior to the period in which they are performed.
 - (6) The commission may require any fire district or nonprofit fire department with the higher of annual receipts from all sources or annual expenditures equal to or greater than one hundred thousand dollars (\$100,000) but less than five hundred thousand dollars (\$500,000) to once every four (4) years be subject to an independent audit in the manner specified in KRS 65A.030(2).
 - (7) The commission shall ensure that every fire district or nonprofit fire department with the higher of annual receipts from all sources or annual expenditures equal to or greater than five hundred thousand dollars (\$500,000) for two (2) consecutive fiscal years is audited annually in the manner specified in KRS 65A.030(2) until its annual revenues or expenditures are less than five hundred thousand dollars (\$500,000).
 - (8) The Auditor of Public Accounts may, upon request, examine and review the reports and all related work papers and documents relating to a financial review or audit under this section.
 - (9) If a fire district or nonprofit fire department fails to comply with this section or KRS 75.430, then the commission may withhold:
 - (a) Incentive pay to qualified firefighters under KRS 95A.250;
 - (b) Volunteer fire department aid, funds used to purchase workers' compensation insurance for fire districts and nonprofit fire departments, and the low-interest

loans under KRS 95A.262;

- (c) Funds from the Thermal Vision and Technical Innovation Grant Program under KRS 95A.400 to 95A.440; and
 - (d) Any other funds that the commission controls.
- (10) The commission shall report any irregularities relating to the finances or operations of a fire district or nonprofit fire department that it identifies to the Attorney General and Auditor of Public Accounts, and the commission may notify any other public official with jurisdiction over fire districts or nonprofit fire departments for further investigation and follow-up.
 - (11) The commission may prescribe corrective actions to bring fire districts or nonprofit fire departments that are, as of July 15, 2016, not in compliance with KRS Chapter 65A into compliance with this section. Any sanctions imposed by the Department for Local Government prior to July 15, 2016, shall be lifted upon notification by the commission to the department that the fire district or nonprofit fire department in question has complied with the corrective actions prescribed by the commission.
 - (12) The information reported by fire districts or nonprofit fire departments under this section shall be considered public records under KRS 61.872 to 61.884. The commission shall prominently post on its website the availability of the information required by this section and shall provide contact information and procedures for obtaining copies of the information.
 - (13) The commission shall promulgate administrative regulations in accordance with KRS Chapter 13A as soon as practicable after July 15, 2016, to implement this section and KRS 75.430.
 - (14) By October 1, 2016, and on or before each October 1 thereafter, the commission shall file an annual report with the Legislative Research Commission detailing the compliance of the fire districts or nonprofit fire departments required to report under this section with subsection (3) of this section. The Legislative Research Commission shall refer the report to the Interim Joint Committee on Local Government for review.

Effective: July 15, 2026

History: Amended 2026 Ky. Acts ch. 111, sec. 8, effective July 15, 2026. -- Amended 2022 Ky. Acts ch. 157, sec. 1, effective July 14, 2022. -- Amended 2020 Ky. Acts ch. 67, sec. 6, effective July 15, 2020. -- Amended 2018 Ky. Acts ch. 90, sec. 3, effective July 14, 2018. -- Created 2016 Ky. Acts ch. 91, sec. 3, effective July 15, 2016.