

## CHAPTER 1

## (HB 87)

AN ACT relating to reorganization.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO READ AS FOLLOWS:

- (1) *The Tourism Development Finance Authority is created within the Tourism Development Cabinet. The authority shall consist of seven (7) members appointed by the Governor. The members of the authority shall serve without compensation but shall be entitled to reimbursement for their necessary expenses incurred in performing their duties. Of the members initially appointed to the authority, two (2) members shall be appointed for terms of one (1) year, three (3) members shall be appointed for terms of two (2) years, and two (2) members shall be appointed for terms of three (3) years. Thereafter, the members of the authority shall be appointed for terms of four (4) years.*
- (2) *The Governor shall appoint one (1) member as chairperson of the Tourism Development Finance Authority. The members of the authority may elect other officers as they deem necessary.*
- (3) *No member of the Tourism Development Finance Authority shall either directly or indirectly be a party to, or be in any manner interested in, any contract or agreement with the authority for any matter, cause, or thing that creates any liability or indebtedness against the authority.*
- (4) *The Tourism Development Finance Authority shall have the powers necessary to carry out the purposes of this section and Sections 2 to 7 and 8 of this Act and the Tourism Development Loan Program created by 2000 Ky. Acts ch. 549, Part IX, Section 47, including, but not limited to, the power to:*
  - (a) *Make and condition all loans from the Tourism Development Loan Program;*
  - (b) *Employ fiscal consultants, attorneys, appraisers, and other agents on behalf of the authority whom the authority deems necessary or convenient for the preparation and administration of agreements and documents necessary or incidental to any project. The fees for the services provided by persons employed on behalf of the authority shall be paid by the beneficiary of a loan under this program directly to the person providing consultation, advisory, legal, or other services; and*
  - (c) *Impose and collect fees and charges in connection with any transaction and provide for reasonable penalties for delinquent payment of fees and charges.*

Section 2. KRS 154.29-010 is amended to read as follows:

As used in KRS 139.536 and *Sections 2* ~~[KRS 154.29-010]~~ *to 7 of this Act* ~~[154.29-060]~~, unless the context clearly indicates otherwise:

- (1) "Agreement" means a tourism attraction agreement entered into, pursuant to *Section 6 of this Act* ~~[KRS 154.29-050]~~, on behalf of the authority and an approved company on or before June 30, 2002, with respect to a tourism attraction project;

- (2) "Approved company" means any eligible company approved by the secretary of the Tourism Development Cabinet and the authority pursuant to *Section 6 of this Act* ~~[KRS 154.29-050]~~ that is seeking to undertake a tourism attraction project;
- (3) "Approved costs" means:
- (a) Obligations incurred for labor and to vendors, contractors, subcontractors, builders, suppliers, deliverymen, and materialmen in connection with the acquisition, construction, equipping, and installation of a tourism attraction project;
  - (b) The costs of acquiring real property or rights in real property and any costs incidental thereto;
  - (c) The cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of the acquisition, construction, equipping, and installation of a tourism attraction project which is not paid by the vendor, supplier, deliveryman, contractor, or otherwise provided;
  - (d) All costs of architectural and engineering services, including, but not limited to: estimates, plans and specifications, preliminary investigations, and supervision of construction and installation, as well as for the performance of all the duties required by or consequent to the acquisition, construction, equipping, and installation of a tourism attraction project;
  - (e) All costs required to be paid under the terms of any contract for the acquisition, construction, equipping, and installation of a tourism attraction project;
  - (f) All costs required for the installation of utilities, including but not limited to: water, sewer, sewer treatment, gas, electricity and communications, and including off-site construction of the facilities paid for by the approved company; and
  - (g) All other costs comparable with those described in this subsection;
- (4) "Authority" means the Kentucky *Tourism* ~~[Economic]~~ Development Finance Authority as set forth in *Section 1 of this Act* ~~[KRS 154.20-010]~~;
- (5) "Crafts and products center" means a facility primarily devoted to the display, promotion, and sale of Kentucky products, and at which a minimum of eighty percent (80%) of the sales occurring at the facility are of Kentucky arts, crafts, or agricultural products;
- (6) "Eligible company" means any corporation, limited liability company, partnership, registered limited liability partnership, sole proprietorship, business trust, or any other entity operating or intending to operate a tourism attraction project, whether owned or leased, within the Commonwealth that meets the standards promulgated by the secretary of the Tourism Development Cabinet pursuant to *Section 4 of this Act* ~~[KRS 154.29-030]~~. An eligible company may operate or intend to operate directly or indirectly through a lessee;
- (7) "Entertainment destination center" means a facility containing a minimum of two hundred thousand (200,000) square feet of building space adjacent or complementary to an existing tourism attraction, an approved tourism attraction project, or a major convention facility, and which provides a variety of entertainment and leisure options that contain at least one (1) major themed restaurant and at least three (3) additional entertainment venues, including, but not limited to, live entertainment, multiplex theaters, large format theaters, motion simulators, family entertainment centers, concert halls, virtual reality or other interactive games, museums, exhibitions, or other cultural and leisure time activities. Entertainment and

