

**CHAPTER 221 (HB 96)**

AN ACT relating to establishment of the Kentucky Tobacco Settlement Trust Corporation.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 248 IS CREATED TO READ AS FOLLOWS:

(1) *As used in this section:*

- (a) *"Settlement trust" means the national tobacco grower settlement trust established between tobacco companies and states with tobacco growers and tobacco quota owners in accordance with the master settlement agreement between certain tobacco companies and states' Attorneys General dated November 23, 1998;*
- (b) *"Settlement trust agreement" means the agreement to provide economic assistance from the national tobacco grower settlement trust directly to tobacco growers and tobacco quota holders in the Commonwealth;*
- (c) *"Trustee of the settlement trust" means the entity legally responsible for management of the national tobacco grower settlement trust; and*
- (d) *"Corporation" means the Kentucky Tobacco Settlement Trust Corporation created by this section.*

(2) *The Kentucky Tobacco Settlement Trust Corporation is created and established as a de jure municipal corporation and political subdivision of the Commonwealth to perform essential governmental and public functions by assisting in the implementation of the national tobacco grower settlement trust agreement. The corporation shall be attached to the Finance and Administration Cabinet for administrative purposes. The corporation shall be a public agency within the meaning of KRS 61.805, KRS 61.870, and other applicable statutes.*

(3) *The corporation shall be directed by a board of directors, which shall include:*

- (a) *The Governor, who shall serve as chair of the corporation;*
- (b) *The Commissioner of Agriculture, who shall serve as vice chair of the corporation;*
- (c) *The Attorney General, who shall serve as secretary of the corporation;*
- (d) *One (1) member of the Senate appointed by the President of the Senate to serve as an ex officio, nonvoting member of the board;*
- (e) *One (1) member of the House of Representatives appointed by the Speaker of the House of Representatives to serve as an ex officio, nonvoting member of the board;*
- (f) *Six (6) citizen members who are tobacco growers or tobacco quota owners appointed by the Governor for a term of four (4) years;*
- (g) *One (1) citizen member with a distinguished record of public service appointed by the Governor for a term of four (4) years; and*
- (h) *Two (2) members appointed by the Governor for a term of four (4) years from a list of six (6) nominees selected and submitted to the Governor by the state's congressional delegation.*

- (4) *Members of the board shall not receive compensation for their services but be reimbursed for necessary travel and lodging expenses incurred in the performance of their duties.*
- (5) *A quorum of the board shall consist of six (6) voting members. A majority of the voting members present may act upon any matter legally before the corporation. The board shall keep minutes and records of all meetings of the corporation and shall record all official actions.*
- (6) *The corporation shall be a body corporate with full corporate powers. The board may develop articles of incorporation and other appropriate documentation to establish the corporation's existence as a corporation authorized by law. The corporation shall not in any form hold, receive, or manage any proceeds from the settlement trust.*
- (7) *The corporation's duties shall include, but not be limited to:*
  - (a) *Performing all duties and responsibilities of a state certification body as defined and directed under the terms of the settlement trust agreement;*
  - (b) *Preparing and submitting a plan to the trustee of the settlement trust for its approval. The plan shall identify those tobacco growers and tobacco quota owners who are to receive direct payment from the settlement trust and shall determine the respective amount each of the tobacco growers or tobacco quota owners is to receive;*
  - (c) *Determining the amount of any administrative expenses to be paid to the corporation under the terms of the settlement trust agreement;*
  - (d) *Appointing an officer to conduct executive functions for the corporation. The officer may be a state officer or employee who shall serve as a borrowed servant at no cost to the corporation;*
  - (e) *Requesting the trustee of the settlement trust to set aside reserve amounts in anticipation of a decrease in annual payments;*
  - (f) *Submitting information required by the trustee of the settlement trust;*
  - (g) *Establishing policies and procedures and contracting with other persons or entities if necessary to effectuate its purposes and functions;*
  - (h) *Discharging additional powers, duties, and functions as necessary or convenient to carry out the purposes of this section; and*
  - (i) *Enacting bylaws concerning the conduct of its business and other administrative procedures as it deems necessary.*
- (8) *There shall be no liability on the part of, and no cause of action for damages shall arise against, the corporation or any member, officer, administrator, agent, or employee of the corporation, either as a part of the corporation's operations or as an individual as a result of any act, omission, proceeding, conduct, or decision relating to the official duties, functions, and responsibilities of the corporation. Section 2. KRS 12.020 is amended to read as follows:*

Departments, program cabinets and their departments, and the respective major administrative bodies that they include are enumerated in this section. It is not intended that this enumeration of administrative bodies be all-inclusive. Every authority, board, bureau, interstate compact, commission, committee, conference, council, office, or any other form of organization shall be

included in or attached to the department or program cabinet in which they are included or to which they are attached by statute or statutorily-authorized executive order; except in the case of the Personnel Board and where the attached department or administrative body is headed by a constitutionally elected officer, the attachment shall be solely for the purpose of dissemination of information and coordination of activities and shall not include any authority over the functions, personnel, funds, equipment, facilities, or records of the department or administrative body. I. Cabinet for General Government - Departments headed by elected officers:

1. The Governor.
2. Lieutenant Governor.
3. Department of State.
  - (a) Secretary of State.
  - (b) Board of Elections.
  - (c) Registry of Election Finance.
4. Department of Law.
  - (a) Attorney General.
5. Department of the Treasury.
  - (a) Treasurer.
6. Department of Agriculture.
  - (a) Commissioner of Agriculture.
  - (b) Kentucky Council on Agriculture.
7. Superintendent of Public Instruction.
8. Auditor of Public Accounts.
9. Railroad Commission.

