

160.160 Definition of "large school district" -- Boards of education -- Powers and procedures -- Approval of Department of Education required for mortgages and leases -- Authorization for general obligation bonds -- Rental and debt service payments -- Funds intercept -- Sale of real or personal property by board. (Effective July 15, 2026)

- (1) As used in this section and KRS 160.180 and 160.210, "large school district" means a school district that has more than three hundred thousand (300,000) inhabitants.
- (2) Each school district shall be under the management and control of a board of education consisting of five (5) members to be known as the "Board of Education of, Kentucky." Each board of education shall be a body politic and corporate with perpetual succession. It may sue and be sued; make contracts; expend funds necessary for liability insurance premiums and for the defense of any civil action brought against an individual board member in his or her official or individual capacity, or both, on account of an act made in the scope and course of his or her performance of legal duties as a board member; purchase, receive, hold, and sell property; issue its bonds to build and construct improvements; and do all things necessary to accomplish the purposes for which it is created. Each board of education shall elect a chair and vice chair from its membership in a manner and for a term prescribed by the board not to exceed two (2) years. Upon the election of a chair and vice chair, each board of education shall review, with the superintendent and the school finance officer, the specific procedures and responsibilities of the board and district employees relating to the district budget. The review shall not count toward the annual in-service training requirements established in KRS 160.180.
- (3) No board of education shall participate in any financing of school buildings, school improvements, appurtenances thereto, or furnishing and equipment, including education technology equipment without:
 - (a) First establishing the cost of the project in advance of financing, based on the receipt of advertised, public, and competitive bids for such project, in accordance with KRS Chapter 424; and
 - (b) Establishing the cost of financing in advance of the sale of any bonds, certificates of participation in any leases, or other evidences of financial commitments issued by or on behalf of such board. Any bonds, leases, participations, or other financial arrangements shall not involve a final commitment of the board until the purchaser or lender involved shall have been determined by public advertising in accordance with KRS Chapter 424.
- (4) No board of education shall make a mortgage, lien, or other encumbrance upon any school building owned by the board, or transfer title to any such school building as part of any financing arrangement, without the specific approval of the Department of Education, and without the transaction being entered into pursuant to a detailed plan or procedure specifically authorized by Kentucky statute.
- (5) Without the approval of the Department of Education, no board may lease, as lessee, a building or public facility that has been or is to be financed at the request of the board or on its behalf through the issuance of bonds by another public body or by a nonprofit corporation serving as an agency and instrumentality of the board,

or by a leasing corporation. Any lease, participation, or other financial arrangement shall not involve a final commitment of the board unless and until the purchaser or lender involved in same shall have been determined by public advertising in accordance with KRS Chapter 424. No transaction shall be entered into by the board except upon the basis of public advertising and competitive bidding in accordance with KRS Chapter 424.

- (6) A school district may issue general obligation bonds in accordance with KRS Chapter 66.
- (7) Rental payments due by a board under a lease approved by the Department of Education in accordance with subsection (5) of this section, and debt service payments under a general obligation bond issued in accordance with this section, shall be due and payable not less than ten (10) days prior to the interest due date for the bonds, notes, or other debt obligations issued to finance the building or public facility. If a board fails to make a rental payment when due under a lease or a debt service payment when due for a general obligation bond issue, upon notification to the Department of Education by the paying agent, bond registrar, or trustee for the bonds not less than three (3) days prior to the interest due date, the Department of Education shall withhold or intercept any funds then due the board to the extent of the amount of the required payment on the bonds and remit the amount to the paying agent, bond registrar, or trustee as appropriate. Thereafter, the Department of Education shall resolve the matter with the board and adjust remittances to the board to the extent of the amount paid by the Department of Education on the board's behalf.
- (8) Bonds, notes, or leases negotiated to provide education technology shall not be sold for longer than seven (7) years or the useful life of the equipment as established by the state technology master plan, whichever is less.
- (9) Notwithstanding any requirements of public advertising, competitive bidding, or approval by the Department of Education, or any administrative regulation promulgated pursuant to KRS 156.160(1)(o), a local board may authorize the transfer or sale of the district's real or personal property to another governmental or quasi-governmental agency in exchange for money or a similar type of property that equals or exceeds the fair market value of the district property as determined by an independent appraisal conducted by:
 - (a) An individual or organization not affiliated with the district or its officers or employees, using a generally accepted national or professional standard; or
 - (b) A district's officers or employees using a nationally published valuation of property based on the most recent edition of the publication.

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History: Amended 2026 Ky. Acts ch. 154, sec. 5, effective April 14, 2026; and ch. 196, sec. 18, effective July 15, 2026. -- Amended 2024 Ky. Acts ch. 126, sec. 3, effective July 15, 2024. -- Amended 2023 Ky. Acts ch. 63, sec. 7, effective June 29, 2023. -- Amended 1994 Ky. Acts ch. 288, sec. 1, effective July 15, 1994. -- Amended 1992 Ky. Acts ch. 195, sec. 7, effective April 3, 1992. -- Amended 1990 Ky. Acts ch. 476, Pt. II, sec. 88, effective July 13, 1990. -- Amended 1988 Ky. Acts ch. 421, sec. 1, effective July 15, 1988. -- Amended 1982 Ky. Acts ch. 59, sec. 1, effective July 15, 1982. -- Amended 1978 Ky. Acts ch. 11, sec. 1, effective February 24, 1978. --

Amended 1974 Ky. Acts ch. 224, sec. 2. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4399-17, 4399-18.

Legislative Research Commission Note (7/15/2026). This statute was amended by 2026 Ky. Acts chs. 154 and 196, which do not appear to be in conflict and have been codified together.