food and drink options shall occupy a minimum of sixty percent (60%) of total gross area available for lease, and other retail stores shall occupy no more than forty percent (40%) of the total gross area available for lease;

- (8) "Final approval" means the action taken by the authority authorizing the eligible company to receive inducements under KRS 139.536 and *Sections 2*~~[KRS 154.29-010]~~ to *7 of this Act*~~[154.29-060]~~;
- (9) "Inducements" means the Kentucky sales tax refund as prescribed in KRS 139.536;
- (10) "Preliminary approval" means the action taken by the authority conditioning final approval by the authority upon satisfaction by the eligible company of the requirements of KRS 139.536 and *Sections 2*~~[KRS 154.29-010]~~ to *7 of this Act*~~[154.29-060]~~;
- (11) "State agency" means any state administrative body, agency, department, or division as defined in KRS 42.005, or any board, commission, institution, or division exercising any function of the state that is not an independent municipal corporation or political subdivision;
- (12) "Tourism attraction" means a cultural or historical site, a recreation or entertainment facility, an area of natural phenomenon or scenic beauty, a Kentucky crafts and products center, or an entertainment destination center. A tourism attraction shall not include any of the following:
- (a) Lodging facilities, unless:
    - 1. The facilities constitute a portion of a tourism attraction project and represent less than fifty percent (50%) of the total approved cost of the tourism attraction project, or the facilities are to be located on recreational property owned or leased by the Commonwealth or federal government and the facilities have received prior approval from the appropriate state or federal agency; or
    - 2. The facilities involve the restoration or rehabilitation of a structure that is listed individually in the National Register of Historic Places or are located in a National Register Historic District and certified by the Kentucky Heritage Council as contributing to the historic significance of the district, and the rehabilitation or restoration project has been approved in advance by the Kentucky Heritage Council;
  - (b) Facilities that are primarily devoted to the retail sale of goods, other than an entertainment destination center, a Kentucky crafts and products center, or a tourism attraction where the sale of goods is a secondary and subordinate component of the attraction; and
  - (c) Recreational facilities that do not serve as a likely destination where individuals who are not residents of the Commonwealth would remain overnight in commercial lodging at or near the tourism attraction project; and
- (13) "Tourism attraction project" or "project" means the acquisition, including the acquisition of real estate by a leasehold interest with a minimum term of ten (10) years, construction, and equipping of a tourism attraction; the construction, and installation of improvements to facilities necessary or desirable for the acquisition, construction, and installation of a tourism attraction, including but not limited to surveys; installation of utilities, which may include water, sewer, sewage treatment, gas, electricity, communications, and similar

facilities; and off-site construction of utility extensions to the boundaries of the real estate on which the facilities are located, all of which are to be used to improve the economic situation of the approved company in a manner that shall allow the approved company to attract persons.