II. Program cabinets headed by appointed officers:

1. Justice Cabinet:
  - (a) Department of State Police.
  - (b) Department of Criminal Justice Training.
  - (c) Department of Corrections.
  - (d) Department of Juvenile Justice.
  - (e) Office of the Secretary.
  - (f) Offices of the Deputy Secretaries.
  - (g) Office of General Counsel.
  - (h) Division of Kentucky State Medical Examiners Office.
  - (i) Parole Board.
  - (j) Kentucky State Corrections Commission.

- (k) Commission on Correction and Community Service.
2. Education, Arts, and Humanities Cabinet:
- (a) Department of Education.
    - (1) Kentucky Board of Education.
    - (2) Education Professional Standards Board.
  - (b) Department for Libraries and Archives.
  - (c) Kentucky Arts Council.
  - (d) Kentucky Educational Television.
  - (e) Kentucky Historical Society.
  - (f) Kentucky Teachers' Retirement System Board of Trustees.
  - (g) Kentucky Center for the Arts.
  - (h) Kentucky Craft Marketing Program.
  - (i) Kentucky Commission on the Deaf and Hard of Hearing.
  - (j) Governor's Scholars Program.
  - (k) Governor's School for the Arts.
  - (l) Operations and Development Office.
  - (m) Kentucky Heritage Council.
  - (n) Kentucky African-American Heritage Commission.
  - (o) Board of Directors for the Center for School Safety.
3. Natural Resources and Environmental Protection Cabinet:
- (a) Environmental Quality Commission.
  - (b) Kentucky Nature Preserves Commission.
  - (c) Department for Environmental Protection.
  - (d) Department for Natural Resources.
  - (e) Department for Surface Mining Reclamation and Enforcement.
  - (f) Office of Legal Services.
  - (g) Office of Information Services.
4. Transportation Cabinet:
- (a) Department of Highways.
  - (b) Department of Vehicle Regulation.
  - (c) Department of Administrative Services.
  - (d) Department of Fiscal Management.
  - (e) Department of Rural and Municipal Aid.

- (f) Office of General Counsel.
  - (g) Office of Public Affairs.
  - (h) Office of Personnel Management.
  - (i) Office of Minority Affairs.
  - (j) Office of Environmental Affairs.
  - (k) Office of Policy and Budget.
5. Cabinet for Economic Development:
- (a) Department of Administration and Support.
  - (b) Department of Job Development.
  - (c) Department of Financial Incentives.
  - (d) Department of Community Development.
  - (e) Tobacco Research Board.
  - (f) Kentucky Economic Development Finance Authority.
6. Public Protection and Regulation Cabinet:
- (a) Public Service Commission.
  - (b) Department of Insurance.
  - (c) Department of Housing, Buildings and Construction.
  - (d) Department of Financial Institutions.
  - (e) Department of Mines and Minerals.
  - (f) Department of Public Advocacy.
  - (g) Department of Alcoholic Beverage Control.
  - (h) Kentucky Racing Commission.
  - (i) Board of Claims.
  - (j) Crime Victims Compensation Board.
  - (k) Kentucky Board of Tax Appeals.
  - (l) Backside Improvement Commission.
  - (m) Office of Petroleum Storage Tank Environmental Assurance Fund.
7. Cabinet for Families and Children:
- (a) Department for Social Insurance.
  - (b) Department for Social Services.
  - (c) Public Assistance Appeals Board.
  - (d) Office of the Secretary.
  - (e) Office of the General Counsel.

- (f) Office of Program Support.
  - (g) Office of Family Resource and Youth Services Centers.
  - (h) Office of Technology Services.
  - (i) Office of the Ombudsman.
  - (j) Office of Aging Services.
8. Cabinet for Health Services.
- (a) Department for Public Health.
  - (b) Department for Medicaid Services.
  - (c) Department for Mental Health and Mental Retardation Services.
  - (d) Kentucky Commission on Children with Special Health Care Needs.
  - (e) Office of Certificate of Need.
  - (f) Office of the Secretary.
  - (g) Office of the General Counsel.
  - (h) Office of Program Support.
  - (i) Office of the Inspector General.
9. Finance and Administration Cabinet:
- (a) Office of Legal and Legislative Services.
  - (b) Office of Management and Budget.
  - (c) Office of Financial Management and Economic Analysis.
  - (d) Office of the Controller.
  - (e) Department for Administration.
  - (f) Department of Facilities Management.
  - (g) Department of Information Systems.
  - (h) State Property and Buildings Commission.
  - (i) Kentucky Pollution Abatement Authority.
  - (j) Kentucky Savings Bond Authority.
  - (k) Deferred Compensation Systems.
  - (l) Office of Equal Employment Opportunity Contract Compliance.
  - (m) Office of Capital Plaza Operations.
  - (n) County Officials Compensation Board.
  - (o) Kentucky Employees Retirement Systems.
  - (p) Commonwealth Credit Union.
  - (q) State Investment Commission.

