

**CHAPTER 120 (HB 277)**

AN ACT relating to watershed conservancy districts.

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

Section 1. KRS 262.720 is amended to read as follows:

- (1) Within thirty (30) days after such petition has been filed with the board of supervisors, it shall cause due notice to be given as provided in KRS 262.010(4) of the hearing upon the practicability and feasibility of creating such subdistrict. All interested parties shall have the right to attend such hearing and be heard. If it shall appear at the hearing that other lands should be included or that lands included in the petition should be excluded, the board of supervisors may permit such inclusion or exclusion, provided the land area involved still meets the requirements of KRS 262.705.
- (2) If it appears upon the hearing that it may be desirable to include within the proposed district, territory outside of the area within which due notice of the hearing has been given, the hearing shall be adjourned and due notice of a further hearing shall be given throughout the entire area considered for inclusion in the district and a further hearing shall be held. After final hearing, if the board of supervisors determines, upon the facts presented at the hearing and upon other available information, that there is need, in the interest of the public health, safety and welfare for such a district to function in the territory considered, it shall make and record the determination and shall define, by metes and bounds, or by recognizable terrain features and description, the boundaries of the watershed district.
- (3) If the board determines after the hearing that it is not feasible for such district to function in the territory considered, it shall make and record the determination and shall deny the petition.
- (4) ***If the board determines that there is a need for a conservancy district, the board of supervisors shall establish a proposed maximum budget for the maintenance of the proposed conservancy district, to be funded either by millage or flat rate sufficient to meet the budget.***

Section 2. KRS 262.725 is amended to read as follows:

After the board of supervisors has made and recorded a determination that there is need, in the interest of the public health, safety and welfare, for creation of the proposed watershed conservancy district, it shall consider the question whether the operation of a district within the proposed boundaries with the powers conferred upon such districts in KRS 262.745 is administratively practicable and feasible. To assist the board of supervisors in this determination, the board shall, within a reasonable time after entry of the finding that there is need for the organization of the district and the determination of the boundaries of the district, hold a referendum within the ~~conservation~~~~proposed~~ district upon the proposition of the creation of the district ***to identify boundaries and give notification of funding options***. Due notice of the referendum shall be given as provided in KRS 262.010 (4). Such notice shall state the date of holding the referendum, the hours of opening and closing the polls, and shall designate one or more places within the proposed district as polling places. The board shall appoint a polling superintendent and other necessary polling officers giving equal representation to the proponents and opponents of the question involved.

Section 3. KRS 262.760 is amended to read as follows:

Within the first quarter of each calendar year, the board of directors shall prepare an itemized budget of the funds needed for administration, construction, operation and maintenance of works of improvement. After approval of such budget by the board of supervisors, the board of directors shall, by order or resolution, levy a tax sufficient to meet such budget, *either by millage rate or per acre rate* ~~[not to exceed five (5) mills per dollar of the fair cash value, as equalized by the Revenue Cabinet, of all real property within the district, except any levy necessary to provide a sinking fund for retirement of bonds authorized by KRS 262.750 and except any levy necessary to provide for the improvement, continuing operation, or maintenance of works of improvement within the district authorized by KRS 262.748].~~ A copy of such budget and order or resolution shall be certified to the county clerk of the county or counties involved.

Section 4. KRS 262.763 is amended to read as follows:

- (1) An audit of the accounts of each watershed conservancy district shall take place *once every four (4) years unless the district receives or expends four hundred thousand dollars (\$400,000) or more in any year, in which case the district shall provide for the performance of an annual audit* ~~[annually]~~. The board of directors of each watershed conservancy district shall select to make the audit certified public accountants who have no personal interest in the financial affairs of the board of directors or in any of its officers or employees.
- (2) Immediately upon completion of each audit, the accountant shall prepare a report of his findings and recommendations. This report shall be to the board of directors and in such number of copies as specified by the board of directors. Immediately following receipt of the audit report, the board of directors shall cause a summary of the report or the text of the report to be advertised for the district by publication in a newspaper of general circulation in the area encompassed by the watershed conservancy district. The actual expense of any audit authorized under this section shall be borne by the watershed conservancy district.
- (3) The board of directors shall forward a copy of the newspaper in which the audit report appeared to the State Auditor of Public Accounts. Section 5. KRS 262.765 is amended to read as follows:
  - (1) The board of directors of a watershed conservancy district shall prepare and furnish to the property valuation administrator by January 1 each year a list of the landowners in each county involved showing the real property subject to assessment, and the property valuation administrator of the county or counties involved shall indicate, for the use of the clerk, such information on the tax rolls. The list furnished the property valuation administrator by the board of directors shall: list the landowners in alphabetical order by taxing districts as shown on the previous year's tax roll, list the total acreage and the acreage in the watershed conservancy district owned by each landowner, and show that part of the previous year's assessment attributable to real property within the watershed conservancy district on those parcels which are not entirely within the district.
  - (2) When the property tax rolls are delivered to the county clerk by the property valuation administrator, as required by law, the county clerk shall compute the tax due the district from each landowner in accordance with the rate fixed by the board of directors and the value *or acreage* of the real property indicated on the tax roll. The computation shall be made on the regular tax bills in such manner as may be directed by regulation of the Revenue Cabinet.

**Approved March 16, 2000**