Section 3. KRS 154.29-020 is repealed, reenacted as a new section of KRS Chapter 148 and amended to read as follows:

The General Assembly finds and declares that the general welfare and material well-being of the citizens of the Commonwealth depend in large measure upon the development of tourism in the Commonwealth, and that it is in the best interest of the Commonwealth to induce the creation of new or the expansion of existing tourism attractions within the Commonwealth in order to advance the public purposes of relieving unemployment by preserving and creating jobs that would not exist if not for the inducements to be offered by the authority to approved companies, and by preserving and creating sources of tax revenues for the support of public services provided by the Commonwealth; and that the authority prescribed by KRS 139.536 and *Sections 2*~~[KRS 154.29-010]~~ to *7 of this Act*~~[154.29-060]~~, and the purposes to be accomplished under the provisions of KRS 139.536 and *Sections 2*~~[KRS 154.29-010]~~ to *7 of this Act*~~[154.29-060]~~, are proper governmental and public purposes for which public moneys may be expended; and that the inducement of the creation or expansion of tourism attraction projects is of paramount importance mandating that the provisions of KRS 139.536 and *Sections 2*~~[KRS 154.29-010]~~ to *7 of this Act*~~[154.29-060]~~ be liberally construed and applied in order to advance public purposes.

Section 4. KRS 154.29-030 is repealed, reenacted as a new section of KRS Chapter 148 and amended to read as follows:

- (1) The secretary of the Tourism Development Cabinet shall establish standards for the making of applications for inducements and the recommendation to the authority of eligible companies and their tourism attraction projects by the promulgation of administrative regulations in accordance with KRS Chapter 13A.
- (2) The secretary of the Tourism Development Cabinet shall consult with the authority when establishing standards to ensure that standards established pursuant to subsection (1) of this section and *Section 5(1) of this Act*~~[KRS 154.29-040(1)]~~ do not conflict.
- (3) With respect to each eligible company making an application to the secretary of the Tourism Development Cabinet for inducements, and with respect to the tourism attraction project described in the application, the secretary of the Tourism Development Cabinet shall make inquiries and request materials of the applicant that shall include, but not be limited to, marketing plans for the project that target individuals who are not residents of the Commonwealth; a description and location of the project; capital and other anticipated expenditures for the project that indicate that the total cost of the project shall exceed one million dollars (\$1,000,000) and the anticipated sources of funding therefor; the anticipated employment and wages to be paid at the project; business plans which indicate the average number of days in a year in which the project will be in operation and open to the public; and the anticipated revenues and expenses generated by the project. If the tourism attraction project is an entertainment destination center, the sales tax refund shall be dedicated to a public infrastructure purpose that shall relate to the tourism attraction project and shall be approved by the secretary of the Tourism Development Cabinet. The applicant shall submit the public infrastructure purpose with its application. Based upon a review of these materials, if the secretary of the Tourism Development Cabinet determines that the eligible

company and the tourism attraction project may reasonably satisfy the criteria for final approval in subsection (4) of this section, then the secretary of the Tourism Development Cabinet may submit a written request to the authority requesting that the authority consider a preliminary approval of the eligible company and the tourism attraction project.

- (4) After receiving a preliminary approval by the authority, the secretary of the Tourism Development Cabinet shall engage the services of a competent consulting firm to analyze the data made available by the eligible company and to collect and analyze additional information necessary to determine that, in the independent judgment of the consultant, the tourism attraction project:
  - (a) Shall attract at least twenty-five percent (25%) of its visitors from among persons who are not residents of the Commonwealth;
  - (b) Shall have costs in excess of one million dollars (\$1,000,000);
  - (c) Shall have a significant and positive economic impact on the Commonwealth considering, among other factors, the extent to which the tourism attraction project will compete directly with existing tourism attractions in the Commonwealth and the amount by which increased tax revenues from the tourism attraction project will exceed the credit given to the approved company;
  - (d) Shall produce sufficient revenues and public demand to be operating and open to the public for a minimum of one hundred (100) days per year; and
  - (e) Shall not adversely affect existing employment in the Commonwealth.
- (5) The eligible company shall pay for the cost of the consultant's report and shall cooperate with the consultant and provide all of the data that the consultant deems necessary to make its determination under subsection (4) of this section.
- (6) After a review of relevant materials, the consultant's report, and completion of other inquiries, the secretary of the Tourism Development Cabinet shall, by written notification to the authority, provide a recommendation to the authority regarding final approval of the tourism attraction project.