- (r) Kentucky Housing Corporation.
  - (s) Governmental Services Center.
  - (t) Kentucky Local Correctional Facilities Construction Authority.
  - (u) Kentucky Turnpike Authority.
  - (v) Historic Properties Advisory Commission.
  - (w) Kentucky Kare Health Insurance Authority.
  - (x) ***Kentucky Tobacco Settlement Trust Corporation.***
10. Labor Cabinet:
- (a) Department of Workplace Standards.
  - (b) Department of Workers' Claims.
  - (c) Kentucky Labor-Management Advisory Council.
  - (d) Occupational Safety and Health Standards Board.
  - (e) Prevailing Wage Review Board.
  - (f) Workers' Compensation Board.
  - (g) Kentucky Employees Insurance Association.
  - (h) Apprenticeship and Training Council.
  - (i) State Labor Relations Board.
  - (j) Kentucky Occupational Safety and Health Review Commission.
  - (k) Office of Administrative Services.
  - (l) Office of Labor-Management Relations and Mediation.
  - (m) Office of General Counsel.
  - (n) Workers' Compensation Funding Commission.
  - (o) Employers Mutual Insurance Authority.
11. Revenue Cabinet:
- (a) Department of Property Valuation.
  - (b) Department of Tax Administration.
  - (c) Office of Financial and Administrative Services.
  - (d) Department of Law.
  - (e) Department of Information Technology.
  - (f) Office of Taxpayer Ombudsman.
12. Tourism Development Cabinet:
- (a) Department of Travel.
  - (b) Department of Parks.

- (c) Department of Fish and Wildlife Resources.
  - (d) Kentucky Horse Park Commission.
  - (e) State Fair Board.
  - (f) Office of Administrative Services.
  - (g) Office of General Counsel.
13. Cabinet for Workforce Development:
- (a) Department for Adult Education and Literacy.
  - (b) Department for Technical Education.
  - (c) Department of Vocational Rehabilitation.
  - (d) Department for the Blind.
  - (e) Department for Employment Services.
  - (f) State Board for Adult and Technical Education.
  - (g) Governor's Council on Vocational Education.
  - (h) The State Board for Proprietary Education.
  - (i) The Foundation for Adult Education.
  - (j) The Kentucky Job Training Coordinating Council.
  - (k) Office of General Counsel.
  - (l) Office of Communication Services.
  - (m) Office of Development and Industry Relations.
  - (n) Office of Workforce Analysis and Research.
  - (o) Office for Administrative Services.
  - (p) Office for Policy and Budget.
  - (q) Office of Personnel Services.
  - (r) Unemployment Insurance Commission.
14. Personnel Cabinet:
- (a) Office of Administrative and Legal Services.
  - (b) Department for Personnel Administration.
  - (c) Department for Employee Relations.
  - (d) Kentucky Public Employees Deferred Compensation Authority.
  - (e) Kentucky Kare.
  - (f) Division of Performance Management.
  - (g) Division of Employee Records.
  - (h) Division of Staffing Services.



- (i) Division of Classification and Compensation.
- (j) Division of Employee Benefits.
- (k) Division of Communications and Recognition.

III. Other departments headed by appointed officers:

- 1. Department of Military Affairs.
- 2. Council on Postsecondary Education.
  - (a) Kentucky Commission on Community Volunteerism and Service.
- 3. Department for Local Government.
- 4. Kentucky Commission on Human Rights.
- 5. Kentucky Commission on Women.
- 6. Department of Veterans' Affairs.
- 7. Kentucky Commission on Military Affairs.
- 8. Office of the Chief Information Officer.

Section 3. KRS 42.016 is amended to read as follows:

The following corporate bodies and instrumentalities of the Commonwealth shall be attached to the Office of the Secretary for administrative purposes and staff services:

- (1) State Property and Buildings Commission;
- (2) Kentucky Pollution Abatement Authority;
- (3) Kentucky Savings Bond Authority;
- (4) County Officials Compensation Board;
- (5) Kentucky Turnpike Authority;
- (6) State Investment Commission;
- (7) Kentucky Housing Corporation;~~{and}~~
- (8) Governmental Services Center; *and*
- (9) ***Kentucky Tobacco Settlement Trust Corporation.***

Section 4. The initial citizen members of the Kentucky Tobacco Settlement Trust Corporation Board shall be those appointed in accordance with, and for the terms specified in, Executive Order 99-1000.

Section 5. The General Assembly hereby confirms Executive Order 99-1000, issued by the Governor on July 15, 1999, to the extent that it is not otherwise confirmed by this Act.

**Approved March 29, 2000**