Section 5. KRS 154.29-040 is repealed, reenacted as a new section of KRS Chapter 148 and amended to read as follows:

- (1) The authority shall establish standards for preliminary approval and final approval of eligible companies and their projects by the promulgation of administrative regulations in accordance with KRS Chapter 13A.
- (2) The authority shall consult with the secretary of the Tourism Development Cabinet when establishing standards to ensure that standards established pursuant to **Section 4(1) of this Act**~~{KRS 154.29-030(1)}~~ and subsection (1) of this section do not conflict.
- (3) At the written request of the secretary of the Tourism Development Cabinet, the authority may, by resolution, give its preliminary approval by designating an eligible company as a preliminarily approved company and preliminarily authorizing the undertaking of the tourism attraction project.
- (4) After the adoption of the authority's preliminary approval, an agent designated by the Tourism Development Cabinet shall hold at least one (1) public hearing to solicit public comments regarding the designation of an eligible company as a preliminarily approved

company and the preliminary authorization for the undertaking of a tourism attraction project. Notice of the public hearing shall be given in accordance with KRS Chapter 424.

- (5) The authority shall review the report of the consultant prepared pursuant to *Section 4(4) of this Act* ~~[KRS 154.29-030(4)]~~, the recommendation of the secretary of the Tourism Development Cabinet, the report prepared by the agent documenting all comments, both written and oral, received at the public hearing required by subsection (4) of this section, and other information that has been made available to the authority in order to assist the authority in determining whether the tourism attraction project will further the purposes of KRS 139.536 and *Sections 2* ~~[KRS 154.29-010]~~ to *7 of this Act* ~~[154.29-060]~~.
- (6) The criteria for final approval of eligible companies and tourism attraction projects shall include, but not be limited to, the criteria set forth in *Section 4(4) of this Act* ~~[KRS 154.29-030(4)]~~.
- (7) After a review of the consultant's report, the recommendation of the secretary of the Tourism Development Cabinet and other information made available to the authority, the authority, by resolution, may give its final approval to the eligible company's application for a tourism attraction project and may grant to the eligible company the status of an approved company. The decision reached by the authority shall be final and no appeal shall be granted.
- (8) All meetings of the authority shall be held in accordance with KRS 61.805 to 61.850. The authority may, pursuant to KRS 61.815, hold closed sessions of its meetings to discuss matters exempt from the open meetings law and pertaining to an eligible company.

Section 6. KRS 154.29-050 is repealed, reenacted as a new section of KRS Chapter 148 and amended to read as follows:

- (1) The authority, upon adoption of its final approval, may enter into with any approved company an agreement with respect to its tourism attraction project. The terms and provisions of each agreement shall include, but not be limited to:
  - (a) The amount of approved costs, which shall be determined by negotiations between the authority and the approved company;
  - (b) A date certain by which the approved company shall have completed the tourism attraction project. Upon request from any approved company that has received final approval prior to or after July 15, 2000, the authority shall grant an extension or change, which in no event shall exceed three (3) years from the date of final approval, to the completion date as specified in the agreement of an approved company. Within three (3) months of the completion date, the approved company shall document the actual cost of the project through a certification of the costs to be provided by an independent certified public accountant acceptable to the authority; and
  - (c) The following provisions:
    1. The term shall be ten (10) years from the later of:
      - a. The date of the final approval of the project; or
      - b. The completion date specified in the agreement, if this completion date is within three (3) years of the date of the final approval of the project;

2. Within forty-five (45) days after the end of each fiscal year of the approved company, during the term of the agreement, the approved company shall supply the authority with such reports and certifications as the authority may request demonstrating to the satisfaction of the authority that the approved company is in compliance with the provisions of KRS 139.536 and **Sections 2**~~[KRS 154.29-010]~~ to **7 of this Act**~~[154.29-060]~~. Based upon a review of these materials and other documents that may be made available, the authority shall then certify to the Revenue Cabinet that the approved company is in compliance with this section; and
3. The approved company shall not receive a sales tax refund as prescribed by KRS 139.536 with respect to any fiscal year if:
  - a. In any year following the fourth year of the agreement, the tourism attraction project fails to attract at least twenty-five percent (25%) of its visitors from among persons who are not residents of the Commonwealth; or
  - b. In any year following the first year of the agreement, the tourism attraction project is not operating and open to the public for at least one hundred (100) days.
- (2) The agreement shall not be transferable or assignable by the approved company without the written consent of the authority.
- (3) In consideration of the execution of the agreement as defined in **Section 2 of this Act**~~[KRS 154.29-010]~~ and notwithstanding any provision of KRS 139.770 to the contrary, the approved company as defined in **Section 2 of this Act**~~[KRS 154.29-010]~~, excluding its lessees, may be granted a sales tax refund under KRS 139.536 from the Kentucky sales tax imposed by KRS 139.200 on the sales generated by or arising at the tourism attraction project as defined in **Section 2 of this Act**~~[KRS 154.29-010]~~.

Section 7. KRS 154.29-060 is repealed, reenacted as a new section of KRS Chapter 148 and amended to read as follows:

KRS 139.536 and **Sections 2**~~[KRS 154.29-010]~~ to **7 of this Act**~~[154.29-060]~~ shall be known as the Kentucky Tourism Development Act.

Section 8. KRS 139.536 is amended to read as follows:

- (1) In consideration of the execution of the agreement as defined in **Section 2 of this Act**~~[KRS 154.29-010]~~ and notwithstanding any provision of KRS 139.770 to the contrary, the approved company as defined in **Section 2 of this Act**~~[KRS 154.29-010]~~, excluding its lessees, may be granted a sales tax refund from the Kentucky sales tax imposed by KRS 139.200 on the sales generated by or arising at the tourism attraction project as defined in **Section 2 of this Act**~~[KRS 154.29-010]~~. The approved company shall have no obligation to refund or otherwise return any amount of this sales tax refund to the persons from whom the sales tax was collected. The term of the agreement granting the sales tax refund shall be ten (10) years, and this time period shall commence on the later of:
  - (a) The final approval for purposes of the inducements; or
  - (b) The completion date specified in the agreement.

- (2) Any sales tax collected by an approved company as defined in *Section 2 of this Act* ~~[KRS 154.29-010]~~ on sales transacted after final approval but prior to the commencement of the term of the agreement, including any approved company that has received final approval prior to July 15, 2000, shall be refundable as if collected after the commencement of the term and applied to the approved company's first fiscal year's refund after activation of the term and without changing the term.
- (3) The total sales tax refund allowed to the approved company over the term of the agreement in subsection (1) of this section shall be equal to the lesser of the total amount of the sales tax liability of the approved company and its lessees or twenty-five percent (25%) of the approved costs. The sales tax refund shall accrue over the term of the agreement in an annual amount equal to two and one-half percent (2.5%) of the approved cost. Notwithstanding the foregoing two and one-half percent (2.5%) limitation, any unused inducements as set forth in *Section 2(9) of this Act* ~~[KRS 154.29-010(9)]~~ from a previous year may be carried forward to any succeeding year during the term of the agreement until the entire twenty-five percent (25%) of the approved costs have been received through sales tax refunds. By October 1 of each year the Revenue Cabinet shall certify to the authority and the secretary of the Tourism Development Cabinet for the preceding fiscal year for all approved companies for which sales tax returns were filed with respect to a tourism attraction project, the sales tax liability of the approved companies receiving inducements under this section and *Sections 2* ~~[KRS 154.29-010]~~ *to 7 of this Act* ~~[154.29-060]~~, and their lessees, and the amount of the sales tax refunds issued pursuant to subsection (1) of this section.
- (4) Interest shall not be allowed or paid on any refund made under the provisions of this section.
- (5) The Revenue Cabinet may promulgate administrative regulations and require the filing of forms designed by the Revenue Cabinet to reflect the intent of this section and *Sections 2* ~~[KRS 154.29-010]~~ *to 7 of this Act* ~~[154.29-060]~~.

Section 9. 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.
- 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.
  - (h) Office of Inspector General.
4. Transportation Cabinet:
- (a) Department of Highways.
    - 1. Office of Program Planning and Management.
    - 2. Office of Project Development.
    - 3. Office of Construction and Operations.
    - 4. Office of Intermodal Programs.
    - 5. Highway District Offices One through Twelve.
  - (b) Department of Vehicle Regulation.
  - (c) Department of Administrative Services.
  - (d) Department of Fiscal Management.
  - (e) Department of Rural and Municipal Aid.
  - (f) Department of Human Resources Management.
  - (g) Office of the Secretary.
  - (h) Office of General Counsel and Legislative Affairs.
  - (i) Office of Public Affairs.
  - (j) Office of Transportation Delivery.
  - (k) Office of Minority Affairs.
  - (l) Office of Policy and Budget.

5. Cabinet for Economic Development:
  - (a) Department of Administration and Support.
  - (b) Department for Business 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.
  - (n) Department of Charitable Gaming.
7. Cabinet for Families and Children:
  - (a) Department for Community Based Services.
  - (b) Department for Disability Determination Services.
  - (c) Public Assistance Appeals Board.
  - (d) Office of the Secretary.
    - (1) Kentucky Commission on Community Volunteerism and Service.
  - (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 Performance Enhancement.

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.
  - (j) Office of Aging Services.
9. Finance and Administration Cabinet:
  - (a) Office of Legal and Legislative Services.
  - (b) Office of Management and Budget.
  - (c) Office of Financial Management.
  - (d) Office of the Controller.
  - (e) Department for Administration.
  - (f) Department of Facilities Management.
  - (g) State Property and Buildings Commission.
  - (h) Kentucky Pollution Abatement Authority.
  - (i) Kentucky Savings Bond Authority.
  - (j) Deferred Compensation Systems.
  - (k) Office of Equal Employment Opportunity Contract Compliance.
  - (l) Office of Capital Plaza Operations.
  - (m) County Officials Compensation Board.
  - (n) Kentucky Employees Retirement Systems.
  - (o) Commonwealth Credit Union.
  - (p) State Investment Commission.
  - (q) Kentucky Housing Corporation.
  - (r) Governmental Services Center.
  - (s) Kentucky Local Correctional Facilities Construction Authority.
  - (t) Kentucky Turnpike Authority.
  - (u) Historic Properties Advisory Commission.
  - (v) Kentucky Kare Health Insurance Authority.

- (w) 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.
  - (h) *Tourism Development Finance Authority.***
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) The State Board for Proprietary Education.
  - (h) The Foundation for Adult Education.
  - (i) Office of Training and Reemployment.
  - (j) Office of General Counsel.
  - (k) Office of Communication Services.
  - (l) Office of Development and Industry Relations.
  - (m) Office of Workforce Analysis and Research.
  - (n) Office for Administrative Services.
  - (o) Office for Policy and Budget.
  - (p) Office of Personnel Services.
  - (q) 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.
  - 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. The Governor's Office for Technology.
9. Commission on Small Business Advocacy.

Section 10. KRS 148.522 is amended to read as follows:

- (1) The Tourism Development Cabinet shall consist of the Office of the Secretary, the Office of General Counsel, the Office of Administrative Services, the Department of Travel, the Department of Parks, *the Tourism Development Finance Authority*, and such other divisions and sections as are from time to time deemed necessary for the proper and efficient operation of the cabinet subject to the provisions of KRS Chapter 12.
- (2) The Tourism Development Cabinet shall encourage the development of the film industry in Kentucky and shall perform all film promotional functions.
- (3) The Office of General Counsel shall be headed by a general counsel appointed by the secretary pursuant to KRS 12.210, shall provide legal services for the cabinet, and shall be directly responsible to the secretary.
- (4) The Department of Travel shall be headed by a commissioner appointed by the Governor pursuant to the provisions of KRS 12.040. The commissioner shall have the authority and responsibility for the promotion, development, and support services for the tourism industry within the Commonwealth.
- (5) The Divisions of Tourism Services and Marketing and Advertising Services are created within the Department of Travel. Each division shall be headed by a division director who shall be appointed by the commissioner of the department pursuant to the provisions of KRS 12.050.

Section 11. The General Assembly confirms Economic Development Partnership Reorganization Resolution No. 00-2, dated October 27, 2000, and the Governor's Executive Order 2000-1503, dated November 28, 2000, relating to the creation of the Tourism Development Finance Authority in the Tourism Cabinet and the transfer of functions, duties, and records relating to the Kentucky Tourism Development Act from the Economic Development Finance Authority to the Tourism Development Finance Authority to the extent that the resolution and order are not otherwise confirmed by this Act.

**Approved March 8, 2001**